

HORRY COUNTY, SOUTH CAROLINA

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COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

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YEAR ENDED JUNE 30, 2004

PREPARED BY THE FINANCE DEPARTMENT

HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

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YEAR ENDED JUNE 30, 2004

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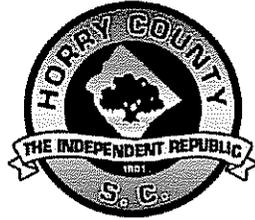
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HORRY COUNTY, SOUTH CAROLINA

## INTRODUCTORY SECTION

HORRY COUNTY, SOUTH CAROLINA

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**HORRY COUNTY, SOUTH CAROLINA**  
**LETTER OF TRANSMITTAL**  
**OCTOBER 28, 2004**

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

The Comprehensive Annual Financial Report of Horry County for the year ended June 30, 2004, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that Horry County issue, on an annual basis, a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The report, presented in three sections: Introductory, Financial, and Statistical, is the primary means of reporting the County government's financial activities. The CAFR has been prepared in conformance with Governmental Accounting Standards Board (GASB) Statement 34. The objective of the new reporting model is to provide a clear picture of the government as a single, unified entity as well as providing traditional fund based financial statements. The Financial Section contains Management's Discussion and Analysis, Government Wide Financial Statements, Fund Financial Statements for Governmental Funds, Proprietary Funds, Fiduciary Funds and Component Units. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are prepared in a manner that presents fairly the financial position and results of operations of the governmental activities, business-type activities, various funds and component units of Horry County. All disclosures necessary to enable the reader to gain an in-depth knowledge and understanding of the County's financial affairs have been included.

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

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

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

### **GENERAL INFORMATION**

Horry County is the Northeastern most County in the State of South Carolina. Encompassing 1,134 square miles, it is also the largest.

Horry County was incorporated in 1801 with a population of 550. The county was named after Peter Horry who was a descendent of Huguenot settlers and who's family owned several large plantations in the area. He served as a Brigadier General of Militia and a member of the South Carolina General Assembly during the American Revolution under General Francis Marion, who was known as the Swamp Fox.

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

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

The flourishing tourism economy of the twentieth century transformed Horry County from a rural hamlet into perhaps one of South Carolinas leading revenue generators. Boasting 60 miles of white, sandy beaches and countless golf courses, entertainment complexes, shopping centers and restaurants, it is no wonder that the County's tourism grows at a rate that is nine times the national average, with nearly 13 million visitors annually.

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

## **THE REPORTING ENTITY**

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

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

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

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

## **ECONOMIC CONDITION AND OUTLOOK** (Primary Government Only)

Unprecedented development continues in Horry County. The County's predominantly tourist-based economy continues to thrive, in spite of the state of the national economy. Most of the County's sixty (60) miles of beaches stretching from the Georgetown County line to the North Carolina line have been developed residentially or commercially while at least 32% of the remainder of the County is yet to be developed. Thirty-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. There will be 37 subdivisions, eight to ten golf courses, and five million square feet of commercial space. Horry County is striving to make this the County’s first fully zoned and planned community. The overall concept is to intersperse houses with sidewalks, arranged by subdivisions with matching signage, all planned around a downtown district with an old-fashioned Main Street called “Town Centre”. Plans are being prepared for a precinct police department, fire stations and equipment, school construction and controlled commercial development. The population is estimated to be approximately 60 percent retirees and 40 percent younger families. The growth is expected to take place over the next 20 to 30 years and Carolina Forest is expected to be 50 percent occupied by 2005.

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

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

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

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

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

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

With area courses designed by some of the best-known names in golf, including Jack Nicklaus, Arnold Palmer, Ree Jones, Greg Norman, and Tom Fazio, Horry County boasts one of the largest concentrations of golf facilities in the nation. Golfers will be able to tee off on any of 1,800 golf holes in the county- playing nearly 4.2 million rounds of golf each year. Golf generates more than \$644 million annually for the state's economy and employs more than 14,000 full time workers. The industry has also been instrumental in the expansion of the tourist season, including early spring and late fall to our regular May through October peak. The Horry County area accounts for more than 34 percent of South Carolina's golf courses.

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

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

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

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

### **MAJOR INITIATIVES** (Primary Government only)

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

### **ECONOMIC DEVELOPMENT**

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

### **CAPITAL PROJECTS UNDER CONSTRUCTION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **STORMWATER MANAGEMENT**

Horry County has implemented a Comprehensive Stormwater Management Program to deal with both flooding problems and water quality issues. Through new, tougher regulations and design standards, the County is ensuring that new development does not negatively impact our stormwater system and cause problems for existing residents. Additionally, the County has established a regular maintenance system to clean and maintain existing drainage outfalls. Through new stormwater projects and major improvements to certain existing systems, long neglected stormwater problems are being addressed and capacity for future projects is being built into overall planning. Currently, the Horry County Stormwater Program is implementing Phase II of the National Pollutant Discharge Elimination System (NPDES) to reduce pollution and improve water quality in our streams, rivers and ocean. By 2005 a new Five-Year Strategic Plan will be in place that will guide the Stormwater Program as it seeks to reduce drainage and flooding problems and improve water quality. Our Stormwater department is working to increase public participation and involvement. Through a citizen-based Stormwater Advisory Committee, Watershed Boards, alliances with Winyah Rivers Foundation, and participation in the Murrells Inlet Special Area Management Plan the County is or will be involving the community in the planning and ongoing construction and maintenance of stormwater infrastructure county wide.

## **RIDE PLAN**

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

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

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

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

- Conway Bypass- A new location roadway. 6 lanes from US 17 near Colonial Mall to Carolina Bays Parkway, 6 lanes from Carolina Bays to US 501 just east of S-97, approximately halfway between Aynor and Conway. This project is complete and has been open to traffic since May, 2001.
- Carolina Bays Parkway- New location roadway from SC 9 near Stephens Crossroads to US 501 near Myrtle Beach Factory Stores. The phase to be constructed will include 6 lanes divided main line section with interim interchanges at US 501, Conway Bypass, Bob Grissom Parkway Connector, and SC 9. The section from US 501 to SC 9 is complete and open to the public. The ultimate project would extend south of US 501 to US 17 north of Holmestown Road.
- Conway Perimeter Road- New location roadway from US 501 following Dunn Shortcut Road (S-26-165) to US 378. This project was completed and opened to the public in 2003.
- SC 544- Widen existing 2-lane road to 5 lane curb and gutter section from Intracoastal Waterway to US 501 (approximately 10 miles). This project is complete and has been open to traffic since the summer of 2004.
- SC 544- Widen existing 2-lane road to 5-lanes, adding curbing and guttering to the section from Hwy. 17 Bypass to just east of Intracoastal Waterway(approximately 10 miles). This project has been completed.
- US 501 Accel/Decel Lanes- Intersection improvements along US 501 from the Waccamaw River to Intracoastal Waterway: 1) Intersection improvements at Singleton Ridge Road, 2) Intersection improvements at Gardner Lacey Road, and 3) Median paving between Waccamaw River and SC 544. This entire project is complete and open to traffic.
- US 17/US 501 Interchange and US 17 widening south of US 501 to Fantasy Harbour Interchange- construction of a loop ramp in the northwest quadrant and construct and align frontage roads. Additionally, widening of US 17 Bypass from just north of US 501 to just south of Fantasy Harbour interchange is planned. This project was completed at the beginning of 2004 and is open to traffic.
- US 501 Frontage Roads/George Bishop Grade Separation- Five lane frontage roads along both sides of US 501 from Forestbrook Road (S-26-137) to the Intracoastal Waterway, with interchange at Forestbrook Road and a grade separation at G. Bishop Parkway. Includes five 150-ft. bridges over Socastee Swamp. This project is completed and open to traffic.

- SC 90 Intersection Improvements

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

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

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. They are as follows:

- Carolina Bays Parkway SC 9 to US 501- Project modification includes upgrading to a 6 lane facility, interchange at US 17/Bob Grissom connector, and various right of way settlement requirements. The project and modifications are complete and open to the public.
- Carolina Bays Parkway US 501 to SC 544- This will be a new location extending original Carolina Bays project, which was constructed between US 501 and SC 9. This will be a 6 lane divided main line section with an interchange at SC 544 and completion of the interchange at US 501. A design/build contract was awarded in May 2003 with an anticipated completion date of December 2004.
- Fantasy Harbour Bridge- A four lane bridge spanning the Intracoastal Waterway from the Fantasy Harbour interchange west to tie into existing roadways within the Fantasy Harbour Development. Ralph, Whitehead & Associates have been selected to design the bridge. Plans are complete. A mandatory pre-bid meeting was held by July 27, 2004, with bids being opened in the following months. A reevaluation of the project based on budget constraints is underway and it is anticipated the project will be rebid in December 2004.
- North Myrtle Beach Connector- 2.5 mile 4 lane facility connecting SC 90 and US 17 to Carolina Bays Parkway in North Myrtle Beach. Project includes a bridge crossing the Intracoastal Waterway. Wilbur, Smith & Associates have been selected to design the project. Right of way, permitting and preliminary design are underway.

The public hearing was held June 5, 2003. The construction plans are near completion. The project has to be let in phases because of funding shortfall. The Project is set to be let in December 2004.

- Carolina Bays Parkway Extension to SC 57- Extend the Carolina Bays Parkway northwest to tie into SC 57. SCDOT is currently conducting an environmental study to determine possible alignments. Design plans are nearing completion and Right of Way acquisition is underway.

## **GEOGRAPHIC INFORMATION SYSTEM (GIS) PROGRAM**

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

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

## **AIRPORT**

The Myrtle Beach International Airport ("the Airport") was constructed in 1975 in response to the growing demand for commercial air services to the Myrtle Beach area. The Airport consists of over 1,900 acres of land, located within the City of Myrtle Beach. The Airport is a County facility consisting of a passenger terminal complex, a 9,500-foot runway and related taxiways, a general aviation apron and supporting buildings and hangers. After leading the state in passenger growth last year, Myrtle Beach International Airport currently is the second busiest airport in the state. Horry County Department of Airports' facilities are experiencing improved traffic levels. Passenger enplanements at MYR have grown 28.10 percent during the first six months of 2004, as compared to the national growth of 6.2 percent (Air Transport Association). MYR is also experiencing increased activity-based revenue, which include parking, rental car, landing fees and fuel sales. As such, the Department is moving forward with implementing its various airports' Master Plans expansion projects to insure that sufficient capacity will be available to meet future demands. These plans include development of a new terminal complex on the westerly side of the Myrtle Beach International Airport, several airfield pavement rehabilitation projects, security-fencing project a HYW, installation of an airport owned and maintained PAPI-4 system at CRE and obstruction marking at 5J9. As part of this budget, Myrtle Beach International is beginning the process of constructing a new 14 gate terminal complex across the runway from the existing terminal. This project is expected to cost approximately \$185 million and is expected to be completed in early 2007.

## **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 was assessed County wide on all prepared foods, accommodations and amusements to be used for the improvement and construction of roads.

The 1.0% Hospitality Fee assessed on the unincorporated areas of the county was used to issue revenue bonds to fund portions of the county's local road improvement plan, Public Safety, GIS, and Stormwater project 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.

## **FINANCIAL INFORMATION**

### **ACCOUNTING SYSTEMS AND BUDGETARY CONTROL**

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

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

Readers of this report are encouraged to read Management's Discussion and Analysis (MD&A) for an overview and analysis of the financial statements, presented herein, for the year ended June 30, 2004.

### **INTERNAL ACCOUNTING CONTROLS**

The accounting system of the County of Horry is dependent upon a strong foundation of internal accounting controls to ensure that financial information generated is both accurate and reliable. As such the County places a great deal of emphasis on the continuing development and monitoring of its system of internal control in conjunction with the auditing standard SAS 99.

In conjunction with this goal, an Internal Audit Department was established in 1985 to assist in the review and upgrading of the County's accounting controls. The results of the department's work have generally confirmed the belief that the county's system of internal accounting controls adequately safeguards assets and provides reasonable assurance of proper recording of transactions.

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

As a recipient of federal and state financial assistance, management is also responsible for enacting adequate internal controls to ensure compliance with applicable laws and regulations related to those programs. As a part of the County's Single Audit, described earlier, tests are done to determine the adequacy of the internal controls, including that portion related to federal financial assistance programs as well as to determine the county's compliance with certain applicable laws and regulations. The results of the Single Audit for the fiscal year ended June 30, 2004 provided no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations related to federal awards.

### **CASH MANAGEMENT (Primary Government Only)**

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

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

**RISK MANAGEMENT (Primary Government Only)**

The County has a limited risk management program for worker's compensation. Various control techniques, including employee accident prevention training and employee driver's education program, have been implemented semi-monthly to minimize accident-related losses. This is not a self insurance program but a program that is designed to reduce the County's workers' compensation premiums by reducing claims. All of the County's insurance is purchased commercially.

**RETIREMENT PLAN (Primary Government Only)**

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

**INDEPENDENT AUDIT**

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

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

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

## AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Horry County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2003. This was the seventeenth consecutive year that Horry County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

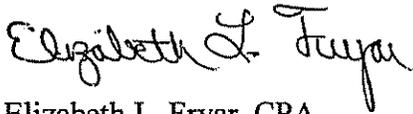
A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

In addition, Horry County also received the GFOA Award for Distinguished Budget Presentation for its annual Financial Plan dated July 1, 2003 for fiscal year ended June 30, 2004. This was the fifteenth consecutive year that Horry County has received this prestigious award. In order to qualify for this award a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

## ACKNOWLEDGMENTS

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

Respectfully submitted,

A handwritten signature in black ink that reads "Elizabeth L. Fryar". The signature is written in a cursive style with a large, prominent initial "E".

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, 2003

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.



A handwritten signature in cursive script, appearing to read "Edward Haney".

President

A handwritten signature in cursive script, appearing to read "Jeffrey R. Emer".

Executive Director

## **MEMBERS OF COUNTY COUNCIL**

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

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## **ELECTED OFFICIALS**

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

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## **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

**County Administrator**  
Danny Knight

**Executive Asst.**  
Vacant

**County Attorney**  
John Weaver

**Budget/Revenue**  
Westley Sawyer

**Public Information**  
Lisa Bourcier

**Airport**  
Bob Kemp

**Administration**  
Anne Wright

- Assessor-Rendel Mincey
- Finance-Beth Fryar
  - M.I.A.P.-Dwayne Graham
- Grants-Mike Davis
- Human Resources-Patrick Owens
- Internal Audit-Caroline Shipley
- Museum-Stewart Pabst
- Procurement-Lynda Davis
- Records-Jim Sine

**Elected/Appointed Officials:**

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

**Boards & Commissions:**

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

**Supplemental Funded Agencies**

- Coastal Carolina College
- Horry-Georgetown Technical College

**Public Safety**  
Paul Whitten

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

**Elected/Appointed Officials:**

- Clerk of Court- Jeanne Roberts
- 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:**

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

**Infrastructure & Regulation**  
Steve Gosnell

- Code Enforcement-David Jacobs
- Engineering-Steve Gosnell
  - Prop. Mgmt-Tommy Lee
- Fleet-Don Foote
- Maintenance-Gary Watson
  - Parks & Recreation-Chris Williams
- Planning-Janet Carter
- Public Works-Bill Shannon
- Stormwater-Tom Garigen
- Zoning-Roland Meyer

**Elected/Appointed Officials:**

None

**Boards & Commissions:**

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

**Supplemental Funded Agencies:**

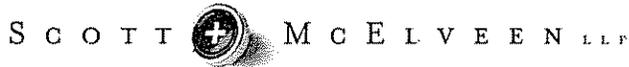
- PARTNERS
- Solid Waste Authority

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

AND

MANAGEMENT'S DISCUSSION AND ANALYSIS



## Independent Auditors' Report

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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, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Shoreline Behavioral Health Services and the Horry County Solid Waste Authority, which represent 100% of the assets and revenue of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Shoreline Behavioral Health Services and the Horry County Solid Waste Authority, is based solely on the reports of other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Horry County, South Carolina and its discretely presented component units at June 30, 2004, 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.

As described in *Note 3* to the financial statements, the County recorded corrections to fund balances at July 1, 2003 relating to the accrual of compensated absences in the general fund and certain other governmental funds.

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

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Columbia, South Carolina 29202    www.scottmcelveen.com

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2004, 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 inquiries 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.*

October 28, 2004  
Columbia, South Carolina

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## Management's Discussion and Analysis

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This section of Horry County's annual financial report presents our discussion and analysis of the County's performance during the fiscal year ended June 30, 2004. Management has prepared this discussion. Please read it in conjunction with the Transmittal Letter at the front of this report and the County's financial statements.

### ***FINANCIAL HIGHLIGHTS***

- The total assets of Horry County reflected in the primary government exceeded its liabilities at the close of fiscal year 2004 by \$177,596,927 (net assets). This was an increase of \$39,994,927 from fiscal year 2003 (as restated).
- At June 30, 2004, the County's governmental funds reported combined ending fund balances of \$99,998,816 in comparison with \$79,609,039 of the prior fiscal year.
- At June 30, 2004, unreserved fund balance for the General Fund was \$19,832,483 or 26.9% of total General Fund expenditures.
- Property tax revenue for the General Fund for fiscal year 2004 was \$47,591,638 compared to \$45,494,881 for fiscal year 2003, an increase of 4.4%.
- The County's outstanding governmental activities debt increased by \$24,747,000 during fiscal year 2004 compared to fiscal year 2003 (as restated). The major factor in this increase was general obligation bonds issuance and RIDE debt.

### ***OVERVIEW OF THE FINANCIAL STATEMENTS***

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

The financial statements consist of three parts - 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes to the financial statements*. This report also contains required supplementary information in addition to the basic financial statements themselves.

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

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

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

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

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

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

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

## **FUND FINANCIAL STATEMENTS**

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

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

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

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

The County maintains four major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General, Hospitality 1.5% Special Revenue, General Improvement Capital Projects, and RIDE Program Debt Service, which are considered to be major funds. Data from the other 25 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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

### Other information

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County as reflected in the primary government funds, assets exceeded liabilities by \$177,596,927 at the close of the fiscal year ended June 30, 2004.

At the end of fiscal year 2004, the County reflected the following net assets:

#### Horry County, South Carolina Net Assets

	Governmental Activities 2004	Business-type Activities 2004	Total 2004	Total 2003  (as restated)
Current and Other Assets	\$ 133,069,245	\$ 52,433,008	\$ 185,502,253	\$ 164,125,000
Capital Assets	445,763,548	104,432,487	550,196,035	533,898,000
Total Assets	<u>578,832,793</u>	<u>156,865,495</u>	<u>735,698,288</u>	<u>698,023,000</u>
Long-term Liabilities Outstanding	473,084,038	29,871,824	502,955,862	498,953,000
Other Liabilities	50,378,614	4,766,885	55,145,499	61,468,000
Total Liabilities	<u>523,462,652</u>	<u>34,638,709</u>	<u>558,101,361</u>	<u>560,421,000</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	360,367,364	73,876,940	434,244,304	408,009,000
Restricted	41,368,189	20,955,028	62,323,217	48,796,000
Unrestricted (deficit)	(346,365,412)	27,394,818	(318,970,594)	(319,203,000)
Total Net Assets	<u>\$ 55,370,141</u>	<u>\$ 122,226,786</u>	<u>\$ 177,596,927</u>	<u>\$ 137,602,000</u>

Net assets of the County's governmental activities increased 51.0 percent from \$27,125,000 (as restated) to \$55,370,141. 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 \$346,365,412 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 from 2003 (as restated) to 2004 by 8.7 percent to \$122,226,786, 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 \$99,998,816 at the end of fiscal year 2004. 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 \$445,763,548. Long-term liabilities of \$477,401,000 are not due and payable in the current period and therefore are also not reported in these funds. A majority of the long-term liabilities, \$385,936,000, is attributable to the RIDE Intergovernmental Agreements, by which the County agreed to deposit all receipts of the 1.5% portion of its Hospitality Fee into the Loan Servicing Account at the State Transportation Infrastructure Bank. The State Transportation Infrastructure Bank through intergovernmental agreements has provided funding for various road construction projects in Horry County through certain loans, by which the County has agreed to pay. The constructed roads are State roads and are therefore not reflected in capital assets of Horry County. In accordance with the RIDE intergovernmental agreements, the State Treasurer can withhold funds allotted or appropriated by the State to the County and apply those funds to make or complete the required debt service payments should the 1.5% portion of the hospitality fee not meet the debt service requirements. The citizens of Horry County have reaped benefits from the construction of these roads that otherwise would not have been possible without the enactment of the Hospitality Fee in January 1997 and the intergovernmental agreements by which the County agreed to partner with the State in funding over \$650,000,000 towards their construction and meet the infrastructure needs of the County. The Conway By-Pass and Carolina Bays Parkway are now open, providing needed means of transportation throughout Horry County for the demand of increased tourism throughout the area. By increased tourism and much needed infrastructure, we feel this will entice additional revenues in the future.

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

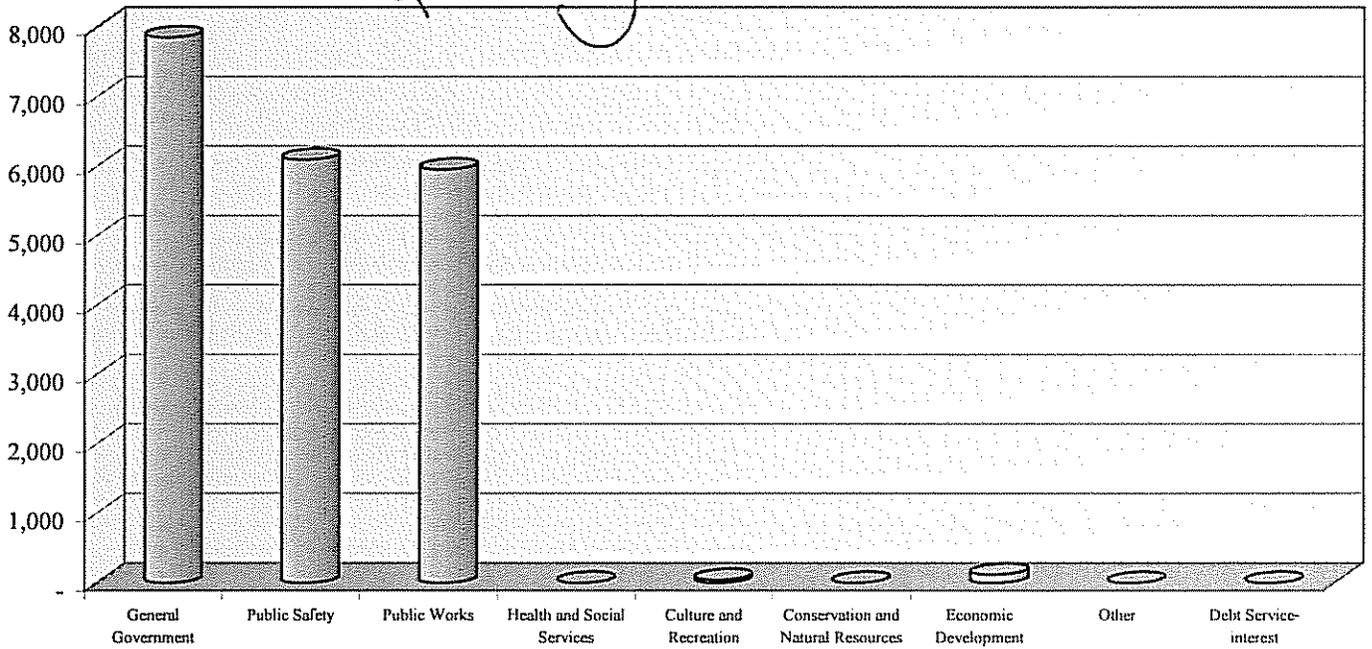
### **Governmental activities**

Governmental activities increased the County's net assets during the year by \$28,245,141, thereby accounting for 72.5% of the total growth in net assets of the County. This increase was mainly attributable to increased revenues from tourism, fees for services and controlled governmental expenditures.

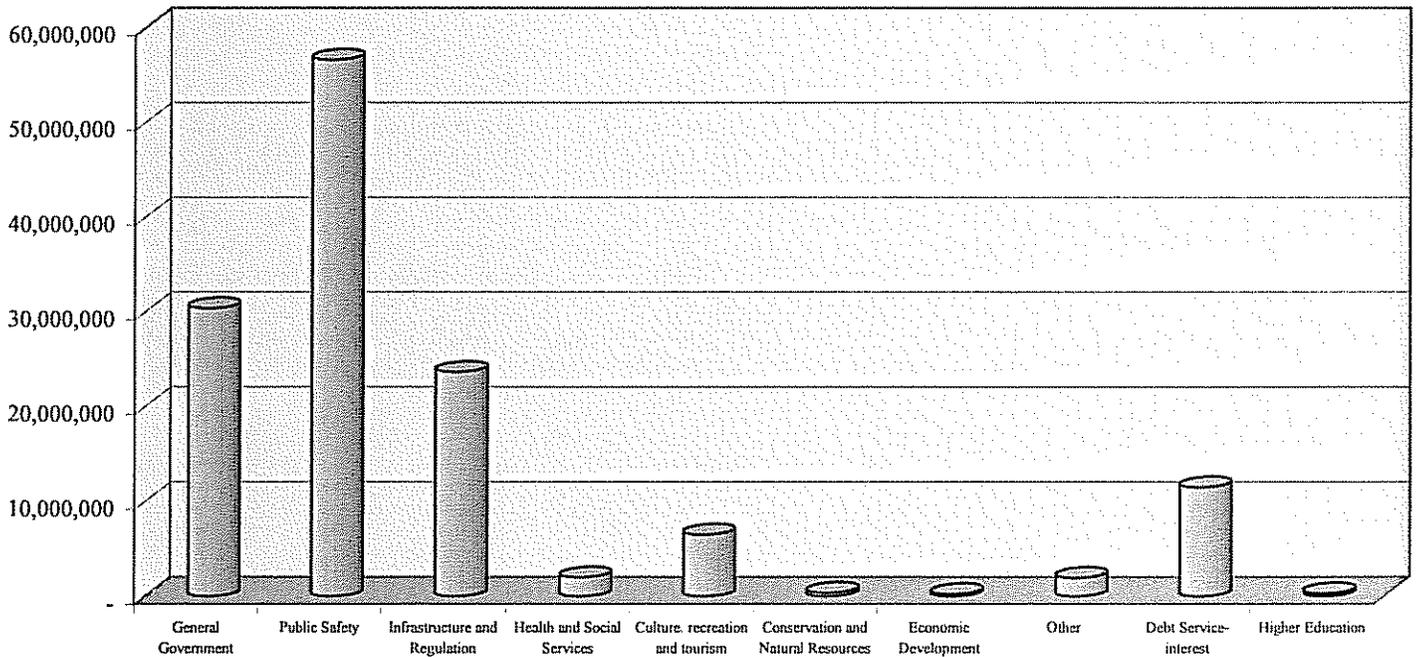
**Horry County, South Carolina**  
**Changes in Net Assets**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Total</b>
	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2003</b>
<b>Revenues:</b>				
Program Revenues:				
Fees for services	\$ 17,980,662	\$ 14,971,447	\$ 32,952,109	\$ 38,927,000
Operating Grants and Contributions	688,082	-	688,082	2,473,000
Capital Grants and Contributions	1,383,605	9,203,029	10,586,634	10,176,000
General Revenues:				
Property Taxes and Shared Revenue				
Intergovernmental	86,616,652	-	86,616,652	87,558,000
Other	55,121,835	2,254,842	57,376,677	44,145,000
<b>Total Revenues</b>	<b>161,790,836</b>	<b>26,429,318</b>	<b>188,220,154</b>	<b>183,279,000</b>
<b>Expenses:</b>				
General Government	30,350,016	-	30,350,016	32,590,000
Public Safety	56,572,782	-	56,572,782	44,667,000
Infrastructure and Regulation	23,630,760	-	23,630,760	85,910,000
Health and Social Services	1,987,385	-	1,987,385	3,457,000
Culture, recreation and tourism	6,497,176	-	6,497,176	5,985,000
Conservation and Natural Resources	341,992	-	341,992	442,000
Economic Development	208,407	-	208,407	1,626,000
Other	1,950,000	-	1,950,000	1,352,000
Debt Service-interest	11,480,133	-	11,480,133	18,714,000
Higher Education	290,000	-	290,000	2,220,000
Airports	-	14,978,064	14,978,064	15,831,000
Industrial Parks	-	612,576	612,576	577,000
Baseball Stadium	-	365,121	365,121	372,000
<b>Total Expenses</b>	<b>133,308,651</b>	<b>15,955,761</b>	<b>149,264,412</b>	<b>213,743,000</b>
Increase in Net Assets				
Before Transfers	28,482,185	10,473,557	38,955,742	(30,464,000)
Transfers	(237,044)	237,044	-	81,000
Increase (Decrease) in Net Assets	28,245,141	10,710,601	38,955,742	(30,383,000)
Net Assets - 7/1/03 (as restated)	27,125,000	111,516,185	138,641,185	167,985,000
Net Assets - 6/30/04	\$ 55,370,141	\$ 122,226,786	\$ 177,596,927	\$ 137,602,000

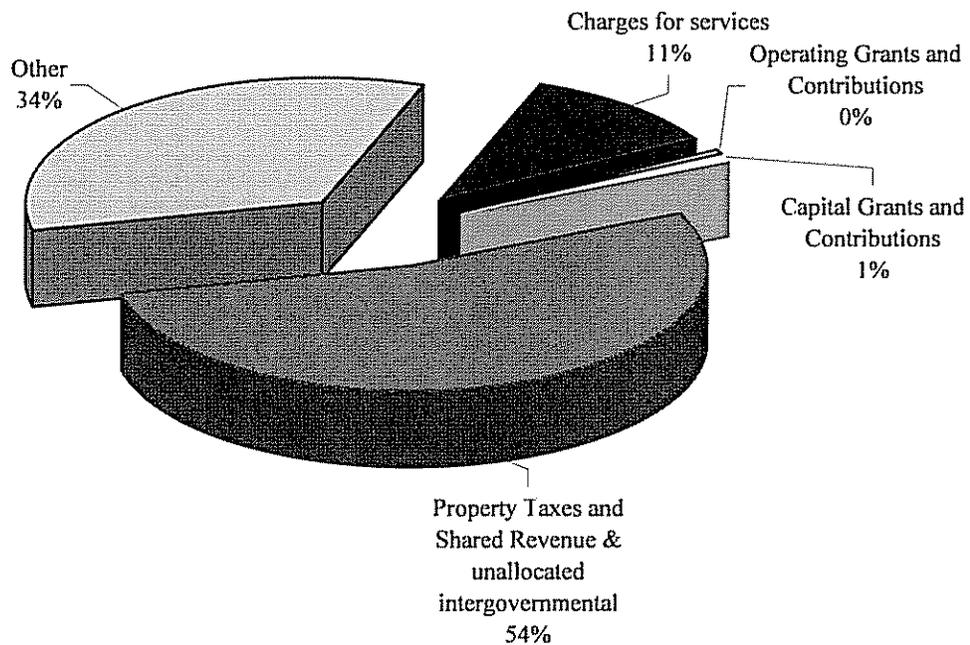
*Color Page*  
**PROGRAM REVENUES**



**EXPENSES**



### Revenues by Source-Governmental Activities



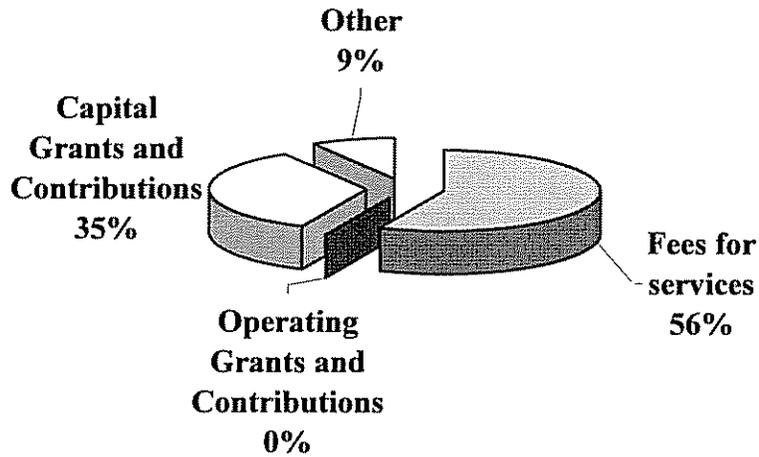
### Business-type activities

Business-type activities increased the County's net assets by *\$10,710,601*. Key elements of this increase are as follows:

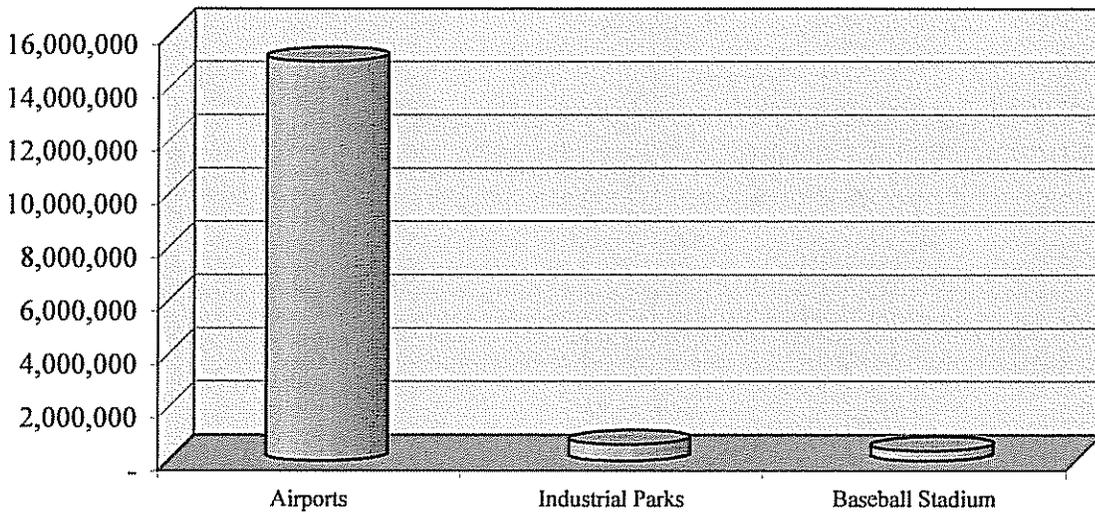
- The Department of Airports is accountable for *\$9,921,456* of this increase from fees for services comprised mainly of landing fees, airline terminal rents, concessions and rentals, fuel sales and capital grants and contributions.
- Unrestricted investment earnings of *\$590,612* were also attributable to this increase.

## Program Revenues and Expenses - Business-type Activities

### Revenues by Source - Business-type Activities



### Expenses-Business - type Activities



## ***Financial Analysis of the County's Funds***

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

### **Governmental funds**

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

As of the end of fiscal year 2004, the County's governmental funds reported combined ending fund balances of \$99,998,816, an increase of \$19,350,594 in comparison with the prior year. *Unreserved fund balance* of \$42,801,973 is available for spending at the County's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (\$9,712,317), 2) for inventories (\$94,036), 3) for victims rights assistance (\$165,552), 4) for prepaid items (\$88,701), 5) for underground storage tanks (\$50,000), 6) to pay for construction and general improvement capital projects (\$7,102,845), 7) to pay for Fire Special Revenue fund debt service (\$5,821,971), 8) to pay debt service (\$6,469,255), 9) for maintenance and construction of County roads (\$870,760), 10) for future repairs and maintenance to the Baseball Stadium (\$300,000), 11) to pay for the RIDE program debt service (\$17,636,910), 12) for DSS federal revenue (\$77,028), 13) for general maintenance of (\$377,232), 14) for ongoing recreation projects (\$793,397), 15) to pay for mosquito spraying (\$48,950), 16) for lottery funds (\$896), for TECH (\$3,000,000), for Cultural (\$48,981), for other (\$24,450), for Solicitor (1,755), and for FY 2005 Budget (4,511,807).

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 2004, unreserved fund balance of the general fund was \$19,832,483 while total fund balance reached \$26,210,376. 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 26.9 percent of the total general fund expenditures, while total fund balance represents 35.6 percent of that same amount.

The unreserved fund balance of the County's general fund increased by \$2,235,312 during the current fiscal year. Key factors in this growth are as follows:

- An increase in revenues of \$7,715,784 over fiscal year 2003, specifically, taxes, documentary stamps, building permits, and fees and fines.
- Expenditure decreases in capital outlay.

### **Proprietary funds**

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. All proprietary funds are reported as major funds.

Unrestricted net assets of proprietary funds at the end of the year amounted to:

<u>Fund</u>	2004	2003
	<u>Unrestricted Net Assets (Deficit)</u>	<u>Unrestricted Net Assets (Deficit)</u>
Department of Airports	\$ 24,638,823	\$ 23,079,957
Baseball Stadium	(46,128)	(9,969)
Industrial Parks	2,802,123	1,528,579
Internal Service Fund	4,921,083	4,163,040
Totals	<u>\$ 32,315,901</u>	<u>\$ 28,761,607</u>

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

### **General Fund Budgetary Highlights**

Differences between the general fund's original budget and final amended budget for excess revenues and other financing sources over expenses and other financing uses was \$2,344,341 and can be briefly summarized as follows:

- Increase in total revenues of \$73,515.
- Decrease in general government activities of \$381,318.
- Decrease in public safety activities of \$1,107,099.
- Increase in culture, recreation, and tourism activities of \$916,627.
- Decrease in economic development activities of \$90,067.
- Increase in capital outlay \$1,405,317.
- Increase in other financing (uses) of \$1,574,396.
- Increase in Infrastructure and Regulation of \$100,000.

Increased revenues of \$73,515 were attributable to increase lottery fund revenue allocated from the State. In the original budget, rollforward items are not included due to amounts not being final. Items that are applicable for rollforward 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. Other increases in expenditures to the general fund budget were increased uses of fund balance for Christmas bonus and transfers to Road Maintenance Special revenue fund for increased road improvement plan costs.

### **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, 2004 amounts to \$547,186,295 (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 2.4 percent (a 1.8 percent increase for governmental activities and a .6 percent increase for business-type activities).

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

- Construction continued on several of the County’s capital projects including the Horry County South Strand Complex, Courthouse and Administrative Building Renovations, which were all funded by the newly issued \$23,000,000 general obligation bond. Construction in progress had reached \$7,799,909 as of the close of the fiscal year.
- Completion on several of the County’s capital projects, including the newly constructed Animal Control Shelter, Socastee Library, Police-Drug lab, 911 renovations and the Women’s Detention Center renovations, brought the total of buildings and improvements to \$115,961,558 at June 30, 2004.
- Completion of four fire stations from the \$9,800,000 fire bond.
- Completion of several of the County’s road projects for expansion and new construction resulted in an increase to infrastructure capital assets of \$11,448,582 as of the close of the fiscal year.

**Horry County, South Carolina  
Capital Assets**

	<b>Governmental Activities 2004</b>	<b>Business-type Activities 2004</b>	<b>Total 2004</b>	<b>Total 2003</b>
Land, Easements, and Improvements	\$ 12,877,000	\$ 27,304,034	\$ 40,181,034	\$ 41,739,000
Infrastructure	333,973,000	9,182,000	343,155,000	331,706,000
Construction-in-Progress	1,065,000	6,734,539	7,799,539	8,861,000
Buildings and Improvements	81,193,000	34,768,558	115,961,558	108,935,000
Office Furniture	2,681,000	-	2,681,000	3,078,000
Vehicles	543,000	-	543,000	502,000
Machinery and Equipment	13,130,000	3,925,922	17,055,922	15,265,000
Runways and Taxiways	-	22,517,434	22,517,434	23,435,000
Other	300,000	-	300,000	377,000
<b>Total</b>	<b>\$ 445,762,000</b>	<b>\$ 104,432,487</b>	<b>\$ 550,194,487</b>	<b>\$ 533,898,000</b>

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

***Modified Approach for Infrastructure***

Horry County has adopted the modified approach for reporting its road infrastructure. Following this approach, the County does not depreciate infrastructure assets but maintains an up-to-date inventory of road infrastructure assets, condition 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 2004 will represent Year 7 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. The County is below the targeted levels due to easement acquisition holdups and other planning delays.

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

**Long-term debt**

At the end of fiscal year 2004, the County had total bonded debt outstanding of \$127,645,000. Of this amount, \$81,950,000 comprises debt backed by the full faith and credit of the government. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds), RIDE – Intergovernmental Loan Agreements with the State of South Carolina Transportation Infrastructure Bank, and agreements with the City of Myrtle Beach calling for a 30% liability of Horry County on the Certificates of Participation issued by the City of Myrtle Beach.

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

**General Obligation and Revenue Bonds Outstanding**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Total</b>
	<b>2004</b>	<b>2004</b>	<b>2004</b>	<b>2003</b>
General Obligation Bonds	\$ 81,950,000	\$ -	\$ 81,950,000	\$ 73,945,000
Special Obligation Bonds	16,340,000	-	16,340,000	17,440,000
Revenue Bonds	-	29,355,000	29,355,000	30,855,000
Baseball Stadium COPS	-	2,546,000	2,546,000	2,663,000
RIDE IGA Loans	387,234,000	-	387,234,000	396,623,000
<b>Total</b>	<b>\$ 485,524,000</b>	<b>\$ 31,901,000</b>	<b>\$ 517,425,000</b>	<b>\$ 521,526,000</b>

The County's outstanding notes and bonded debt decreased by \$4,101,000 compared with fiscal year 2003.

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

**Economic Factors and Next Year's Budgets and Rates**

- Southern Living magazine, in its fifth annual Reader's Choice Awards, named the Myrtle Beach area as the South's second favorite beach and third most popular family destination. According to the most recent AAA survey, the Myrtle Beach area is No.2 on the list of top destinations for summer vacations in the United States. Restaurant Business magazine ranks the area No.1 in the U.S. for growth potential. The area's market is growing nine times faster than the national average. Byways magazine, produced for the National Motorcoach Network, ranked the area No.4 on a list of 50 of

the most popular motorcoach 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 \$6.18 billion for 2003, a 1.0 percent increase from 2002.
- The taxable assessed value of real and personal property increased 3.2 percent in the 2004 fiscal year.
- Building permit and business license revenues increased 29.1 percent, amounting to \$1,452,000 in added revenue for the 2004 fiscal year.
- Fees and fines revenues increased 7.3 percent, amounting to \$3,425,000 in added revenue for the 2004 fiscal year.
- The U.S. Census Bureau estimated a 2.3 percent population increase from July 1, 2002 to July 1, 2003. The estimated population for Horry County at July 1, 2003 was 210,757, ranking Horry County sixth in the state of South Carolina.

During the current fiscal year, unreserved fund balance in the general fund increased from *\$17,597,171* to *\$19,832,483*. Projections at this time indicate that at the end of fiscal year 2005, 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, 2004

(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior Services	Horry County Solid Waste Authority
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 8,328	\$ 18,654	\$ 26,982	\$ 602	\$ 3,575
Equity in Pooled Cash and Investments	95,970	-	95,970	-	-
Investments	-	9,742	9,742	-	21,856
Funds held in escrow	295	-	295	-	-
Receivables, net:					
Property taxes	2,439	-	2,439	-	-
Accounts and other	3,891	1,013	4,904	71	1,305
Fees	655	-	655	-	-
Accrued interest	345	197	542	-	-
Due from primary government	-	-	-	95	490
Due from other funds	-	-	-	-	-
Due from component units	74	-	74	-	-
Due from other governments	5,285	1,234	6,519	42	-
Internal balances	2,177	(2,177)	-	-	-
Mortgage note receivable	250	-	250	-	-
Notes receivable - Horry County	-	-	-	-	19
Prepaid expenses	138	225	363	-	77
Inventories	341	219	560	-	29
Restricted - funds held in trust	12,047	-	12,047	-	-
Total current assets	132,235	29,107	161,342	810	27,351
Non-current assets:					
Restricted assets:					
Notes receivable - Horry County, less current portion	-	-	-	-	74
Cash and cash equivalents	-	5,747	5,747	-	227
Investments	-	14,812	14,812	-	-
Accounts receivable	-	667	667	-	-
Land held for resale	-	1,276	1,276	-	-
Due from other governments	-	-	-	-	24
Total restricted assets	-	22,502	22,502	-	325
Capital assets:					
Land, easements and infrastructure	345,331	32,895	378,226	-	7,113
Depreciable capital assets, net	99,367	64,804	164,171	1,427	7,233
Construction-in-progress	1,066	6,734	7,800	-	9,778
Total capital assets, net	445,764	104,433	550,197	1,427	24,124
Deferred charges, net					
Bond issuance cost, net	834	794	1,628	29	-
Other non-current assets and investment in joint enterprise	-	30	30	-	-
Total assets	578,833	136,866	715,699	2,266	51,800

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA  
STATEMENT OF NET ASSETS

- CONTINUED -

(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior Services	Horry County Solid Waste Authority
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Accounts payable - trade	3,366	227	3,593	8	1,755
Accounts payable - other	437	-	437	-	-
Accrued salaries, related taxes and compensated absences	716	320	1,036	71	-
Accrued expenses	-	128	128	10	-
Due to other funds	-	-	-	-	-
Due to other governments	2,007	46	2,053	-	-
Due to component units	658	-	658	-	-
Construction and retamage payable	674	807	1,481	-	-
Other liabilities	17,275	-	17,275	-	-
Deferred revenue	200	117	317	-	-
Accrued interest payable	1,517	-	1,517	-	-
Bonds, notes and contracts payable - current portion	5,515	-	5,515	81	-
Special obligation bonds payable - current portion	1,150	-	1,150	-	-
IGA #1 payable - current portion	9,969	-	9,969	-	-
IGA #2 payable - current portion	6,270	-	6,270	-	-
RIDE IGA #3 contribution payable - current portion	27	-	27	-	-
Capital lease obligations - current portion	597	18	615	-	-
Landfill closures costs	-	-	-	-	-
Amounts due to airlines	-	444	444	-	-
<b>Total current liabilities</b>	<b>50,378</b>	<b>2,107</b>	<b>52,485</b>	<b>170</b>	<b>1,755</b>
Current liabilities payable from restricted assets	-	2,660	2,660	-	-
Non-current (long-term) liabilities:					
Certificates of Participation	-	2,422	2,422	-	-
General and special obligation bonds payable	91,625	-	91,625	801	-
Revenue bonds payable	-	27,106	27,106	-	-
RIDE IGA loans payable	369,698	-	369,698	-	-
RIDE IGA #3 contribution payable	1,272	-	1,272	-	-
Capital lease obligations	2,401	30	2,431	-	-
Compensation for future absences	8,089	314	8,403	30	39
Landfill closures costs	-	-	-	-	5,006
Landfill post closure care costs	-	-	-	-	4,890
<b>Total long-term liabilities</b>	<b>473,085</b>	<b>29,872</b>	<b>502,957</b>	<b>831</b>	<b>9,935</b>
<b>Total liabilities</b>	<b>523,463</b>	<b>34,639</b>	<b>558,102</b>	<b>1,001</b>	<b>11,690</b>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET ASSETS

- CONTINUED -

(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior Services	Horry County Solid Waste Authority
Net Assets:					
Invested in capital assets, net of related debt	360,367	73,877	434,244	575	24,124
Restricted For:					
Capital projects	7,103	-	7,103	-	-
Road maintenance	871	-	871	-	-
Fire special revenue	5,822	-	5,822	-	-
Infrastructure development	-	516	516	-	-
Debt service - Interest	6,469	20,439	26,908	-	-
RIDE program	17,637	-	17,637	-	-
Horry-Georgetown TECH	3,000	-	3,000	-	-
Victim's assistance	165	-	165	-	-
Substance abuse prevention	-	-	-	683	-
Lottery	1	-	1	-	-
Baseball	300	-	300	-	-
Waste tire management	-	-	-	-	251
Unrestricted (deficit)	(346,365)	27,395	(318,970)	7	15,735
Total net assets	55,370	122,227	177,597	1,265	40,110
Total liabilities and net assets	\$ 578,833	\$ 156,866	\$ 735,699	\$ 2,266	\$ 51,800

See accompanying notes to financial statements

HORRY COUNTY, SOUTH CAROLINA  
 STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2004  
 (amounts expressed in thousands)

Functions and Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets				Component Units	
	Expenses	Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental			Totals	Shoreline Behavior	Solid Waste Authority
					Governmental Activities	Business-type Activities				
<b>Primary government</b>										
<b>Governmental activities:</b>										
General government	\$ (27,978)	\$ 7,702	\$ -	\$ 150	\$ (20,126)	\$ -	\$ (20,126)	\$ -	\$ -	\$ -
Public safety	(54,201)	4,733	555	802	(48,111)	-	(48,111)	-	-	-
Health and social services	(1,987)	-	-	-	(1,987)	-	(1,987)	-	-	-
Infrastructure and regulation	(23,631)	5,546	-	402	(17,683)	-	(17,683)	-	-	-
Culture, recreation and tourism	(6,497)	-	13	30	(6,454)	-	(6,454)	-	-	-
Economic development	(209)	-	120	-	(89)	-	(89)	-	-	-
Conservation/natural resources	(342)	-	-	-	(342)	-	(342)	-	-	-
Debt service	(11,480)	-	-	-	(11,480)	-	(11,480)	-	-	-
Horry-Georgetown TECH	(1,950)	-	-	-	(1,950)	-	(1,950)	-	-	-
Higher Education Commission	(290)	-	-	-	(290)	-	(290)	-	-	-
<b>Total governmental activities</b>	<b>(128,565)</b>	<b>17,981</b>	<b>688</b>	<b>1,384</b>	<b>(108,512)</b>	<b>-</b>	<b>(108,512)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Business-type activities:</b>										
Airports	(14,978)	14,790	-	9,203	-	9,015	9,015	-	-	-
Industrial parks	(612)	174	-	-	-	(438)	(438)	-	-	-
Baseball stadium	(365)	7	-	-	-	(358)	(358)	-	-	-
<b>Total business-type activities</b>	<b>(15,955)</b>	<b>14,971</b>	<b>-</b>	<b>9,203</b>	<b>-</b>	<b>8,219</b>	<b>8,219</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ (144,520)</b>	<b>\$ 32,952</b>	<b>\$ 688</b>	<b>\$ 10,587</b>	<b>\$ (108,512)</b>	<b>\$ 8,219</b>	<b>\$ (100,293)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Component units</b>										
Health services	\$ (2,025)	\$ 956	\$ 1,250	\$ -	\$ -	\$ -	\$ -	\$ 181	\$ -	\$ -
Landfill	(11,895)	13,256	107	147	-	-	-	-	-	2,116
<b>Total component units</b>	<b>\$ (13,920)</b>	<b>\$ 14,712</b>	<b>\$ 1,357</b>	<b>\$ 147</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 181</b>	<b>\$ -</b>	<b>\$ 2,116</b>
<b>General Revenue and Transfers</b>										
<b>General Revenue</b>										
Property taxes					72,767		72,767			
Fees-in-lieu of taxes					450	20	470			
Intergovernmental					13,399		13,399			
Accommodations tax					2,608		2,608			
Local accommodations tax					834		834			
Admissions tax					81		81			
Road maintenance					3,890		3,890			
Business licenses					1,734		1,734			
Hospitality fees					30,110		30,110			
RMC Documentary Stamps					3,889		3,889			
Unrestricted investment earnings					1,847	591	2,438	2	378	
Contributed capital					3,790		3,790			
Miscellaneous					7,463	573	8,036	17	364	
Gain (loss) on disposal of asset					(1,124)	1,261	137		15	
Spectral items					(4,744)	(190)	(4,934)		(470)	
Transfers					(237)	237	-			
<b>Total general revenue and transfers</b>					<b>136,757</b>	<b>2,492</b>	<b>139,249</b>	<b>19</b>	<b>287</b>	
<b>Changes in net assets</b>					<b>28,245</b>	<b>10,711</b>	<b>38,956</b>	<b>200</b>	<b>2,403</b>	
<b>Net assets - beginning of year</b>					<b>27,125</b>	<b>111,516</b>	<b>138,641</b>	<b>1,065</b>	<b>37,707</b>	
<b>Net assets - end of year</b>					<b>\$ 55,370</b>	<b>\$ 122,227</b>	<b>\$ 177,597</b>	<b>\$ 1,265</b>	<b>\$ 40,110</b>	

See accompanying notes to financial statements

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

JUNE 30, 2004

	General Fund	General Improvement			RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
		Hospitality 1.5% Fee	Capital Projects				
<b>Assets</b>							
Cash and cash equivalents	\$ 749,200	\$ 3,055,070	\$ -	\$ -	\$ 4,524,016	\$ 8,328,286	
Equity in pooled cash and investments	37,817,643	94,976	22,154,784	-	31,165,996	91,233,399	
Funds held in escrow	-	-	295,390	-	-	295,390	
Receivables, net:							
Property taxes	290,765	-	-	-	166,179	456,944	
Accounts and other	325,914	3,357,683	47,763	-	159,970	3,891,330	
Fees	-	-	-	-	654,790	654,790	
Accrued Interest	327,697	-	17,476	-	-	345,173	
Due from other funds	4,518,972	-	-	5,590,547	1,357,111	11,466,630	
Due from other governments	2,953,127	-	-	-	2,332,235	5,285,362	
Due from component unit	-	-	73,615	-	-	73,615	
Notes receivable	-	-	-	-	250,000	250,000	
Inventories	72,371	-	-	-	21,665	94,036	
Prepaid expenses	88,701	-	-	-	49,454	138,155	
Restricted assets	-	-	-	12,046,363	-	12,046,363	
<b>Total Assets</b>	<b>\$ 47,144,390</b>	<b>\$ 6,507,729</b>	<b>\$ 22,589,028</b>	<b>\$ 17,636,910</b>	<b>\$ 40,681,416</b>	<b>\$ 134,559,473</b>	

**Liabilities and Fund Balances**

<b>Liabilities:</b>						
Accounts payable - trade	\$ 1,215,159	\$ -	\$ 737,959	\$ -	\$ 1,356,101	\$ 3,309,219
Accounts payable - other	430,052	-	-	-	7,010	437,062
Construction and retainage payable	-	-	262,077	-	411,516	673,593
Accrued salaries and wages	558,359	-	-	-	146,657	705,016
Accrued compensated absences	5,257	-	-	-	-	5,257
Due to other funds	-	5,596,570	-	-	3,693,032	9,289,602
Due to component units	94,946	-	-	-	563,179	658,125

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

- CONTINUED -

	General Fund	Hospitality 1.5% Fee	General Improvement Capital Projects	RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
Due to other governments	1,585,151	-	-	-	421,961	2,007,112
Other liabilities	17,045,090	-	230,145	-	-	17,275,235
Deferred revenue	-	-	-	-	200,436	200,436
Total liabilities	20,934,014	5,596,570	1,230,181	-	6,799,892	34,560,657

Liabilities and Fund Balances (cont.)

Liabilities:

Due to other governments	1,585,151
Other liabilities	17,045,090
Deferred revenue	-
Total liabilities	20,934,014

Fund Balances:

Reserved for:						
Encumbrances	331,306	-	5,434,031	-	3,946,980	9,712,317
Inventories	72,371	-	-	-	21,665	94,036
Victims Rights Assistance	-	-	-	-	165,552	165,552
Underground storage tanks	50,000	-	-	-	-	50,000
Lottery funds	896	-	-	-	-	896
Construction	-	-	7,102,845	-	-	7,102,845
TECH	-	-	3,000,000	-	-	3,000,000
Fire Special Revenue Fund	-	-	5,821,971	-	-	5,821,971
Prepaid items	88,701	-	-	-	-	88,701
Debt service	-	-	-	-	6,469,255	6,469,255
Road maintenance	-	-	-	-	870,760	870,760
Cultural	-	-	-	-	48,981	48,981
Baseball Stadium Fund	-	-	-	-	300,000	300,000
RIDE Program	-	-	-	17,636,910	-	17,636,910
DSS federal revenue	77,028	-	-	-	-	77,028
Unreserved/designated for:						
Designated	5,757,591	-	-	-	-	5,757,591
Unreserved/undesignated	19,832,483	911,159	-	-	22,058,331	42,801,973
Total fund balances	26,210,376	911,159	21,358,847	17,636,910	33,881,524	99,998,816
Total liabilities and fund balances	\$ 47,144,390	\$ 6,507,729	\$ 22,589,028	\$ 17,636,910	\$ 40,681,416	\$ 134,559,473

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

- CONTINUED -

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

Total fund balances - governmental funds	99,999
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.	442,754
Some of the County's taxes will be collected after year end, but not available soon enough to pay for current period's expenditures.	1,982
Other long-term assets that are not available to pay for current period expenditures and, therefore, are deferred in these funds.	834
Internal service funds are used by management to change the costs of fleet services to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities.	7,931
Long-term liabilities, including bonds payable that are not due and payable in the current period and therefore are not reported in these funds.	(498,130)
Net Assets, end of year - governmental activities	55,370

(amounts expressed in thousands)

\$

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, 2004

Revenues	General Fund	General				RIDE Program Debt Service	Other Governmental Funds	Total Governmental Funds
		Hospitality 1.5 % Fee	Improvement Capital Projects					
Property taxes	\$ 47,591,638	-	-	-	\$ -	\$ 27,927,685	\$ 75,519,323	
Intergovernmental	11,999,236	-	-	-	-	6,010,803	18,010,039	
Accommodation tax	-	-	-	-	-	833,856	833,856	
Fees and fines	12,550,344	24,759,413	731,025	-	-	12,989,344	51,030,126	
Documentary stamps	3,888,898	-	-	-	-	-	3,888,898	
License and permits	6,433,628	-	-	-	-	-	6,433,628	
Interest on investments	575,884	13,734	182,313	644,385	-	430,377	1,846,693	
Cost allocation	2,114,860	-	-	-	-	-	2,114,860	
Other	1,086,012	-	150,000	-	-	513,254	1,749,266	
Total revenues	86,240,500	24,773,147	1,063,338	644,385	-	48,705,319	161,426,689	
<b>Expenditures</b>								
Current:								
General government	19,888,513	-	-	-	-	213,529	20,102,042	
Public safety	44,643,936	-	-	-	-	11,928,846	56,572,782	
Health and social services	1,278,092	-	-	-	-	709,293	1,987,385	
Infrastructure and regulation	3,234,044	-	-	-	-	20,396,716	23,630,760	
Culture and recreation	3,291,639	-	-	-	-	3,205,537	6,497,176	
Economic development	-	-	-	-	-	208,407	208,407	
Conservation and natural resources	-	-	-	-	-	341,992	341,992	
Horry-Georgetown TECH	-	-	-	-	-	1,950,000	1,950,000	
Higher Education Commission	-	-	-	-	-	290,000	290,000	
Other	1,355,722	-	-	-	-	-	1,355,722	
Debt service	-	-	-	23,144,051	-	11,926,545	35,070,596	
Capital outlay	-	-	8,780,157	-	-	-	8,780,157	
Total expenditures	73,691,946	-	8,780,157	23,144,051	-	51,170,865	156,787,019	

- 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 expenditures	12,548,554	24,773,147	(7,716,819)	(22,499,666)	(2,465,546)	4,639,670
<b>Other Financing Sources (Uses)</b>						
Capital lease obligation	-	-	1,031,518	-	-	1,031,518
Bond proceeds	-	-	14,000,000	-	-	14,000,000
Bond issue premium	-	-	47,395	-	-	47,395
Sales of assets	89,195	-	-	-	-	89,195
Transfers in	1,414,067	-	1,561,000	24,648,460	13,388,947	41,012,474
Transfers out	(8,708,757)	(24,801,215)	-	-	(7,959,686)	(41,469,658)
Total other financing sources (uses)	(7,205,495)	(24,801,215)	16,639,913	24,648,460	5,429,261	14,710,924
Net change in fund balance	5,343,059	(28,068)	8,923,094	2,148,794	2,963,715	19,350,594
Fund balances at beginning of year (as restated)	20,867,317	939,227	12,435,753	15,488,116	30,917,809	80,648,222
Fund balances at end of year	\$ 26,210,376	\$ 911,159	\$ 21,358,847	\$ 17,636,910	\$ 33,881,524	\$ 99,998,816

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

- CONTINUED -

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

	<i>(amounts expressed in thousands)</i>
Net change in fund balances - total governmental funds	\$ 19,351
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.	11,896
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	(2,879)
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.	(9,422)
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.	8,819
The net revenue (expense) of certain activities of internal service funds reported with governmental activities.	480
Change in Net Assets - Governmental Activities	<u>\$ 28,245</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS  
BALANCE SHEETS

JUNE 30, 2004

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities- Internal Service Fund</b>
	<b>Department of Airports</b>	<b>Baseball Stadium</b>	<b>Industrial Parks</b>	<b>Totals</b>	
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 16,291,061	\$ 276,461	\$ 2,362,948	\$ 18,930,470	\$ -
Equity in pooled cash and investments	-	-	-	-	4,736,886
Investments	9,742,408	-	-	9,742,408	-
Accounts receivable, net	999,501	-	13,001	1,012,502	-
Accrued interest	196,682	-	-	196,682	-
Due from other governments	1,234,364	-	-	1,234,364	-
Inventories	218,818	-	-	218,818	246,414
Prepaid expenses	225,180	-	-	225,180	-
<b>Total current assets</b>	<b>28,908,014</b>	<b>276,461</b>	<b>2,375,949</b>	<b>31,560,424</b>	<b>4,983,300</b>
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	5,470,421	-	-	5,470,421	-
Investments	14,812,225	-	-	14,812,225	-
Accounts receivable	666,772	-	-	666,772	-
Land held for resale	-	-	1,276,426	1,276,426	-
<b>Total restricted assets</b>	<b>20,949,418</b>	<b>-</b>	<b>1,276,426</b>	<b>22,225,844</b>	<b>-</b>
Capital assets, net:					
Land, easements and infrastructure	29,755,899	2,693,320	445,955	32,895,174	-
Depreciable capital assets, net	60,375,331	2,649,216	1,778,227	64,802,774	3,009,740
Construction-in-progress	6,734,539	-	-	6,734,539	-
<b>Total capital assets, net</b>	<b>96,865,769</b>	<b>5,342,536</b>	<b>2,224,182</b>	<b>104,432,487</b>	<b>3,009,740</b>
Deferred charges:					
Bond issuance costs, net	793,768	-	-	793,768	-
Other non-current assets	30,000	-	-	30,000	-
<b>Total assets</b>	<b>\$ 147,546,969</b>	<b>\$ 5,618,997</b>	<b>\$ 5,876,557</b>	<b>\$ 159,042,523</b>	<b>\$ 7,993,040</b>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS  
BALANCE SHEETS

- CONTINUED -

	Business-type Activities - Enterprise Funds				Governmenta Activities- Internal Service Fund
	Department of Airports	Baseball Stadium	Industrial Parks	Totals	
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Accounts payable-trade	\$ 222,197	\$ -	\$ 4,806	\$ 227,003	\$ 56,776
Construction accounts and retainage payable	807,041	-	-	807,041	-
Accrued salaries, wages and compensated absences	320,366	-	-	320,366	5,441
Due to other funds	1,847,582	-	329,446	2,177,028	-
Other accrued expenses	127,597	-	-	127,597	-
Unearned revenue	117,018	-	-	117,018	-
Due to other governments	-	46,128	-	46,128	-
Capital leases payable - current portion	18,214	-	-	18,214	-
Amounts due to airlines and car rental	443,970	-	-	443,970	-
<b>Total current liabilities</b>	<b>3,903,985</b>	<b>46,128</b>	<b>334,252</b>	<b>4,284,365</b>	<b>62,217</b>
Current liabilities payable from restricted assets:					
Certificates of Participation - current portion	-	123,000	-	123,000	-
Revenue bonds payable - current portion	1,590,000	-	-	1,590,000	-
Accrued interest payable	886,505	60,043	-	946,548	-
<b>Total current liabilities payable from restricted assets</b>	<b>2,476,505</b>	<b>183,043</b>	<b>-</b>	<b>2,659,548</b>	<b>-</b>
Non-current liabilities:					
Certificates of Participation	-	2,422,500	-	2,422,500	-
Compensated absences - long term	313,766	-	-	313,766	-
Revenue bonds payable	27,105,547	-	-	27,105,547	-
Capital leases	30,011	-	-	30,011	-
<b>Total non-current liabilities</b>	<b>27,449,324</b>	<b>2,422,500</b>	<b>-</b>	<b>29,871,824</b>	<b>-</b>
<b>Total liabilities</b>	<b>33,829,814</b>	<b>2,651,671</b>	<b>334,252</b>	<b>36,815,737</b>	<b>62,217</b>
Net assets:					
Invested in capital assets, net of related debt	68,915,765	2,736,993	2,224,182	73,876,940	3,009,740
Restricted for:					
Infrastructure development	-	-	516,000	516,000	-
Revenue bond accounts	-	-	-	-	-
Debt service	20,162,567	276,461	-	20,439,028	-
Unrestricted	24,638,823	(46,128)	2,802,123	27,394,818	4,921,083
<b>Total net assets</b>	<b>113,717,155</b>	<b>2,967,326</b>	<b>5,542,305</b>	<b>122,226,786</b>	<b>7,930,823</b>
<b>Total liabilities and net assets</b>	<b>\$ 147,546,969</b>	<b>\$ 5,618,997</b>	<b>\$ 5,876,557</b>	<b>\$ 159,042,523</b>	<b>\$ 7,993,040</b>

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, 2004

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund	
	Department of Airports	Baseball Stadium	Industrial Parks		Totals
<b>Operating Revenues</b>					
Landing fees	2,094,482	-	-	2,094,482	-
Rents	3,541,526	-	173,803	3,715,329	-
Concessions and rentals	4,722,195	7,204	-	4,729,399	-
Security fees	263,584	-	-	263,584	-
Leases	708,506	-	-	708,506	-
Fuel sales - FBO	2,478,776	-	-	2,478,776	-
Other FBO Services	981,371	-	-	981,371	-
Charges for service	-	-	-	-	3,742,491
Fees-in-lieu of taxes	-	-	20,016	20,016	-
Other	490,974	2,189	45,855	539,018	-
Total operating revenues	15,281,414	9,393	239,674	15,530,481	3,742,491
Less, signatory airline contract operating rebate	(197,000)	-	-	(197,000)	-
Net operating revenues	15,084,414	9,393	239,674	15,333,481	3,742,491
<b>Operating Expenses</b>					
Salaries and benefits	4,508,837	-	-	4,508,837	-
Utilities	667,723	-	-	667,723	-
Outside and professional services	731,211	-	-	731,211	-
Outside and personal services	-	-	-	-	749,871
Maintenance and supplies	476,366	21,343	-	497,709	-
Fuel cost of sales	1,517,630	-	-	1,517,630	-
Vehicle and equipment expense	293,948	-	-	293,948	-
Insurance	226,744	28,379	-	255,123	-
Business and travel related	87,149	-	-	87,149	40,796
Office supplies	24,656	-	-	24,656	-
Supplies and materials	-	-	-	-	29,938
Horry County administrative costs	265,986	-	-	265,986	-
Management fees	-	-	-	-	-
Depreciation and amortization	4,168,259	190,360	76,771	4,435,390	1,293,082
Bad debt expense	4,075	-	-	4,075	-
Indirect cost allocation	-	-	27,058	27,058	-
Contractual services	-	-	508,747	508,747	1,148,616
Other	-	4,953	-	4,953	-
Total operating expenses	12,972,584	245,035	612,576	13,830,195	3,262,303
Operating income (loss)	2,111,830	(235,642)	(372,902)	1,503,286	480,188

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	<u>Business-type Activities- Enterprise Funds</u>			<u>Totals</u>	<u>Governmental Activities - Internal Service Fund</u>
	<u>Department of Airports</u>	<u>Baseball Stadium</u>	<u>Industrial Parks</u>		
<b>Non-operating Revenues</b>					
<b>(Expenses)</b>					
Passenger facility charges	3,189,848	-	-	3,189,848	-
Contract facility charges	1,313,382	-	-	1,313,382	-
State grant revenue	-	-	-	-	-
Net insurance proceeds - fire	-	-	-	-	-
Interest income	571,017	4,463	15,132	590,612	49,059
Interest expense	(1,808,480)	(120,086)	-	(1,928,566)	-
Miscellaneous income	34,345	-	-	34,345	-
Gain on disposal/sale of property	-	-	1,261,136	1,261,136	(60,000)
Total non-operating revenues (expenses)	<u>3,300,112</u>	<u>(115,623)</u>	<u>1,276,268</u>	<u>4,460,757</u>	<u>(10,941)</u>
Income before special item, capital contributions and transfers	5,411,942	(351,265)	903,366	5,964,043	469,247
<b>Special Item</b>					
Compensated absences accrual	<u>(190,285)</u>	<u>-</u>	<u>-</u>	<u>(190,285)</u>	<u>-</u>
Net income (loss) before capital contributions and transfers	5,221,657	(351,265)	903,366	5,773,758	469,247
<b>Capital Contributions</b>	4,699,799	-	-	4,699,799	-
<b>Transfers</b>	<u>-</u>	<u>251,235</u>	<u>(14,191)</u>	<u>237,044</u>	<u>205,945</u>
Net change in net assets	9,921,456	(100,030)	889,175	10,710,601	675,192
<b>Net Assets</b>					
Beginning of year	103,795,699	3,067,356	4,653,130	111,516,185	7,255,631
End of year	<u>\$ 113,717,155</u>	<u>\$ 2,967,326</u>	<u>\$ 5,542,305</u>	<u>\$ 122,226,786</u>	<u>\$ 7,930,823</u>

*See accompanying notes to financial statements.*

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS  
STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2004

	<u>Business-Type Activities -- Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Department of Airports</u>	<u>Baseball Stadium</u>	<u>Industrial Parks</u>	<u>Totals</u>	
<b>Cash Flows From Operating Activities</b>					
Cash received from:					
Landing fees, terminal rents, concessions leases and other fees	\$ 11,080,469	\$ -	\$ -	\$ 11,080,469	\$ -
FBO sales and services	3,020,874	-	-	3,020,874	-
FAA security operations grant	142,727	-	-	142,727	-
Rent	-	-	173,803	173,803	-
Service and miscellaneous charge	-	-	52,870	52,870	3,742,491
Other	502,544	-	-	502,544	-
Cash paid to (for):					
Salaries and benefits	(4,379,771)	-	-	(4,379,771)	-
Maintenance, supplies, fuel, utilities and equipment	(4,083,812)	-	-	(4,083,812)	(1,962,135)
Baseball stadium	-	(9,123)	-	(9,123)	-
Industrial park operations	-	-	(507,208)	(507,208)	-
Other supplies and miscellaneous costs	-	-	(27,058)	(27,058)	(40,796)
Net cash provided by (used in) operating activities	<u>6,283,031</u>	<u>(9,123)</u>	<u>(307,593)</u>	<u>5,966,315</u>	<u>1,739,560</u>
<b>Cash Flows From Non-Capital Financing Activities</b>					
Advances from (returns to) other funds	-	-	(14,191)	(14,191)	-
Proceeds from miscellaneous receipts and change in compensation	(20,292)	-	-	(20,292)	-
Transfers out	-	251,235	-	251,235	-
Net cash flows provided by (used in) non-capital financing activities	<u>(20,292)</u>	<u>251,235</u>	<u>(14,191)</u>	<u>216,752</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Receipt of passenger and contract facility charges	4,472,932	-	-	4,472,932	-
Acquisition and construction of capital assets	(8,073,225)	(1,891)	-	(8,075,116)	(1,200,930)
Principal payments on bonds and notes	(1,500,000)	-	-	(1,500,000)	-
Interest paid on bonds and notes	(1,852,996)	-	-	(1,852,996)	-
Principal payments on Certificates of Participation	-	(117,000)	-	(117,000)	-
Interest paid on Certificates of Participation	-	(122,455)	-	(122,455)	-
Principal payments on capital lease obligation	(18,854)	-	-	(18,854)	-
Proceeds from AIP and TSA grants	3,831,689	-	-	3,831,689	-
Proceeds from disposition of property and equipment	-	-	-	-	(63,055)
Net cash used in capital and related financing activities	<u>(3,140,454)</u>	<u>(241,346)</u>	<u>-</u>	<u>(3,381,800)</u>	<u>(1,263,985)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS  
STATEMENTS OF CASH FLOWS

- CONTINUED -

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund	
	Department of Airports	Baseball Stadium	Industrial Parks		Totals
<b>Cash Flow From Investing Activities</b>					
Investment purchases	(24,554,633)	-	-	(24,554,633)	-
Investment sales	28,608,456	-	1,793,168	30,401,624	-
Interest on investments	542,544	4,463	15,132	562,139	49,059
Net cash provided by investing activities	4,596,367	4,463	1,808,300	6,409,130	49,059
Net increase in cash and cash equivalents	7,718,652	5,229	1,486,516	9,210,397	524,634
Cash and cash equivalents at beginning of year (of which \$5,534,317 is restricted)	14,042,830	271,232	876,432	15,190,494	4,006,307
Cash and cash equivalents at end of year (of which \$5,470,421 is restricted)	\$ 21,761,482	\$ 276,461	\$ 2,362,948	\$ 24,400,891	\$ 4,530,941
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>					
Operating income (loss)	\$ 2,111,830	\$ (235,642)	\$ (372,902)	\$ 1,503,286	\$ 480,188
Adjustments to reconcile operating income (loss) to net provided by operating activities:					
Depreciation and amortization	4,168,259	190,360	76,771	4,435,390	1,293,082
Bad debt expense	4,075	-	-	4,075	-
Change in certain assets and liabilities:					
Decrease in accounts receivable, net	(363,210)	-	(13,001)	(376,211)	-
Increase (decrease) in due from other governments	142,727	(2,255)	-	140,472	-
Decrease in inventories	(39,102)	-	-	(39,102)	(18,093)
Decrease in prepaid expenses	(62,876)	-	-	(62,876)	-
Increase in accounts payable	56,402	-	1,539	57,941	4,225
Increase (decrease) in accrued salaries, wages and compensated absences	129,066	-	-	129,066	(19,842)
Increase in other accrued expenses	40,546	-	-	40,546	-
Increase in due to other funds	212,629	-	-	212,629	-
Decrease in unearned revenue	(62,271)	-	-	(62,271)	-
Increase in interfund borrowing	-	38,414	-	38,414	-
Decrease in amounts due to airlines	(55,044)	-	-	(55,044)	-
Net cash provided by (used in) operating activities	\$ 6,283,031	\$ (9,123)	\$ (307,593)	\$ 5,966,315	\$ 1,739,560
<b>Supplemental information-noncash investing, capital and financing activities:</b>					
Restricted accounts receivable	\$ 666,772	\$ -	\$ -	\$ 666,772	\$ -
Construction accounts and retainage payable	\$ 807,041	\$ -	\$ -	\$ 807,041	\$ -
Capital lease obligation	\$ 51,490	\$ -	\$ -	\$ 51,490	\$ -

See accompanying notes to financial statements

HORRY COUNTY, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2004

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,508,167
Equity in pooled cash and investments	<u>68,735,976</u>
Total assets	<u>\$ 70,244,143</u>
<b>Liabilities</b>	
Due to agency	<u>\$ 70,244,143</u>
Total liabilities	<u>\$ 70,244,143</u>

*See accompanying notes to financial statements.*

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### **Note 1. Summary of Significant Accounting Policies**

Horry County, (the County) a political subdivision of the State of South Carolina, was incorporated in the year 1801. Horry County is located in the northeastern coastal area of South Carolina. It is bounded on the north by the North Carolina state line, east by the Atlantic Ocean, west by 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 assets, in its government-wide statement of net assets, and report depreciation expense in the statement of activities. The Statement also required the County's general long-term indebtedness to be reported in its government-wide statement of net assets.

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

#### **A. Reporting Entity**

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

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

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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

##### **A. Reporting Entity (continued)**

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

##### **Blended Component Units**

For the year ended June 30, 2004, the County had a blended component unit, Horry County Public Facilities Corporation (the Corporation). The Corporation is governed by a board comprised of the County Council. The Corporation entered into a \$3.6 million capital lease agreement for the construction and lease of building cooling equipment to the County. Due to its relationship, proceeds of the capital lease were recorded by the County as other financing sources in the Capital Projects Fund with debt service requirements reflected in the County's General Debt Service Fund. The corporation does not issue separate financial statements.

##### **Discretely Presented Component Units**

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

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

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

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

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

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

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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

##### **B. Basis of Presentation**

##### **Government-Wide and Fund Financial Statements**

Government-Wide Financial Statements - The Government-Wide financial statements consist of a statement of net assets and a statement of activities and reports information on all of the non-fiduciary activities of the government as a whole. Separate columns are used to distinguish between the County's governmental and business-type activities and discretely presented component units. Governmental activities are generally those activities financed by taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds. Business-type activities are those activities which are financed in whole or in part by user fees charged to external parties for goods and services. These activities are usually reported in enterprise funds. The primary government is reported separately from certain legally separate component units. At June 30, 2004, the County's component units were Shoreline Behavioral Health Services and the Horry County Solid Waste Authority.

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

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

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

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

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

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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

##### **B. Basis of Presentation (continued)**

A summary of fund financial statement types follows:

###### *Governmental Fund Types*

**General Fund** - The General Fund is the main operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally or donor restricted to expenditures for specified purposes. Special revenue funds consists of the following: Fire, Accommodations Tax, Waste Management Recycling, Watersheds, Mt. Gilead, Socastee Recreation, Road Maintenance & CTC, Beach Nourishment, Grants, Admissions Tax, Hospitality Fee 1.0%, Victim Assistance, Senior Citizens, Railroad, Arcadian Shores, CDBG Revolving Loan Program, Stormwater Management, GIS/IT, B&C Multi-County Business Park, Local Atax, Recreation, and Hospitality Fee 1.5%.

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

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

###### *Proprietary Fund Types*

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

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

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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

##### **B. Basis of Presentation (continued)**

###### *Fiduciary Fund Type*

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

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

##### **C. Measurement Focus and Basis of Accounting**

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

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

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

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

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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

##### **C. Measurement Focus and Basis of Accounting (continued)**

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

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

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

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

##### Estimates

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

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

Cash Equivalents and Equity in Pooled Cash and Investments

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, 2004, the fair value of the County's investments approximated cost.

Receivables and Allowance for Doubtful Accounts

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

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

Mortgage Note Receivable

Mortgage note receivable, resulting from a CDBG Revolving Fund loan, is stated at its net realizable amount. Management's periodic evaluation for loan losses has resulted in no material allowance for uncollectible for the year ended June 30, 2004.

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.

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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

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

##### Inventories and Prepaid Items

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

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

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

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

##### Interfund Receivables and Payables

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

##### Real Estate Held For Resale

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

##### Restricted Assets

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

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

Capital Assets and Depreciation

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

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

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

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

Capitalization of interest

Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset being constructed, net of interest earned on the invested proceeds over the same period. With regard to assets acquired with tax-exempt debt, the amount of interest to be capitalized is calculated by offsetting interest expense on the tax-exempt debt with interest earned on invested proceeds from the date of the borrowing until completion of the project. With regard to assets not acquired with tax-exempt debt, the amount of interest to be capitalized is the product of the average accumulated expenditures during the year for such assets and the weighted average interest rate on borrowings and is limited to the sum of interest expense on the tax-exempt debt not previously capitalized and all other interest expense. Interest is not capitalized on assets acquired or constructed with gifts and grants (contributed capital) that are restricted by the donor or grantor to acquisition of those assets to the extent that funds are available from such grants and gifts. The County has not elected to capitalize interest on its general fixed assets. During the year ended June 30, 2004, there were no material capitalized interest costs incurred.

Deferred Charges (Bond Issuance Costs)

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

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

Compensated Absences

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

Long-term Obligations

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

Part of the County's long-term obligations is its Road Improvement and Development Effort (RIDE) program. This obligation represents borrowings by the County from the State of South Carolina for the purpose of constructing and improving state roads. Since these roads are property of the State and are capitalized in the State's basic financial statements, these RIDE obligations are recorded as public works expenses as incurred. The County has determined that these roads are not assets of the County. These obligations are funded by a special 1.5% hospitality fee passed into law by the County to fund these improvements. See Notes 9 and 18 for further discussion.

Net Assets and Fund Balances

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

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

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

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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

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

##### Non-exchange Transactions, Contributed Capital and Transfers

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

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

##### Passenger Facility Charges

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

##### Contract Facility Charges

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

##### Lease Accounting

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

In addition, lease revenues from airlines are based on certain residual "signatory" and "non-signatory" airline lease and use agreements which are subject to annual rate negotiations. Lease costs, if material, are deferred and amortized over the life of the lease. There were no material lease costs for the year ended June 30, 2004.

##### Property Taxes

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

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

Property Taxes, continued

New vehicle property taxes are assessed and levied by the County Auditor within 120 days of the registration date of the vehicle and payment is due upon receipt of the property tax notice. Other vehicle property taxes are assessed and levied in the month the vehicle is scheduled for license renewal with the South Carolina Department of Transportation and payment is due before the end of the month of the scheduled renewal.

County property tax revenues are recognized at the time of levy for the budget period to which they apply. Delinquent and unpaid property taxes are reported as receivables, less amounts estimated to be uncollectible.

Indirect Cost Allocations

The County records interdepartmental cost allocations designed to redistribute general fund operating expenditures to other governmental and proprietary funds. These allocations are based upon cost allocation plans prepared in accordance with United States Office of Management and Budget requirements and include an estimate of allocable costs based upon the cost allocation plan for the year ended June 30, 2001. Estimated allocations will be adjusted upon completion of the cost allocation plan for the years ended June 30, 2002 and 2003. Management believes the resulting adjustments will not be material.

Future Landfill Closure and Postclosure Care Costs

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

**E. Reclassifications**

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

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 2. Stewardship, Compliance and Accountability**

##### **A. Budgets and Budgetary Accounting**

Annual appropriated legal-based budgets are adopted by County Council for governmental fund types including the general, and certain special revenue, debt service, and capital projects funds. Budgetary comparisons to actual of the general fund and the one major special revenue fund are presented as Required Supplementary Information. Additionally, budgetary controls are maintained for certain proprietary fund types. For example, annual operating and capital budgets are prepared for the Department of Airports (totaling \$13,477,580), Baseball Stadium (totaling \$243,087), Industrial Parks (totaling \$917,863), and Fleet Services (totaling \$3,621,280) for fiscal year ended June 30, 2004, which were approved and adopted by County Council. However, budgetary comparisons to actual for proprietary fund types are not presented in the accompanying basic financial statements.

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

The County Administrator is authorized to transfer budgeted amounts between departments when deemed necessary and upon request from the department head. 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.

Budgets are adopted on a basis materially consistent with generally accepted accounting principles (GAAP). All annual appropriations, except remaining capital outlay appropriations for capital projects, storm water, recreation, road maintenance construction, grant funds, funds for E911 enhancements, funds for County Council expense accounts, accommodations tax funds approved by the Accommodations Tax Committee and County Council which have not been expended, lapse at year end.

##### **B. Encumbrances**

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

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 2. Stewardship, Compliance and Accountability (continued)**

For the year ended June 30, 2004, budgeted expenditures and other financing uses exceeded estimated revenues and other financing sources for the General Fund by \$2,344,341; Accommodations Tax Special Revenue Fund by \$21,000; Waste Management Recycling Special Revenue Fund by \$152,423; Road Maintenance & CTC Special Revenue Fund by \$10,299,338; Grants Special Revenue Fund by \$399,205; Hospitality 1.0% Special Revenue Fund by \$587,800; Victim Assistance Special Revenue Fund by \$115,803; Stormwater Management Special Revenue Fund by \$3,935,720; Recreation Special Revenue Fund by \$1,724,041; and Hospitality 1.5% Special Revenue Fund by \$959,600; General Improvements Capital Projects Fund by \$12,350,492; the General Debt Service Fund by \$442,925; and Ride Program Debt Service Fund by \$653,073. These deficits were funded by unreserved and applicable reserved fund balances, and/or additional unbudgeted revenue.

At June 30, 2004, the following funds had deficit fund balances: Waste Management Recycling \$(52,857), Socastee Recreation \$(2,676), and Arcadian Shores \$(377,023). Waste Management Recycling increased their millage by 2 mils for fiscal year ending June 30, 2005 to fund the deficit. Socastee Recreation's deficit will be funded through increased property tax values with reassessment in fiscal year ending June 30, 2006. The Arcadian Shores deficit fund balance will be repaid from future tax revenues.

#### **Note 3. Accounting and Reporting Changes**

When the County implemented the provisions of GASB Statement No. 34 for the year ended June 30, 2002, the amount of compensated absences accrued in its governmental funds was the amount that was expected to be paid out in the year following the balance sheet date. According to GASB Statement No. 34, the amount that should be accrued in governmental fund financial statements is the amount that is due and payable at June 30, 2004, which is significantly less than the amount that will be paid out in the year following the balance sheet date. The following table indicates the effect of this correction on the County's financial statements at July 1, 2003:

HORRY COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

**Note 3. Accounting and Reporting Changes (continued)**

**Fund Financial Statements**

	<i>(Amounts in thousands)</i>		
	<u>Governmental Funds</u>		<u>Governmental</u>
	<u>General</u>	<u>Other</u>	<u>Activities -</u>
	<u>Fund</u>	<u>Governmental</u>	<u>Internal</u>
		<u>Funds</u>	<u>Service</u>
			<u>Fund</u>
Net assets or fund balances at June 30, 2003, as previously reported	\$ 20,017	\$ 30,729	\$ 7,242
Record correct beginning balance for accrued compensated absences	<u>850</u>	<u>189</u>	<u>14</u>
Net assets or fund balances at June 30, 2003, as restated	<u>\$ 20,867</u>	<u>\$ 30,918</u>	<u>\$ 7,256</u>

Included in the restatement of \$189 above for other governmental funds is as follows:

	<i>(Amounts in thousands)</i>					
	<u>Special Revenue Funds</u>					
	<u>Fire</u>	<u>Accommodations</u>	<u>Road</u>	<u>Grants</u>	<u>Stormwater</u>	<u>Recreation</u>
	<u>Tax</u>	<u>Maintenance</u>				
Balances as previously reported at June 30, 2003	\$ 1,845	\$ 283	\$ 9,891	\$ 478	\$ 4,323	\$ 1,661
Record correct beginning balance for current portion of accrued compensated absences	<u>78</u>	<u>9</u>	<u>80</u>	<u>6</u>	<u>10</u>	<u>6</u>
Restated balance at June 30, 2003	<u>\$ 1,923</u>	<u>\$ 292</u>	<u>\$ 9,971</u>	<u>\$ 484</u>	<u>\$ 4,333</u>	<u>\$ 1,667</u>

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 4. Deposits and Investments**

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

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

**Deposits** - The County's (and discretely presented component units) deposits are categorized to give an indication of the level of risk assumed by the County at year-end. Category 1 includes deposits that are insured or collateralized with securities held by the County or its agent in the County's name. Category 2 includes uninsured and collateralized deposits where the pledging financial institution's trust department or agent in the County's name holds securities. Category 3 includes uncollateralized deposits. The County's deposits at June 30, 2004, are reported at their respective carrying values.

**Investments** - The County's (and discretely presented component units) investments are categorized to give an indication of the level of risk assumed by the County at year end. Category 1 includes securities that are insured or registered or where the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered securities where the securities are held by a financial institution's trust department or agent in the County's name. Category 3 includes uninsured and unregistered securities where the securities are held by the counter party in the County's name, or by its trust department or agent but not in the County's name. The County's securities at June 30, 2004, are reported at their respective fair values, which approximates cost.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 4. Deposits and Investments (continued)**

Based upon the above criteria, the bank balances and carrying amounts of the County's (Primary Government) deposits and investments at June 30, 2004 are summarized as follows:

	<i>(amounts shown in thousands)</i>			Carrying Amount
	Categories			
	1	2	Totals	
<b>Bank Balance of Deposits</b>				
Cash	\$ 23,278	\$ -	\$ 23,278	\$ 73,885
Certificates of Deposit	83,221	-	83,221	106,505
<b>Total deposits</b>	<b>\$ 106,499</b>	<b>\$ -</b>	<b>\$ 106,499</b>	<b>\$ 180,390</b>

	<i>(amounts shown in thousands)</i>			Fair Value
	Categories			
	1	2	Totals	
<b>Investments</b>				
Repurchase Agreement	\$ -	\$ 60,104	\$ 60,104	\$ 60,104
<b>Total investments</b>	<b>\$ -</b>	<b>\$ 60,104</b>	<b>\$ 60,104</b>	<b>\$ 60,104</b>

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

At year end June 30, 2004, SBHS deposits and investments are summarized as follows:

	<i>(amounts shown in thousands)</i>			Carrying Amount
	Categories			
	1	3	Totals	
<b>Bank Balance of Deposits</b>				
Cash	\$ 246	\$ -	\$ 246	\$ 230

	<i>(amounts shown in thousands)</i>			Carrying Amount
	Categories			
	1	3	Total	
<b>Investments</b>				
Repurchase Agreement	\$ -	\$ 372	\$ 372	\$ 372

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 4. Deposits and Investments (continued)**

At year end June 30, 2004, HCSWA's deposits and investments are summarized as follows:

*(amounts shown in thousands)*

	Categories			Carrying Amount
	1	2	Totals	
<b>Bank Balance of Deposits</b>				
Cash and certificates of deposits	\$ 22,946	\$ -	\$ 22,946	\$ 22,777
Total deposits	<u>\$ 22,946</u>	<u>\$ -</u>	<u>\$ 22,946</u>	<u>\$ 22,777</u>
	Categories			Carrying Amount
	1	2	Totals	
<b>Securities</b>				
Repurchase agreement	\$ -	\$ 2,880	\$ 2,880	\$ 2,880
	<u>\$ -</u>	<u>\$ 2,880</u>	<u>\$ 2,880</u>	<u>\$ 2,880</u>

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

*(amounts shown in thousands)*

	Primary	Fiduciary Fund	Total	Discretely Presented Component Units	
	Government	Agency		SBHS	HCSWA
Cash on hand	\$ 18	\$ -	\$ 18	\$ -	\$ 1
Carrying amount of deposits	105,473	74,917	180,390	230	22,777
Carrying amount of investments	60,104	-	60,104	372	2,880
<b>Totals</b>	<u>\$ 165,595</u>	<u>\$ 74,917</u>	<u>\$ 240,512</u>	<u>\$ 602</u>	<u>\$ 25,658</u>
Cash and cash equivalents	\$ 26,982	\$ 1,772	\$ 28,754	\$ 602	\$ 3,575
Equity in pooled cash and investments	95,970	73,145	169,115	-	-
Investments	9,742	-	9,742	-	21,856
Funds held in escrow	12,342	-	12,342	-	-
Cash and cash equivalents -restricted	5,747	-	5,747	-	227
Investments-restricted	14,812	-	14,812	-	-
<b>Totals</b>	<u>\$ 165,595</u>	<u>\$ 74,917</u>	<u>\$ 240,512</u>	<u>\$ 602</u>	<u>\$ 25,658</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 5. Receivables**

Receivables for the primary government, including applicable allowances for uncollectible accounts, at June 30, 2004, are as follows:

	<i>(amounts shown in thousands)</i>				Totals
	Government Activities	Business-type Activities			
		Department of Airports	Baseball Stadium	Industrial Parks	
Property taxes	\$ 8,481	\$ -	\$ -	\$ -	\$ 8,481
Less, allowance for uncollectibles and amounts not available for current period	(6,042)	-	-	-	(6,042)
Net property taxes	2,439	-	-	-	2,439
Accounts	4,135	1,256	-	13	5,404
Hospitality 1.0% fees	627	-	-	-	627
Local accomodation taxes	138	-	-	-	138
Hospitality 1.5% fees	3,358	-	-	-	3,358
Stormwater fees	28	-	-	-	28
Less, allowance for uncollectibles	(3,740)	(257)	-	-	(3,997)
	4,546	999	-	13	5,558
Net receivables	\$ 6,985	\$ 999	\$ -	\$ 13	\$ 7,997

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

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

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

Receivables at June 30, 2004 for the discretely presented component unit HCSWA totaled \$1,305,429 and included amounts for tipping fees due on account from landfill users, amounts due from dealers for purchases of recyclable materials, and amounts due from landfill users, amounts due from dealers for purchases of recyclable materials, and amounts due from cardboard containers, net of an allowance of \$10,000 for uncollectible amounts.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 6. Interfund Receivables and Payables**

In the government-wide statement of net assets, interfund receivables and payables (internal balances) between governmental activities and Business-type activities have been eliminated. In the governmental and proprietary funds financial statements, short-term interfund receivables and payables at June 30, 2004 were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 4,519	\$ -
Special Revenue Fund:		
Accommodations Tax	-	510
Socastee Recreation	-	4
Beach Nourishment	510	1,580
Grants	-	650
Admissions Tax	-	27
Hospitality Fees 1%	-	283
Arcadian Sores	-	398
CDBG Revolving Loan	329	-
Stormwater Management	-	240
Road Maintenance & CTC	518	-
Local accommodations tax	-	1
Hospitality Fees 1.5%	-	5,597
Debt Service Fund:		
RIDE Program	5,591	-
Enterprise Fund:		
Department of Airports	-	1,848
Industrial Parks	-	329
	<u>\$ 11,467</u>	<u>\$ 11,467</u>

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary government:		
General Fund	\$ -	\$ 95
Waste Management Recycling Fund	-	563
General Improvement Capital Projects Fund	74	-
Component units:		
SBHS and HCSWA	584	-
	<u>\$ 658</u>	<u>\$ 658</u>

**Note 7. Due From Other Governments**

Amounts due from other governments for the primary governments and discretely presented component units at June 30, 2004 are as follows:

*(amounts shown in thousands)*

	<u>Governmental Activities</u>			<u>Business-type Activities</u>	<u>Component Units</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>	<u>Department of Airports</u>	<u>SBHS</u>	<u>HCSWA</u>
State	\$ 2,829	\$ 2,113	\$ -	\$ 4,942	\$ 827	\$ 42	\$ -
Federal	124	219	-	343	407	-	-
Total	<u>\$ 2,953</u>	<u>\$ 2,332</u>	<u>\$ -</u>	<u>\$ 5,285</u>	<u>\$ 1,234</u>	<u>\$ 42</u>	<u>\$ -</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 8. Capital Assets**

A summary of the changes in capital assets during the year ended June 30, 2004 are as follows:

	<i>(amounts shown in thousands)</i>			
<b>Governmental Activities</b>	<b>Balance June 30, 2003</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2004</b>
<u>General Capital Assets</u>				
Not subject to depreciation:				
Land and easements	\$ 12,152	\$ 215	\$ (1,009)	\$ 11,358
Infrastructure	322,524	11,449	-	333,973
	334,676	11,664	(1,009)	345,331
Construction-in-progress	6,022	5,889	(10,845)	1,066
Total capital assets not depreciated	340,698	17,553	(11,854)	346,397
Subject to depreciation:				
Land improvements	1,805	-	-	1,805
Buildings	84,741	5,437	(180)	89,998
Building improvements	4,667	5,440	(246)	9,861
Office furniture	4,422	219	(18)	4,623
Vehicles	4,371	371	(1,173)	3,569
Heavy equipment	23,612	1,151	(462)	24,301
Computer equipment	6,146	1,466	-	7,612
Other	1,495	310	(7)	1,798
Totals	131,259	14,394	(2,086)	143,567
Less, accumulated depreciation:				
Land improvements	(166)	(120)	-	(286)
Buildings	(15,443)	(2,874)	99	(18,218)
Building improvements	(384)	(198)	135	(447)
Office furniture	(1,344)	(830)	232	(1,942)
Vehicles	(3,869)	(266)	1,109	(3,026)
Heavy equipment	(15,915)	(1,727)	301	(17,341)
Computer equipment	(3,763)	(689)	-	(4,452)
Other	(1,118)	(384)	4	(1,498)
Totals	(42,002)	(7,088)	1,880	(47,210)
Net general capital assets	429,955	24,859	(12,060)	442,754
<u>Internal Service Fund Capital Assets</u>				
Machinery and equipment	8,857	1,354	(850)	9,361
Less, accumulated depreciation	(5,779)	(1,286)	714	(6,351)
Net internal service fund capital assets	3,078	68	(136)	3,010
Net capital assets - Governmental Activities	\$ 433,033	\$ 24,927	\$ (12,196)	\$ 445,764

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 8. Capital Assets (continued)**

<b>Business-type Activities</b>	<i>(amounts shown in thousands)</i>			
	<b>Balance June 30, 2003</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2004</b>
Not subject to depreciation:				
Land and easements	\$ 23,968	\$ 2	\$ (257)	\$ 23,713
Infrastructure	9,182	-	-	9,182
	33,150	2	(257)	32,895
Construction in progress	2,840	7,992	(4,098)	6,734
<b>Total capital assets not depreciated</b>	<b>35,990</b>	<b>7,994</b>	<b>(4,355)</b>	<b>39,629</b>
Subject to depreciation:				
Buildings and improvements	51,096	1,479	(76)	52,499
Runways and taxiways	36,202	336	-	36,538
Machinery and equipment	5,281	2,525	(13)	7,793
Land improvements	5,672	30	-	5,702
<b>Totals</b>	<b>98,251</b>	<b>4,370</b>	<b>(89)</b>	<b>102,532</b>
Less accumulated depreciation:				
Buildings and improvements	(15,700)	(2,056)	25	(17,731)
Runways and taxiways	(12,767)	(1,253)	-	(14,020)
Machinery and equipment	(3,174)	(705)	13	(3,866)
Land improvements	(1,734)	(377)	-	(2,111)
<b>Totals</b>	<b>(33,375)</b>	<b>(4,391)</b>	<b>38</b>	<b>(37,728)</b>
Net capital assets - Business-type Activities	<u>\$ 100,866</u>	<u>\$ 7,973</u>	<u>\$ (4,406)</u>	<u>\$ 104,433</u>

Capital assets of the discretely presented component units, HCSWA and SBHS at June 30, 2004, are as follows:

<b>Component Units</b>	<i>(amounts shown in thousands)</i>	
	<b>SBHS</b>	<b>HCSWA</b>
Land	\$ 137	\$ 7,113
Subtitle D landfill	-	8,366
Buildings	1,455	2,726
Vehicles, machinery and equipment	139	7,849
Other improvements	-	1,018
Construction-in-progress	-	9,778
<b>Totals</b>	<b>1,731</b>	<b>36,850</b>
Less, accumulated depreciation:		
Subtitled D landfill	-	(7,111)
Buildings	(228)	(753)
Vehicles, machinery and equipment	(76)	(4,602)
Other improvements	-	(260)
<b>Totals</b>	<b>(304)</b>	<b>(12,726)</b>
Net capital assets - Component Units	<u>\$ 1,427</u>	<u>\$ 24,124</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 8. Capital Assets (continued)**

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

	<u>(amounts shown in thousands)</u>	
<b>Governmental Activities</b>		
Burroughs School	\$	5
Detention Renovation		109
Womens Detention		133
Judicial Center		189
Animal Control		158
Olin Blanton Building		147
Equipment Swap		140
Conway Library		185
Total	<u>\$</u>	<u>1,066</u>

Estimated total costs to complete these projects approximates \$3.6 million.

	<u>(amounts shown in thousands)</u>	
<b>Business-type Activities: (Department of Airports)</b>		
Grand Strand Pavement Rehab	\$	551
ARFF Improvements		220
In-Line Baggage Screening		588
Terminal Complex		137
Terminal security system		425
Terminal Area Planning		1,173
Reconstruct Conway ramp and runway		821
Terminal renovations		1,544
Taxiway J South		220
Other projects		108
Expand commercial fuel farm		947
Total	<u>\$</u>	<u>6,734</u>

Estimated total costs to complete these projects approximates \$ 16.1 million.

	<u>(amounts shown in thousands)</u>	
<u>Component Units</u>	<u>HCSWA</u>	<u>SBHS</u>
Construction feasibility	\$ 9,778	\$ -
Total	<u>\$ 9,778</u>	<u>\$ -</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 8. Capital Assets (continued)**

Capital assets of the proprietary funds at June 30, 2004, are as follows:

<u>Proprietary Funds</u>	<i>(amounts shown in thousands)</i>			
		<u>Enterprise</u>		<u>Internal</u>
	<u>Department of</u>	<u>Baseball</u>	<u>Industrial</u>	<u>Service</u>
	<u>Airports</u>	<u>Stadium</u>	<u>Parks</u>	<u>Fleet</u>
				<u>Service</u>
Land and easements	\$ 20,574	\$ 2,693	\$ 446	\$ -
Buildings and improvements	52,131	3,356	2,713	-
Runways and taxiways	36,538	-	-	-
Machinery and equipment	7,465	327	-	9,361
Construction-in-progress	6,735	-	-	-
Infrastructure	9,182	-	-	-
<b>Totals</b>	<b>132,625</b>	<b>6,376</b>	<b>3,159</b>	<b>9,361</b>
Less, accumulated depreciation:				
Building and improvements	(18,056)	(1,034)	(935)	-
Runways and taxiways	(14,020)	-	-	-
Machinery and equipment	(3,683)	-	-	(6,351)
<b>Totals</b>	<b>(35,759)</b>	<b>(1,034)</b>	<b>(935)</b>	<b>(6,351)</b>
<b>Net capital assets -proprietary funds</b>	<b>\$ 96,866</b>	<b>\$ 5,342</b>	<b>\$ 2,224</b>	<b>\$ 3,010</b>

Department of Airport Facilities

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

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

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

Depreciation allocation

The amount of depreciation charged to each governmental function for the year ended June 30, 2004 is as follows: general government (\$3,230,000); public safety (\$2,372,000); Infrastructure and regulation (\$1,183,000); culture and recreation (\$288,000) and health and social services (\$15,000).

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 9. Long-Term Debt**

Long-term debt at June 30, 2004, is comprised of general and special obligation bonds, revenue bonds, RIDE Intergovernmental Loan Agreements, accumulated compensated absences liability, and long-term capital leases.

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

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**9. Long Term Debt (continued)**

**A. Governmental Activities Debt (continued)**

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

	<i>(amounts shown in thousands)</i>			
	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2003</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2004</b>
<b>General and Special Obligation Bonds:</b>				
G.O. Bonds of 1989 dated November 1 for \$1.95 million with interest at 6.3% to 8.25% - Horry-Georgetown TECH	\$ 200	\$ -	\$ (200)	\$ -
G.O. Bonds of 1993 dated September 1 for \$8.705 million with interest at 4% to 6% - Refunding 1988 Bond	2,855	-	(925)	1,930
G.O. Bonds of 1994 dated October 1 for \$7.25 million with interest at 5% to 7% - Public Safety	1,800	-	(875)	925
G.O. Bonds of 1995 dated December 1 for \$6.5 million with interest at 4% to 6% - TECH, Agriculture, etc.	2,300	-	(730)	1,570
G.O. Bonds of 2000 dated June 29 for \$38.3 million with interest at 5% to 7% - Judicial Center	34,850	-	(1,150)	33,700
G.O. Bonds of 2000 dated January 1 for \$9.5 million with interest at 5% to 6.75% - Fire Protection	8,145	-	(510)	7,635

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**9. Long-Term Debt (continued)**

**A. Governmental Activities (continued)**

	<i>(amounts shown in thousands)</i>			
	<u>Balance</u>			<u>Balance</u>
	<u>June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2004</u>
<b>General and Special Obligation Bonds</b>				
<b>(continued):</b>				
Special Hospitality Fee Bonds of 2000 dated October 15 for \$19.905 million with interest at 4% to 5%	17,440	-	(1,100)	16,340
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	19,480	-	(745)	18,735
G.O. Bonds of 2001 (Series B) dated September 15 for \$2.875 million with interest at 4.25% to 4.5% - Higher Education	2,700	-	(105)	2,595
G.O. Bonds of 2001 (Series C) dated September 15 for \$1.485 million with interest at 3.0% to 3.5% - Series Refunded 1989 Fire Protection debt	490	-	(490)	-
G.O. Bonds of 2001 (Series C) dated September 15 for \$1.29 million with interest at 3.0% to 3.5% - Series Refunded 1992 Higher Education debt	1,125	-	(265)	860
G.O. Bonds of 2004 (Series A) dated June 1 for \$11 million with interest at 3.0% to 5.0% - Fire Protection District	-	11,000	-	11,000
G.O. Bonds of 2004 (Series B) dated June 1 for \$3 million with interest at 3.25% to 5.50% - TECH Bond	-	3,000	-	3,000
Total general and special obligation bonds	91,385	14,000	(7,095)	98,290
Less, current portion	(7,095)	(6,665)	7,095	(6,665)
Net general and special obligation bond debt	<u>\$ 84,290</u>	<u>\$ 7,335</u>	<u>\$ -</u>	<u>\$ 91,625</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**9. Long-Term Debt (continued)**

**A. Governmental Activities Debt**

Other general long-term obligations of the County's governmental activities at June 30, 2004 are as follows:

	<i>(amounts shown in thousands)</i>			
	Balance			Balance
	June 30, 2003	Additions	Deletions	June 30, 2004
<b>Other general long-term obligations:</b>				
RIDE - IGA Loan #1	\$ 210,000	\$ -	\$ (15,000)	\$ 195,000
Less, amounts imputed for interest	(41,823)	-	5,349	(36,474)
Less, current portion	(9,651)	(9,969)	9,651	(9,969)
Net RIDE - IGA Loan #1	<u>158,526</u>	<u>(9,969)</u>	<u>-</u>	<u>148,557</u>
RIDE - IGA Loan #2	227,068	1,606	(1,264)	227,410
Less, current portion	(6,884)	(1,953)	6,884	(1,953)
Net RIDE - IGA Loan #2	<u>220,184</u>	<u>(347)</u>	<u>5,620</u>	<u>225,457</u>
RIDE - IGA #3 contribution payable	1,378	-	(80)	1,298
Less, current portion	(26)	(27)	26	(27)
Net RIDE - IGA #3 contribution Payable	<u>1,352</u>	<u>(27)</u>	<u>(54)</u>	<u>1,271</u>
Net RIDE - IGA Loans payable	<u>380,062</u>	<u>(10,343)</u>	<u>5,566</u>	<u>375,285</u>
Capital lease obligation - central energy	1,118	-	(121)	997
Capital lease obligation - phone system	422	-	(127)	295
Capital lease obligation - IBM AS400 system	885	-	(181)	704
Capital lease obligation - archive writer	-	126	(11)	115
Capital lease obligation - fiber optic network	-	849	(17)	832
Capital lease obligation - fire suppression system	-	58	(2)	56
Less, current portion	(550)	(597)	550	(597)
Net capital leases	<u>1,875</u>	<u>436</u>	<u>91</u>	<u>2,402</u>
Accumulated compensation absences, net	1,467	8,705	(2,083)	8,089
Total other general long-term obligations	<u>383,404</u>	<u>(1,202)</u>	<u>3,574</u>	<u>385,776</u>
<b>Total Net Governmental Activities Debt</b>	<u>\$ 467,694</u>	<u>\$ 6,133</u>	<u>\$ 3,574</u>	<u>\$ 477,401</u>

**RIDE Intergovernmental Agreements**

As described in Note 18, the RIDE Intergovernmental Agreement (IGA) Loan #1 provides for debt service payments to be made without interest over twenty (20) years. Accordingly, an estimated amount of interest has been imputed based on calculated rate of 3.25% which is a rate representative of the IGA Loan #2 Amended Agreement.

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 9. Long-Term Debt (continued)**

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

**Revenue Bonds - Department of Airports**

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

At June 30, 2004, pledged revenues (restricted for the payment of revenue bond debt services and certain operation and maintenance costs of the Airport) include all operating and certain non-operating revenue such as landing fees, terminal rents, concessions, leases, fuel sales, interest and other revenue as defined in the Indenture of Trust.

**Refunded Debt - Department of Airports**

In October 2000, Series 2000 Department of Airports Revenue Refunding Bonds were issued to advance redeem all of the Series 1990 Bonds. At the time of refunding, Series 1990 Bond's remaining cash flow requirements equaled \$19,581,552, with Series 2000 future cash flow requirements totaling \$15,878,244. Although the refunding resulted in the recognition of an accounting loss of \$582,191 for the year ended June 30, 2001, the Airport realized an economic gain (difference between the present values of the old and new debt service payments) of approximately \$1,166,502. The accounting loss of \$582,191 has been deferred and netted against the carrying amount of the Series 2000 liability and is being amortized to interest expense over the shorter life of the two issuances. For the year ended June 30, 2004, amortization expense equaled \$29,603.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 9. Long-Term Debt (continued)**

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

Long-term 'revenue bonded' debt of the Department of Airports Enterprise Fund at June 30, 2004, is as follows:

	<i>(amounts shown in thousands)</i>			<b>Balance 6/30/04</b>
	<b>Balance 6/30/03</b>	<b>Additions</b>	<b>Deletions</b>	
<b>Revenue Bonds:</b>				
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	\$ 5,920	\$ -	\$ (120)	\$ 5,800
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	11,845	-	(855)	10,990
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	3,245	-	(65)	3,180
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	715	-	(130)	585
Revenue bond, Refunding Series 2000 dated October 15, 2000, for \$9.745 million with interest at 4.4% to 5.62%, due 2002- 2020	9,130	-	(330)	8,800
Total revenue bonded debt	30,855	-	(1,500)	29,355
Less, original issue discount	(189)	-	3	(186)
Less, current portion	(1,500)	(1,590)	1,500	(1,590)
Less, deferred charges (Series 1990 refunding loss of \$582 less amortization of \$109)	(503)	-	30	(473)
<b>Net Revenue Bonds</b>	<b>\$ 28,663</b>	<b>\$ (1,590)</b>	<b>\$ 33</b>	<b>\$ 27,106</b>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 9. Long-Term Debt (continued)**

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

**Certificates of Participation - Baseball Stadium Joint Enterprise**

The County entered into various agreements with the City of Myrtle Beach and proportionately shares in the ongoing financial interest and responsibility for a professional minor-league baseball stadium. Those agreements call for the County to be liable for 30% of the Certificates of Participation which were issued by a component unit of the City of Myrtle Beach to defray the construction costs. Long-term debt of the Baseball Stadium Enterprise Fund at June 30, 2004 is as follows:

	<i>(amounts shown in thousands)</i>				
	Balance 6/30/2003	#	Additions	Deletions	Balance 6/30/2004
Certificates of Participation dated September 1, 1998					
for \$3.088 million with interest at 3% to 5% - Baseball Stadium	\$ 2,663		\$ -	\$ (117)	\$ 2,546
Less, current portion	(117)		(123)	117	(123)
Total non-current portion	<u>\$ 2,546</u>		<u>\$ (123)</u>	<u>\$ -</u>	<u>\$ 2,423</u>

**C. Annual Requirements for Long-Term (Bonds and Loans) Debt**

Annual principal requirements to amortize general and special obligation bonds, revenue bonds, certificates of participation (COPS), and RIDE Intergovernmental Agreements (IGA) loans #1 and #2 at their respective present values at June 30, 2004, are summarized as follows:

<u>Years Ending</u> <u>June 30,</u>	<i>(amounts shown in thousands)</i>							
	G.O. Bonds		Special Obligation Bonds		Baseball Stadium COPS		Airport Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 5,515	\$ 3,818	\$ 1,150	\$ 876	\$ 123	\$ 120	\$ 1,590	\$ 1,725
2006	5,365	3,705	1,205	823	128	115	1,685	1,627
2007	3,745	3,486	1,260	766	133	110	1,780	1,521
2008	3,595	3,299	1,320	707	138	104	1,890	1,408
2009	3,745	3,135	1,390	641	144	98	1,845	1,291
2009-2014	21,550	12,853	8,100	2,040	828	384	9,475	4,490
2015-2019	23,555	7,280	1,915	115	1,052	163	4,855	2,456
2020-2024	14,880	1,613	-	-	-	-	3,830	1,107
2025-2028	-	-	-	-	-	-	2,405	280
<b>Total</b>	<u>\$ 81,950</u>	<u>\$ 39,189</u>	<u>\$ 16,340</u>	<u>\$ 5,968</u>	<u>\$ 2,546</u>	<u>\$ 1,094</u>	<u>\$ 29,355</u>	<u>\$ 15,905</u>

<u>Years Ending</u> <u>June 30,</u>	<b>Total Debt Service Requirements</b>					
	RIDE IGA Loan #1		RIDE IGA Loan #2		Total Debt Service Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 9,969	\$ 5,031	\$ 1,953	\$ 6,803	\$ 20,300	\$ 18,373
2006	10,296	4,704	2,853	6,735	21,532	17,709
2007	10,635	4,365	3,810	6,638	21,363	16,886
2008	10,985	4,014	4,827	6,512	22,755	16,044
2009	11,347	3,653	5,905	6,356	24,376	15,174
2010-2014	62,584	12,416	49,691	28,131	152,228	60,314
2015-2019	42,710	2,291	92,740	17,691	166,827	29,996
2020-2024	-	-	65,631	9,952	84,341	12,672
2025-2028	-	-	-	-	2,405	280
<b>Total</b>	<u>\$ 158,526</u>	<u>\$ 36,474</u>	<u>\$ 227,410</u>	<u>\$ 88,818</u>	<u>\$ 516,127</u>	<u>\$ 187,448</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 10. Capital and Operating Leases**

**A. Capital Lease Obligations**

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

**Governmental Activities:**

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

<u>Year Ended June 30,</u>	<i>(amounts shown in thousands)</i>						
	<u>Central Energy</u>	<u>Phone Systems</u>	<u>IBM AS400 Systems</u>	<u>Archive Writer</u>	<u>Fiber Optic Network</u>	<u>Fire Suppression Sys</u>	<u>Total</u>
2005	188	144	218	36	143	13	742
2006	188	144	218	36	143	13	742
2007	188	24	218	36	143	13	622
2008	188	-	109	22	143	13	475
2009	188	-	-	-	143	10	341
Thereafter	282	-	-	-	261	-	543
Total lease payments	1,222	312	763	130	976	62	3,465
Less, interest	(225)	(17)	(59)	(15)	(144)	(6)	(466)
Present value of future minimum lease payments	997	295	704	115	832	56	2,999
Less, current portion	(129)	(132)	(190)	(29)	(106)	(11)	(597)
Total non-current portion	<u>\$ 868</u>	<u>\$ 163</u>	<u>\$ 514</u>	<u>\$ 86</u>	<u>\$ 726</u>	<u>\$ 45</u>	<u>\$ 2,402</u>

There were no material operating lease expenditures (expenses) for the year ended June 30, 2004

**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, 2004 is \$96,769 and \$52,417, respectively.

The present value of the minimum lease payments follows:

<u>Year Ended June 30,</u>	<u>Total</u>
2005	20,228
2006	22,067
2007	9,195
Total payments	51,490
Less, interest	(3,265)
Present value of future minimum lease payments	48,225
Less, current portion	(18,214)
Total non-current portion	<u>\$ 30,011</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 10. Capital and Operating Leases (continued)**

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

The Department of Airports Enterprise Fund derives a substantial portion of its revenue from charges to air carriers, aeronautical schools, concessionaires, and real estate leases. Substantially all of the assets classified as fixed assets in the balance sheet are held by the Airport for the purpose of rental or related use. The Airport, as lessor, leases land, buildings, and terminal space to air carriers, aeronautical schools, concessionaires, and third-parties on a fixed fee as well as a contingent fee basis. Most of the leases provide for an annual review and redetermination of the rental amounts. Accordingly, lease revenues are recognized when earned. Different amounts resulting from stated period contract rates and from a straight-line amortization of total rents over the contract period is deemed not to be material. The following is a schedule of future minimum rentals receivable on non-cancelable rental revenue leases at June 30, 2004:

<u>Year Ended June 30,</u>	<u>(amounts shown in thousands)</u>
2005	5,023
2006	4,884
2007	4,093
2008	2,335
2009	322
2010 to 2014	935
2015 to 2019	558
2020 to 2024	77
Total	<u>\$ 18,227</u>

**Note 11. Amounts Due to Airlines (Signatory Airlines Agreements)**

The Department of Airports, primarily the Myrtle Beach International Airport (the "MBIA"), maintain lease and operating agreements with certain airlines ("Signatory Airlines") which provide for annual terminal lease, landing fees, and other amounts to be remitted by the Signatory Airlines at interim rates subject to retroactive adjustment on a defined cost reimbursement basis ("Settlement"). Terms of the agreements call for amounts owed to the Signatory Airlines be applied to any balances owed by the airlines for current year rates and charges. Airport management has estimated a rebate amount due to the airlines for the year ended June 30, 2004, totaling \$197,000, with a total amount due to the airlines at June 30, 2004, for current and prior year amounts totaling \$206,917.

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 12. Landfill Closure and Postclosure Care Costs**

Federal and state laws and regulations require the HCSWA to place a final cover on its current unlined Highway 90 and Subtitle D (Cell A) landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the HCSWA reports a portion of these costs as operating expenses in each period based on landfill capacity used during each fiscal year. The amounts reported as a liability at June 30, 2004 for landfill closure and postclosure care represents the cumulative expense reported to date based on 100% , 51% utilization of the estimated total capacity of the unlined, 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	\$ 1,093	\$ 3,353	\$ 560	\$ 5,006
Postclosure Care Costs	2,283	2,607	-	4,890
<b>Total</b>	<b>\$ 3,376</b>	<b>\$ 5,960</b>	<b>\$ 560</b>	<b>\$ 9,896</b>

The HCSWA will recognize the remaining estimated closure and postclosure care costs of \$7,166,471 and \$2,653,466, respectively, as the remaining estimated capacity of the Subtitle D (Cell A) is filled. The estimated closure and postclosure care costs are based on what it would cost today to perform all required closure and postclosure care. The HCSWA is currently in the process of closing the unlined landfill and expects to begin to close the Subtitle D (Cell A) landfill during the fiscal year ending June 30, 2006. These estimates may change due to a variety of factors including, but not limited to, inflation, changes in technology, or changes in regulations.

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

The HCSWA is required by Federal and state laws to provide financial assurance that funds will be available when needed for closure and postclosure care costs through compliance with one of several approved alternative methods. The method utilized by the HCSWA is the local government financial test. At June 30, 2004, the HCSWA is in compliance with Federal and state financial assurance requirements.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

In accordance with formal resolutions of the HCSWA's Board of Directors, \$5,440,218 and \$5,165,790 of cash and cash equivalents, and investments, at June 30, 2004, are designated for landfill closure and landfill postclosure care costs respectively. These amounts are included in unrestricted net assets on the balance sheet. If these amounts are inadequate or additional closure and postclosure care requirements are mandated or otherwise found to be necessary (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered through additional charges to future landfill users.

**Note 13. Net Assets and Fund Balances**

**Net assets:**

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

	<i>(amount shown in thousands)</i>			
	Governmental Activities	Business-type Activities	Component Units	
			SHBS	HCSWA
<b>Invested in Capital Assets, Net of Related Debt:</b>				
Net capital assets:				
Primary Government	\$ 442,754	\$ 104,433	\$ -	\$ -
Internal Service Fund	3,010	-	-	-
Component units	-	-	575	24,124
Bond issue costs	-	794	-	-
Less, G O , special revenue bonds payable and capital leases	(101,289)	(30,543)	-	-
Less, construction and retainage payable for capital items	(673)	(807)	-	-
Add, unspent proceeds of long-term debt	16,565	-	-	-
Total invested in capital assets, net of related debt	<u>\$ 360,367</u>	<u>\$ 73,877</u>	<u>\$ 575</u>	<u>\$ 24,124</u>
<b>Restricted:</b>				
Restricted cash and cash equivalents plus restricted funds held in trust, less, liabilities payable from restricted assets:				
Construction	\$ 7,103	\$ -	\$ -	\$ -
Road maintenance	871	-	-	-
Fire special revenue	5,822	-	-	-
Infrastructure development	-	516	-	-
Debt service	6,469	20,439	-	-
RIDE program	17,637	-	-	-
Horry-George TECH	3,000	-	-	-
Victim's assistance	165	-	-	-
Substance abuse prevention	-	-	683	-
Lottery	1	-	-	-
Baseball	300	-	-	-
Waste tire management	-	-	-	251
Total restricted net assets	<u>\$ 41,368</u>	<u>\$ 20,955</u>	<u>\$ 683</u>	<u>\$ 251</u>

**Fund Balance:**

Designated Fund Balance in the General Fund as of June 30, 2004 consists of the following:

	<i>(Amount shown in thousands)</i>
	General Fund
Designated for:	
Recreation	\$ 794
Maintenance	377
Mosquito spraying	49
FY 05 budget	4,512
Other	26
Total designated	<u>\$ 5,758</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Capital Contributions**

Pursuant to the implementation of GASB Statement No. 33, contributed capital for the year ended June 30, 2004 has been recognized in the government-wide financial statements and proprietary funds as non-operating revenue. For the proprietary (enterprise) funds, contributed capital during the fiscal year ended June 30, 2004, is as follows:

	<u>(amounts shown in thousands)</u>
	<u>Department</u>
	<u>of Airports</u>
Grants and other cash contributions	<u>\$ 4,699</u>
Totals	<u>\$ 4,699</u>

Contributed capital in the discretely presented component unit HCSWA for the fiscal year ended June 30, 2004, is as follows:

	<u>(amounts shown in thousands)</u>
	<u>HCSWA</u>
Grants and other cash contributions	<u>\$ 147</u>
Total	<u>\$ 147</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 15. Employee Benefit Plans (continued)**

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

All County employees, except for police department personnel, participate in the South Carolina Retirement System (SCRS), a cost-sharing, multiple-employer, public employee retirement system. County police officers participate in the South Carolina Police Officers' Retirement System (SCPORS), a cost-sharing, multiple-employer public employee retirement system. The County's total payroll for the year ended June 30, 2004, was approximately \$53,394, of which \$28,789 and \$21,845 were for employees covered by the SCRS and the SCPORS, respectively. The total payroll for the year ended June 30, 2003, was approximately \$50,844, of which \$28,864 and \$20,613 were for employees covered by the SCRS and SCPORS, respectively. The total payroll for the year ended June 30, 2002, was approximately \$48,747, of which \$29,928 and \$17,599 were for employees covered by the SCRS and the SCPORS, respectively.

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

The County's required contributions to the SCRS for employer and employee portions for the year ended June 30, 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 \$1,420 and 6.5%, respectively. The County's required contributions to the SCRS for employer and employee portions for the years ended June 30, 2003, expressed as a dollar amount and as a percentage of covered payroll in 2003 were \$1,843 and 6.7% and \$1,594 and 6.0%, respectively, and the contributions to the SCPORS for the employer and employee portions were \$2,061 and 10.3% and \$1,291 and 6.5%, respectively. The County's required contributions to the SCRS for employee portions for the years ended June 30, 2002 expressed as a dollar amount and as a percentage of covered payroll in 2002 were \$2,053 and 6.7% and \$1,775 and 6.0%, respectively, and the contributions to the SCPORS for the employer and employee portions were \$1,837 and 10.3% and \$1,182 and 6.5%, respectively.

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, 2004 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%, and \$44 and 0.2%, respectively.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 15. Employee Benefit Plans (continued)**

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

Employees of SBHS are also members of SCRS. Employer and employee contributions expressed as a percentage of covered payroll are 6.7% and 6.0%, respectively. Total payroll for the year ended June 30, 2004 was \$1,024 of which \$950 was for employees covered by SCRS. The contribution requirements of plan members and the HCSWA are established and may be amended by the SCRS and are currently 6.0% and 6.85%. The HCSWA's total payroll for the year ended June 30, 2004 was \$5,798 of which \$2,887 was for employees covered by SCRS.

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

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

In addition to providing pension benefits, the County provides certain post-employment health care benefits for retired employees as per the requirements of a local ordinance. All of the County's employees may become eligible for those benefits if they attain age forty-six (46) while working for the County, retire and draw benefits from SCRS or SCPORS system, and have a minimum of fifteen (15) years service. The County will contribute to SCRS (regular retirees): 50% of single coverage for employees with 15-22 years of service, 75% of single coverage for employees with 23-27 year of service, and 100% for employees with 28 or more years of service; for SCPORS (police retirees): 50% of single coverage for employees with 15-21 years, 75% for 22-24 years and 100% for employees with 25 years or more of service. The cost of these benefits is recognized as an expenditure of the general fund on a pay-as-you-go basis as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation. For fiscal year 2004, these costs totaled \$347 net of \$185 of retiree contributions. As of year end, there were 96 employees that were receiving benefits.

The Horry County Solid Waste Authority provides post-employment health care benefits to all employees who retire and are receiving benefits from the SCRS with at least ten (10) years of service as an employee of the HCSWA. Such employees may elect to continue single coverage under the HCSWA's plan with fifty percent (50%) of the cost of coverage provided by the HCSWA and the remaining fifty percent (50%) provided by the employee. Employees retiring with at least twenty (20) years of service as an employee of the HCSWA and receiving benefits from the SCRS may elect to continue single coverage at a cost established by the State Budget and Control Board without cost to the employee. If an eligible retiring employee accepts employment with another organization that provides health care benefits, the HCSWA coverage will no longer be provided. The HCSWA finances and recognizes as an expense health care premiums paid for eligible retired employees in the period of payment. As of June 30, 2004, two (2) retirees were eligible to receive post-employment health benefits. Expenses recognized by the HCSWA for the fiscal year ended June 30, 2004 totaled \$6.

HORRY COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

**Note 16. Segment Information**

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

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

Major Customers and Economic Condition - Department of Airports

Airline landing fees, terminal rents, leases, concessions and rental car activity generate approximately 80% of the Airport's revenues or just over \$12.1 million of \$15.1 million net operating revenue. Signatory Airlines generate \$3.1 million in revenue after surcharge (rebate) amounts.

Rates and charges of Signatory Airlines which serve the MBIA represented 20% and 28% in fiscal years 2004 and 2003, of the total operating revenues reported for the MBIA. Of the leading Signatory Airline carriers, U.S. Airways represents 28% of the airline traffic, Spirit Airlines 23.2% and ASA (including Delta & Comair) 26%.

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

Subsequent to June 30, 2004, U. S. Airways filed Chapter 11 bankruptcy. The Airport management believes that this filing will not have a significant effect on the Airport's financial statements.

For the year ended June 30, 2004, three customers make up approximately 59% of the accounts receivable balance. For 2003, three customers make up approximately 40% 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 be started until 2007, after the new terminal is completed. The Airport recognized \$2,869,300 in non-operating revenues for funds received from this trust fund during the year ended June 30, 2003.

HORRY COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

**Note 17. Joint Enterprise - Baseball Stadium**

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

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

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

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

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

While the enterprise is under joint control by the City and County, no separate entity or organization of the baseball stadium exists as of June 30, 2004. Accordingly, the County has reported activities in the baseball stadium as an enterprise fund under the method of accounting for undivided interests. Separate financial statements of the baseball stadium are presently not available.

HORRY COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

**Note 18. Intergovernmental Agreements - RIDE Projects**

During fiscal years 1998 and 2000, and pursuant to the Horry County Road Improvement and Development Effort program (the "RIDE Program"), the County adopted and enacted its Ordinances #105-96 and #7-97 and entered into various long-term loan agreements with the South Carolina Transportation Infrastructure Bank (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 payment from its Hospitality 1.5% Special Revenue Fund created by Ordinances #105-96 and #7-97. Horry County shall not be obliged to make payments from any other source of funds available to Horry County, provided that these Ordinances are not repealed or amended in any way that would reduce or halt the deposit of hospitality fees into the Hospitality 1.5% Special Revenue Fund, or abolish that Fund.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 18. Intergovernmental Agreements - RIDE Projects (continued)**

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

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

**Intergovernmental Agreement #2 - dated April 21, 1998 (as amended)**

As amended, SIB agreed to fund Table 3 projects of the RIDE application by way of loans of up to \$199.4 million to Horry County for Table 3 projects, and an additional \$48.1 million loan for Table 1 projects in the RIDE plan, all secured by payments from Horry County.

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

**Note 18. Intergovernmental Agreements - RIDE Projects (continued)**

**Amendment to Master Loan Agreement**

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

**Intergovernmental Agreement #3 - dated May 21, 2002**

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

**Term of Agreement and Contribution by Horry**

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

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

**Amendments to Previous Agreements**

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

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

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

HORRY COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

**Note 19. Special Items**

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

**Barefoot Landing Agreement** – The Airport, pursuant to an agreement with Barefoot Landing, Inc and other parties, owns certain parcels of land near the Grand Strand General Aviation Airport, which was leased and subleased prior to this year. In consideration of reverting certain sub-leased properties back, the Airport was originally to assume a mortgage note payable for approximately \$3.9 million upon the occurrence of certain events and the completion of certain work by Barefoot Landing, Inc. In November 2002, the County and Airport were notified that Barefoot Landing, Inc., would be unable to perform its obligations under the various subject agreements. Litigation ensued, and was settled in March 2003 by the execution of settlement agreements and releases between the various parties. In exchange for a discounted payment to the individual plaintiffs who brought suit against the County under the agreements, the Airport was relieved of its obligation to assume the mortgage and the sub-leases as well as property not under subleases reverted back to the Airport. The net cost of this settlement to the Airport was \$1,914,322 and was included as a special item in the financial statements for the year ended June 30, 2003.

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

**Note 20. Commitments and Contingencies**

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

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

**Federal and State Assisted Programs**

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

HORRY COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

**Note 20. Commitments and Contingencies (continued)**

**Commitments**

As of June 30, 2004, the County had outstanding contractual commitments, as described previously, approximating \$4 million primarily for construction projects and equipment. Additionally, the County is committed to additional funding to the RIDE program projects, as required during and subsequent to construction

Prior to June 30, 2004, HCSWA entered into a construction contract for a new Subtitle D landfill. The cost of the contracts total \$5,773,600 of which \$4,904,997 had been incurred as of June 30, 2004.

**Note 21. 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, 2004, there were no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded the County's coverage in any of the past three (3) years.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 22. 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	489,963,389
Less, accumulated depreciation	<u>(47,209,581)</u>
Net amount reported	<u><u>442,753,808</u></u>

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

Property taxes, net of allowance for collectible	<u>1,981,796</u>
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*Other long term assets are not available to pay for current period expenditures and, therefore, are deferred in the fund.*

Deferred charges, net	834,278
Net amount reported	<u><u>834,278</u></u>

*Internal service funds are used by management to charge the costs of fleet services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets*

<u>7,930,823</u>
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*Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.*

Accrued interest payable	(1,517,326)
Long-term bond and other obligations	(533,085,637)
Less, net present value adjustment of RIDE loans	<u>36,473,583</u>
Net amount reported	<u><u>(498,129,380)</u></u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 22. 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	\$ 18,984,390
Depreciation expense	<u>(7,088,202)</u>
Net amount reported	<u>\$ 11,896,188</u>

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

Property taxes	\$ 911,626
Donated capital assets (revenue)	<u>\$ (3,790,400)</u>
Net amount reported	<u>\$ (2,878,774)</u>

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

Amortization expense	\$ (79,029)
RIDE road maintenance - public works	(1,605,606)
Accrued compensated absences	(6,621,732)
Loss on disposal of asset	(1,123,684)
Bond issue costs	60,565
Accrued interest expense	<u>(52,656)</u>
Net amount reported	<u>\$ (9,422,142)</u>

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

Proceeds from bonds and capital lease obligations	\$ (15,078,913)
Principal repayments of long-term debt and transfers to escrow agents and other related costs	<u>23,898,000</u>
Net amount reported	<u>\$ 8,819,087</u>

<i>The net revenue of certain activities of internal service funds reported with governmental activities.</i>	<u>\$ 480,188</u>
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HORRY COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

**Note 23. Subsequent Event**

Motorola lease Agreement

On July 1, 2004, the County entered a lease purchase with Motorola Credit Corporation for \$4,604,179 for equipment that will be used to expand the 800MHZ Radio System E911 is currently using. The lease requires 7 annual payments of \$740,601 beginning July 1, 2004.

**Note 24. New Accounting Pronouncements**

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 will be effective for Horry County for the year ended June 30, 2005. The County will be required to disclose additional matters relating to its deposits and investments as a result of this Statement.

In May 2003, GASB issued its Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, clarifies the requirements in GASB Statement No. 34 for reporting budgetary comparison information. The Statement applies to governments with budgetary structures (certain program-based budgets, for example) that prevent them from presenting budgetary comparison information for their general and major special revenue funds as required by GASB Statement No. 34. GASB Statement No. 41 is effective simultaneously with GASB Statements No. 34. GASB Statement No. 41 did not have any effect on the County's financial statements.

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

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

However, in August of 2004, The GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. The Statement generally requires that state and local governmental employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. The provisions of Statement 45 may be applied prospectively and do not require governments to fund their OPEB plans. An

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 24. New Accounting Pronouncements (continued)**

which will be effective for the County for the year ended June 30, 2009, will have an effect on the County's financial statements, but that effect is not expected to be significant.

In June 2004, the GASB issued Statement No. 44, *Economic Condition Reporting: The Statistical Section*. Statement No. 44 enhances and updates the statistical section that accompanies a state or local government's basic financial statements to reflect the significant changes that have taken place in government finance, including the more comprehensive government-wide financial information required by GASB Statement 34. This Statement is effective for the County for the year ended June 30, 2006. This Statement will not have an effect on the County financial statements, but will have an effect on the County's statistical section in its FY 06 Comprehensive Annual Financial Report.

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

HORRY COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

YEAR ENDED JUNE 30, 2004  
(with comparative actual amounts for year ended June 30, 2003)

	2004				Restated 2003
	Budget		Actual (GAAP Basis)	Variance Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Property taxes	\$ 46,836,363	\$ 46,836,363	\$ 47,591,638	\$ 755,275	\$ 45,494,881
Intergovernmental	11,120,115	11,193,630	11,999,236	805,606	11,040,598
Fees and fines	12,153,316	12,153,316	12,550,344	397,028	12,170,564
Documentary stamps	2,395,000	2,395,000	3,888,898	1,493,898	2,442,715
License and permits	6,073,185	6,073,185	6,433,628	360,443	4,981,673
Interest on investments	550,000	550,000	575,884	25,884	613,503
Cost allocation	1,184,538	1,184,538	2,114,860	930,322	990,731
Other	1,020,055	1,020,055	1,086,012	65,957	790,051
<b>Total revenues</b>	<b>81,332,572</b>	<b>81,406,087</b>	<b>86,240,500</b>	<b>4,834,413</b>	<b>78,524,716</b>
<b>Expenditures</b>					
<b>General Government:</b>					
County Council	754,180	743,663	685,293	58,370	612,713
County Administrator	726,083	648,915	337,526	311,389	328,247
Administration Division	162,704	95,423	93,513	1,910	162,365
Finance	903,451	903,451	903,722	(271)	940,399
Department overhead	2,629,878	3,389,173	2,815,003	574,170	2,162,492
Human Resources	710,309	710,309	738,993	(28,684)	749,400
Procurement	255,546	255,661	257,005	(1,344)	234,994
Internal Auditor	73,288	73,288	66,495	6,793	63,341
Information Technology	2,743,488	2,751,043	2,641,014	110,029	2,601,669
Assessor	2,318,639	2,266,917	2,167,492	99,425	2,034,570
Assessor Appeals Board	11,296	11,296	1,990	9,306	2,968
Registrar of Mesne Conveyance	852,098	852,098	808,056	44,042	775,463
Geographical Information Systems	314,925	314,942	300,055	14,887	271,326
Maintenance	3,322,114	3,677,439	3,122,209	555,230	2,712,960
Voter Registration and Election	405,037	405,037	398,720	6,317	410,809
Public Information/Employee Relatio	243,664	243,664	214,531	29,133	220,889
Budget and Revenue Management	142,661	142,661	142,901	(240)	144,305
Treasurer	1,313,127	1,327,809	1,312,920	14,889	1,211,854
Auditor	932,022	972,518	965,184	7,334	858,003
Records Retention	214,433	215,579	223,312	(7,733)	200,695
Probate Judge	685,742	684,630	649,292	35,338	576,044
Master-in-equity	195,026	195,026	194,628	398	188,288
Legal	495,264	395,856	319,559	76,297	491,595
Grant Administration	354,884	131,802	99,625	32,177	102,471
Delegation	76,733	76,733	77,133	(400)	71,794
Hospitality	264,934	250,169	238,396	11,773	218,412
Business License	129,014	129,014	113,946	15,068	113,784
<b>Total</b>	<b>21,230,540</b>	<b>21,864,116</b>	<b>19,888,513</b>	<b>1,975,603</b>	<b>18,461,850</b>
Less, capital outlay	-	(1,014,894)	(640,281)	(374,613)	(401,187)
<b>Net general government</b>	<b>21,230,540</b>	<b>20,849,222</b>	<b>19,248,232</b>	<b>1,600,990</b>	<b>18,060,663</b>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

- CONTINUED -

	2004				Restated 2003
	Budget		Actual (GAAP Basis)	Variance Positive (Negative)	Actual
	Original	Final			
Public Safety:					
Solicitor	3,233,932	3,220,395	3,131,848	88,547	3,005,474
Clerk of Court - Circuit DSS Family	1,736,731	1,765,552	1,698,294	67,258	1,618,268
Circuit Judge	-	-	-	-	10,052
Magistrate No. 1 Conway	224,900	227,200	226,118	1,082	212,635
Magistrate No. 2 Aynor	180,235	180,235	174,362	5,873	166,574
Magistrate No. 4 Mt. Olive	129,560	129,560	131,691	(2,131)	125,293
Magistrate No. 5 Loris	171,689	171,689	173,049	(1,360)	169,996
Magistrate No. 6 Myrtle Beach	254,821	254,821	243,280	11,541	231,043
Magistrate No. 7 Steven Cross Road	171,103	171,103	169,353	1,750	166,851
Magistrate No. 11 Surfside	174,746	174,746	170,256	4,490	177,612
Magistrate No. 9 Night	150,896	143,862	98,955	44,907	65,286
Magistrate at Large No. 1	83,483	83,483	83,074	409	78,916
Magistrate at Large No. 2	110,339	111,873	118,894	(7,021)	110,473
Central Summary Court	325,412	328,112	319,589	8,523	300,310
Central Jury Court	235,355	235,355	147,652	87,703	153,022
Public Safety Division Director	162,424	162,428	181,679	(19,251)	187,872
Sheriff	2,448,325	2,449,988	2,329,189	120,799	2,242,562
Police	11,920,344	12,058,562	12,091,056	(32,494)	11,182,785
Central Processing - DSS	52,118	52,118	49,283	2,835	57,899
Emergency Preparedness	69,001	138,792	132,621	6,171	56,486
Emergency 911 Communications	4,536,956	3,100,956	2,930,020	170,936	2,458,425
Victim BOR	-	-	3,267	(3,267)	-
Coroner	370,027	370,745	394,084	(23,339)	372,490
Detention Center	8,926,687	8,936,465	9,109,469	(173,004)	8,104,640
Emergency Medical Services	8,293,133	8,270,518	8,686,443	(415,925)	7,911,422
Beach Front Program	41,656	41,656	39,200	2,456	27,223
Environmental Services	1,185,140	1,583,191	1,516,363	66,828	1,432,550
Pre-trial Intervention	237,188	237,188	294,847	(57,659)	229,127
Total	45,426,201	44,600,593	44,643,936	(43,343)	40,855,286
Less, capital outlay	-	(281,491)	(227,949)	(53,542)	(175,827)
Net public safety	45,426,201	44,319,102	44,415,987	(96,885)	40,679,459
Public Works:					
Road construction	-	100,000	-	100,000	-
Net public works	-	100,000	-	100,000	-

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

- CONTINUED -

	2004				Restated 2003
	Budget		Actual (GAAP Basis)	Variance Positive (Negative)	Actual
	Original	Final			
<b>Expenditures (continued)</b>					
<b>Health and Social Services:</b>					
Medically Indigent Assistance	1,169,963	1,169,963	1,168,206	1,757	1,217,269
Summer Food	-	-	170	(170)	-
Veteran Affairs	109,919	109,919	109,716	203	102,616
<b>Total</b>	<b>1,279,882</b>	<b>1,279,882</b>	<b>1,278,092</b>	<b>1,790</b>	<b>1,319,885</b>
Less, capital outlay	-	-	-	-	-
<b>Net health and social services</b>	<b>1,279,882</b>	<b>1,279,882</b>	<b>1,278,092</b>	<b>1,790</b>	<b>1,319,885</b>
<b>Infrastructure and Regulation:</b>					
Codes Enforcement	1,887,563	1,889,648	1,827,868	61,780	1,552,661
Planning	978,392	977,471	903,677	73,794	759,461
Zoning	579,419	578,255	502,499	75,756	439,604
<b>Total</b>	<b>3,445,374</b>	<b>3,445,374</b>	<b>3,234,044</b>	<b>211,330</b>	<b>2,751,726</b>
Less, capital outlay	-	(90,067)	(58,067)	(32,000)	-
<b>Net infrastructure and regulation</b>	<b>3,445,374</b>	<b>3,355,307</b>	<b>3,175,977</b>	<b>179,330</b>	<b>2,751,726</b>
<b>Culture, Recreation, and Tourism:</b>					
Library	2,982,939	3,043,298	2,985,042	58,256	2,746,171
Parks and Recreation	-	875,133	81,736	793,397	213,849
Museum	235,434	235,434	224,861	10,573	463,604
<b>Total</b>	<b>3,218,373</b>	<b>4,153,865</b>	<b>3,291,639</b>	<b>862,226</b>	<b>3,423,624</b>
Less, capital outlay	-	(18,865)	-	(18,865)	(11,906)
<b>Net culture, recreation and tourism</b>	<b>3,218,373</b>	<b>4,135,000</b>	<b>3,291,639</b>	<b>843,361</b>	<b>3,411,718</b>
<b>Other:</b>					
<b>State Mandated Supplements:</b>					
Health Department	219,973	219,973	215,483	4,490	200,725
Department of Social Services	116,297	116,297	78,679	37,618	102,411
Department of Juvenile Detention	10,680	10,680	8,010	2,670	10,680
Public Defender	715,000	715,000	715,000	-	715,000
<b>Total</b>	<b>1,061,950</b>	<b>1,061,950</b>	<b>1,017,172</b>	<b>44,778</b>	<b>1,028,816</b>
<b>Other Agencies:</b>					
Waccamaw Regional Planning Council	75,000	75,000	75,000	-	75,000
<b>Rescue Squads:</b>					
Aynor	6,000	6,000	6,000	-	4,000
Horry	6,000	6,000	6,000	-	3,000
<b>Mount Olive:</b>					
Myrtle Beach	6,000	6,000	6,000	-	4,000
North Myrtle Beach	10,000	10,000	10,000	-	8,000
Northern Horry	6,000	6,000	6,000	-	4,000
Mount Olive	6,000	6,000	6,000	-	-
Coastal Rapid Transit Authority	75,000	75,000	75,000	-	100,000

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

- CONTINUED -

	2004				Restated 2003
	Budget		Actual (GAAP Basis)	Variance Positive (Negative)	Actual
	Original	Final			
<b>Expenditures (continued)</b>					
Other (cont.):					
Other Agencies (cont.):					
Waccamaw EOC	5,000	5,000	5,000	-	-
Waccamaw Center of Mental Health	18,000	18,000	18,000	-	-
Mercy Hospice	6,750	6,750	6,750	-	9,000
Disabilities and Special Needs	20,000	20,000	20,000	-	30,000
Pee Dee Speech & Hearing	3,750	3,750	3,750	-	5,000
Chapin Memorial Library	40,000	40,000	40,000	-	40,000
Community Coalition	2,250	2,250	2,250	-	3,000
Waccamaw Youth Center	2,800	2,800	2,800	-	3,750
Careteam	5,000	5,000	5,000	-	-
Cooperative Extension	5,000	5,000	5,000	-	3,500
HC Architectural Review	-	-	-	-	642
Boys and Girls Club	10,000	10,000	10,000	-	30,000
Shoreline Behavior	30,000	30,000	30,000	-	-
Total	<u>338,550</u>	<u>338,550</u>	<u>338,550</u>	<u>-</u>	<u>322,892</u>
Net other	<u>1,400,500</u>	<u>1,400,500</u>	<u>1,355,722</u>	<u>44,778</u>	<u>1,351,708</u>
Capital outlay	<u>-</u>	<u>1,405,317</u>	<u>926,297</u>	<u>479,020</u>	<u>588,920</u>
Total expenditures	<u>76,000,870</u>	<u>76,844,330</u>	<u>73,691,946</u>	<u>3,152,384</u>	<u>68,164,079</u>
Excess of revenues over expenditures	<u>5,331,702</u>	<u>4,561,757</u>	<u>12,548,554</u>	<u>7,986,797</u>	<u>10,360,637</u>
<b>Other Financial Sources (Uses)</b>					
Sale of assets	8,000	8,000	89,195	81,195	182,260
Transfers in	1,804,862	1,804,862	1,414,067	(390,795)	1,290,418
Transfers out	(7,144,564)	(8,718,960)	(8,708,757)	10,203	(7,176,415)
Total other financing sources (uses)	<u>(5,331,702)</u>	<u>(6,906,098)</u>	<u>(7,205,495)</u>	<u>(299,397)</u>	<u>(5,703,737)</u>
Net change in fund balance	<u>-</u>	<u>(2,344,341)</u>	<u>5,343,059</u>	<u>7,687,400</u>	<u>4,656,900</u>
Fund balance at beginning of year (as restated)	<u>20,867,317</u>	<u>20,867,317</u>	<u>20,867,317</u>	<u>-</u>	<u>16,210,417</u>
Fund balance at end of year	<u>\$ 20,867,317</u>	<u>\$ 18,522,976</u>	<u>\$ 26,210,376</u>	<u>\$ 7,687,400</u>	<u>\$ 20,867,317</u>

HORRY COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE

HOSPITALITY 1.5% FUND

YEAR ENDED JUNE 30, 2004

(with comparative actual amounts for year ended June 30, 2003)

	2004			Variance Positive (Negative)	2003
	Budget		Actual (GAAP Basis)		Actual
	Original	Final			
<b>Revenues</b>					
Fees and fines	\$ 24,376,168	\$ 24,376,168	\$ 24,759,413	\$ 383,245	\$23,063,395
Interest on investments	45,600	45,600	13,734	(31,866)	18,545
Total revenues	<u>24,421,768</u>	<u>24,421,768</u>	<u>24,773,147</u>	<u>351,379</u>	<u>23,081,940</u>
Excess of revenues over expenditures	24,421,768	24,421,768	24,773,147	351,379	23,081,940
<b>Other financing sources (uses)</b>					
Transfers out - RIDE debt service	(25,137,606)	(25,137,606)	(24,567,596)	570,010	(22,382,488)
Transfers out - general fund	(243,762)	(243,762)	(233,619)	10,143	(230,617)
Total other financing sources (uses)	<u>(25,381,368)</u>	<u>(25,381,368)</u>	<u>(24,801,215)</u>	<u>580,153</u>	<u>(22,613,105)</u>
Net change in fund balance	(959,600)	(959,600)	(28,068)	931,532	468,835
Fund balance at beginning of year	939,227	939,227	939,227	-	470,392
Fund balance at end of year	<u>\$ (20,373)</u>	<u>\$ (20,373)</u>	<u>\$ 911,159</u>	<u>\$ 931,532</u>	<u>\$ 939,227</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR END JUNE 30, 2004

**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	
	2004	2003
Arterial	100%	100%
Collector	86.7%	87.4%
Access	95.5%	95.1%
Overall system	94.9%	94.5%

	Percentage of Miles in Substandard Condition	
	Condition	
	2004	2003
Arterial	0%	0%
Collector	13.3%	12.6%
Access	4.5%	4.9%
Overall System	5.2%	5.5%

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

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

	Comparison of Needed-To-Actual Maintenance/Preservation				
	2004	2003	2002	2001	2000
<u>Arterial:</u>					
Needed	\$ -	\$ -	\$ -	\$ -	\$ -
Actual	-	-	-	-	-
<u>Collector:</u>					
Needed	590,000	132,000	200,000	200,000	-
Actual	380,000	235,000	200,000	-	-
<u>Access:</u>					
Needed	1,800,000	842,000	-	-	300,000
Actual	1,150,272	190,000	150,000	350,000	303,778
<u>Overall System:</u>					
Needed	2,390,000	974,000	200,000	200,000	300,000
Actual	1,530,272	425,000	350,000	350,000	303,778
Difference	859,728	549,000	150,000	150,000	3,778

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

### HORRY COUNTY, SOUTH CAROLINA

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

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

At June 30, 2004, the Department of Airport's airfield infrastructure systems of MYR, Conway and Grand Strand are considered to be good or better condition. All pavement surface 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 overpayment in fiscal year 2010. Estimated costs exceed \$5 million.

Currently, the Department is in the midst of a project that will rehabilitate MYR Taxiway "J" South and a portion of MYR Runway 18C-36C. The project cost for the rehabilitation of MYR Taxiway "T" South and the runway portion are estimated at \$2.4 million. Work is also continuing on the rehabilitation of apron at Conway Airport. A \$300,000 overlay of the Loris Airport runway was completed in fiscal year 04. A pavement rejuvenation program at Grand Strand Airport and Conway Airport is currently underway.

HORRY COUNTY, SOUTH CAROLINA

## OTHER FINANCIAL INFORMATION

HORRY COUNTY, SOUTH CAROLINA

COMBINING 'NON-MAJOR' GOVERNMENTAL  
FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEETS  
NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2004

	<b>Non-Major Special Revenue Funds</b>	<b>Non-Major Debt Service Funds</b>	<b>Total Non- Major Governmental Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 2,303,266	\$ 2,220,750	\$ 4,524,016
Equity in pooled cash and investments	26,965,023	4,200,973	31,165,996
Receivables, net:			
Property taxes	119,087	47,092	166,179
Accounts and other	159,970	-	159,970
Fees	654,790	-	654,790
Due from other funds	1,357,111	-	1,357,111
Due from other governments	2,331,795	440	2,332,235
Mortgage note receivable	250,000	-	250,000
Inventories	21,665	-	21,665
Prepaid expenses	49,454	-	49,454
<b>Total assets</b>	<b>\$ 34,212,161</b>	<b>\$ 6,469,255</b>	<b>\$ 40,681,416</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable-trade	\$ 1,356,101	\$ -	\$ 1,356,101
Accounts payable-other	7,010	-	7,010
Construction and retainage payable	411,516	-	411,516
Accrued salaries and wages	146,657	-	146,657
Due to other funds	3,693,032	-	3,693,032
Due to component unit	563,179	-	563,179
Due to other governments	421,961	-	421,961
Deferred revenue	200,436	-	200,436
<b>Total liabilities</b>	<b>6,799,892</b>	<b>-</b>	<b>6,799,892</b>
<b>Fund balances:</b>			
Reserved for encumbrances	3,946,980	-	3,946,980
Reserved for inventories	21,665	-	21,665
Reserved for Victims Rights Assistance	165,552	-	165,552
Reserved for debt service	-	6,469,255	6,469,255
Reserved for road maintenance	870,760	-	870,760
Reserved for cultural	48,981	-	48,981
Reserved for Baseball Stadium Fund	300,000	-	300,000
Unreserved/undesignated	22,058,331	-	22,058,331
<b>Total fund balances</b>	<b>27,412,269</b>	<b>6,469,255</b>	<b>33,881,524</b>
<b>Total liabilities and fund balances</b>	<b>\$ 34,212,161</b>	<b>\$ 6,469,255</b>	<b>\$ 40,681,416</b>

HORRY COUNTY, SOUTH CAROLINA

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

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2004

	<b>Non-Major Special Revenue Funds</b>	<b>Non-Major Debt Service Funds</b>	<b>Total Non-Major Governmental Funds</b>
<b>Revenues</b>			
Property taxes	\$ 17,677,329	\$ 10,250,356	\$ 27,927,685
Intergovernmental	5,879,352	131,451	6,010,803
Accommodations tax	833,856	-	833,856
Fees and fines	12,989,344	-	12,989,344
Interest on investments	244,626	185,751	430,377
Other	448,988	64,266	513,254
Total revenues	<u>38,073,495</u>	<u>10,631,824</u>	<u>48,705,319</u>
<b>Expenditures</b>			
Current:			
General government	213,529	-	213,529
Public safety	11,928,846	-	11,928,846
Public works	20,396,716	-	20,396,716
Health and social services	709,293	-	709,293
Culture and recreation	3,205,537	-	3,205,537
Economic development	208,407	-	208,407
Conservation and natural resources	341,992	-	341,992
TECH and Higher Education Commission	-	2,240,000	2,240,000
Debt service	-	11,926,545	11,926,545
Total expenditures	<u>37,004,320</u>	<u>14,166,545</u>	<u>51,170,865</u>
Excess (deficiency) of revenues over expenditures	<u>1,069,175</u>	<u>(3,534,721)</u>	<u>(2,465,546)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	10,013,802	3,375,145	13,388,947
Transfers out	(7,959,686)	-	(7,959,686)
Total other financing sources (uses)	<u>2,054,116</u>	<u>3,375,145</u>	<u>5,429,261</u>
Net change in fund balance	3,123,291	(159,576)	2,963,715
Fund balances at beginning of year (restated)	24,288,978	6,628,831	30,917,809
Fund balances at end of year	<u>\$ 27,412,269</u>	<u>\$ 6,469,255</u>	<u>\$ 33,881,524</u>

INDIVIDUAL FUND  
FINANCIAL STATEMENTS

## GENERAL FUND

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

HORRY COUNTY, SOUTH CAROLINA

GENERAL FUND  
BALANCE SHEET

JUNE 30, 2004

(with comparative amounts June 30,2003)

	<u>2004</u>	<u>Restated 2003</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 749,200	\$ 551,607
Equity in pooled cash and investments	37,817,643	35,164,983
Receivables, net:		
Property taxes	290,765	638,354
Accounts and other	325,914	365,897
Accrued interest	327,697	248,427
Due from other governments	2,953,127	2,485,397
Due from other funds	4,518,972	4,075,057
Due from component unit	-	687
Inventories	72,371	81,349
Prepaid items	88,701	162,253
Total Assets	<u>\$ 47,144,390</u>	<u>\$ 43,774,011</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable-trade	\$ 1,215,159	\$ 1,257,706
Accounts payable-other	430,052	443,019
Due to other governments	1,585,151	1,765,120
Accrued salaries and wages	558,359	1,953,144
Due to component units	94,946	106,957
Accrued compensated absences	5,257	3,499
Other liabilities	17,045,090	17,377,249
Total liabilities	<u>20,934,014</u>	<u>22,906,694</u>
Fund balance:		
Reserved for underground storage tanks	50,000	50,000
Reserved for lottery funds	896	-
Reserved for encumbrances	331,306	422,936
Reserved for inventories	72,371	81,349
Reserved for prepaid items	88,701	162,253
Reserved for DSS federal revenue	77,028	111,876
Unreserved:		
Designated	5,757,591	1,591,815
Unreserved/undesignated	19,832,483	18,447,088
Total fund balance	<u>26,210,376</u>	<u>20,867,317</u>
Total liabilities and fund balance	<u>\$ 47,144,390</u>	<u>\$ 43,774,011</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	Restated 2003
	Budget	Actual		Actual
<b>Revenues</b>				
<u>Property taxes</u>	\$ 46,836,363	\$ 47,591,638	\$ 755,275	\$ 45,494,881
<u>Intergovernmental:</u>				
Federal grants	630,500	716,892	86,392	577,431
Civil defense	20,835	20,835	-	19,655
Tax supplies	5,762	5,240	(522)	5,762
Inventory tax	306,286	306,286	-	306,286
State salary supplements	6,300	7,838	1,538	6,300
Board of registration	16,875	16,835	(40)	17,644
Veteran affairs	9,833	8,846	(987)	9,833
State shared	8,750,000	8,742,054	(7,946)	8,662,039
State-library	235,000	196,706	(38,294)	230,073
Accommodations tax	170,210	162,265	(7,945)	159,281
Other	767,015	1,435,517	668,502	720,091
Solicitors	275,014	379,922	104,908	326,203
Total intergovernmental	<u>11,193,630</u>	<u>11,999,236</u>	<u>805,606</u>	<u>11,040,598</u>
<u>Fees and Fines:</u>				
E 911 telephone fees	950,000	891,381	(58,619)	926,084
Planning fees	130,200	220,340	90,140	125,916
EMS	3,154,500	3,075,457	(79,043)	3,119,117
RMC fees	1,630,000	2,321,138	691,138	1,836,823
Clerk of Court fees and fines	572,750	475,547	(97,203)	498,182
Library	105,000	70,275	(34,725)	92,326
Sheriff fines	59,000	54,009	(4,991)	57,130
Family court fees	475,000	526,719	51,719	521,731
Probate court fees	335,675	392,546	56,871	341,280
Magistrates' fees and fines	2,146,242	2,047,774	(98,468)	2,132,328
Prisoner Housing	75,000	56,917	(18,083)	64,520
Health department fees	66,600	63,040	(3,560)	62,986
Master in Equity fees	670,000	628,697	(41,303)	656,543
CATV fees	780,000	798,944	18,944	760,698
Beach franchise fees	49,000	49,507	507	69,000
Animal and insect fees	38,000	40,087	2,087	36,864
Other	218,400	182,966	(35,434)	226,131
Georgetown Solicitor fees	697,949	655,000	(42,949)	642,905
Total fees and fines	<u>12,153,316</u>	<u>12,550,344</u>	<u>397,028</u>	<u>12,170,564</u>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004			Restated 2003
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues (continued)</b>				
<u>Documentary Stamps:</u>				
RMC	2,395,000	3,888,898	1,493,898	2,442,715
<u>Licenses and Permits:</u>				
Business licenses	1,655,000	1,733,885	78,885	1,782,092
Building inspection permits	4,294,485	4,573,273	278,788	3,080,306
Mobile home permits	21,200	20,995	(205)	20,005
Marriage licenses	102,500	105,475	2,975	99,270
Total licenses and permits	6,073,185	6,433,628	360,443	4,981,673
<u>Interest on investment</u>	550,000	575,884	25,884	613,503
<u>Cost allocation</u>	1,184,538	2,114,860	930,322	990,731
<u>Other:</u>				
Rent	15,618	15,618	-	15,218
Other	767,250	788,304	21,054	511,838
Pre-Trial Intervention	237,187	282,090	44,903	262,995
Total other	1,020,055	1,086,012	65,957	790,051
Total revenues	81,406,087	86,240,500	4,834,413	78,524,716
<b>Expenditures</b>				
<b>Current:</b>				
<u>General Government:</u>				
<u>County Council:</u>				
Personal services	412,163	407,720	4,443	399,827
Contractual services	186,700	175,487	11,213	132,425
Supplies and materials	56,800	43,739	13,061	16,661
Business and travel	88,000	58,347	29,653	63,800
Total	743,663	685,293	58,370	612,713
<u>County Administrator:</u>				
Personal services	304,467	305,437	(970)	300,749
Contractual services	35,937	15,988	19,949	17,661
Supplies and materials	11,063	4,311	6,752	3,467
Business and travel	15,707	8,103	7,604	4,106
Contingency	281,741	3,687	278,054	2,264
Total	648,915	337,526	311,389	328,247

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004			Restated 2003
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Expenditures (continued)</b>				
<b>Current:</b>				
<u>General Government (cont.):</u>				
Administration Division:				
Personal services	93,698	93,094	604	161,237
Supplies and materials	900	419	481	928
Business and travel	825	-	825	200
Total	<u>95,423</u>	<u>93,513</u>	<u>1,910</u>	<u>162,365</u>
Finance:				
Personal services	810,126	823,502	(13,376)	801,230
Contractual services	60,325	59,395	930	101,212
Supplies and materials	29,730	19,603	10,127	28,711
Business and travel	3,270	1,222	2,048	3,814
Capital outlay	-	-	-	5,432
Total	<u>903,451</u>	<u>903,722</u>	<u>(271)</u>	<u>940,399</u>
Department Overhead:				
Personal services	469,918	215,629	254,289	193,761
Contractual services	1,830,723	1,804,569	26,154	1,391,340
Supplies and materials	787,500	787,099	401	570,108
Business and travel	294,032	1,902	292,130	1,178
Other	7,000	5,804	1,196	6,105
Total	<u>3,389,173</u>	<u>2,815,003</u>	<u>574,170</u>	<u>2,162,492</u>
Human Resources/Risk Management:				
Personal services	634,550	680,514	(45,964)	677,957
Contractual services	39,916	34,388	5,528	50,550
Supplies and materials	30,238	19,047	11,191	18,697
Business and travel	5,605	5,044	561	2,196
Total	<u>710,309</u>	<u>738,993</u>	<u>(28,684)</u>	<u>749,400</u>
Procurement:				
Personal services	233,126	241,397	(8,271)	222,356
Contractual services	12,730	10,140	2,590	7,831
Supplies and materials	6,650	4,267	2,383	3,600
Business and travel	3,155	1,201	1,954	1,207
Total	<u>255,661</u>	<u>257,005</u>	<u>(1,344)</u>	<u>234,994</u>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance Positive (Negative)	Restated 2003
	Budget	Actual		Actual
<b>Expenditures (continued)</b>				
<b>Current:</b>				
<u>General Government (cont.):</u>				
Internal Auditor:				
Personal services	64,511	63,075	1,436	62,638
Contractual service	105	49	56	-
Supplies and materials	8,377	3,241	5,136	533
Business and travel	295	130	165	170
Total	<u>73,288</u>	<u>66,495</u>	<u>6,793</u>	<u>63,341</u>
Information Technology:				
Personal services	722,362	753,204	(30,842)	703,570
Contractual services	957,467	885,396	72,071	1,195,844
Supplies and materials	319,659	315,079	4,580	310,379
Business and travel	12,197	11,502	695	6,566
Capital outlay	634,358	570,833	63,525	385,310
Other	105,000	105,000	-	-
Total	<u>2,751,043</u>	<u>2,641,014</u>	<u>110,029</u>	<u>2,601,669</u>
Assessor:				
Personal services	2,043,914	2,015,105	28,809	1,901,954
Contractual services	76,756	41,381	35,375	50,138
Supplies and materials	94,856	67,702	27,154	25,930
Business and travel	51,391	43,304	8,087	56,548
Total	<u>2,266,917</u>	<u>2,167,492</u>	<u>99,425</u>	<u>2,034,570</u>
Assessor Appeals Board:				
Personal services	10,671	1,889	8,782	2,887
Contractual services	425	101	324	-
Supplies and materials	200	-	200	81
Total	<u>11,296</u>	<u>1,990</u>	<u>9,306</u>	<u>2,968</u>
Registrar of Mesne Conveyance:				
Personal services	707,560	682,931	24,629	663,832
Contractual services	55,055	44,104	10,951	34,922
Supplies and materials	83,900	76,582	7,318	73,969
Business and travel	5,583	4,439	1,144	2,740
Total	<u>852,098</u>	<u>808,056</u>	<u>44,042</u>	<u>775,463</u>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003
				Actual
<b>Expenditures (continued)</b>				
<b>Current:</b>				
<u>General Government (cont.):</u>				
Geographical Information System:				
Personal services	306,252	291,053	15,199	263,263
Contractual services	-	-	-	-
Supplies and materials	5,400	5,310	90	4,802
Business and travel	3,290	3,692	(402)	3,261
Total	314,942	300,055	14,887	271,326
Maintenance:				
Personal services	2,317,213	2,278,071	39,142	2,177,075
Contractual services	220,307	141,769	78,538	122,343
Supplies and materials	450,777	429,751	21,026	291,563
Business and travel	126,678	116,734	9,944	114,394
Capital outlay	352,464	43,750	308,714	7,585
Other	210,000	112,134	97,866	-
Total	3,677,439	3,122,209	555,230	2,712,960
Voter Registration and Election:				
Personal services	329,912	347,526	(17,614)	305,141
Contractual services	26,572	22,315	4,257	75,119
Supplies and materials	44,603	26,576	18,027	27,500
Business and travel	3,950	2,303	1,647	3,049
Total	405,037	398,720	6,317	410,809
Public Information:				
Personal services	163,063	157,237	5,826	153,495
Contractual services	15,575	10,722	4,853	19,324
Supplies and materials	60,075	46,443	13,632	45,739
Business and travel	4,951	129	4,822	2,331
Total	243,664	214,531	29,133	220,889
Budget and Revenue Mgmt:				
Personal services	135,376	139,272	(3,896)	139,553
Supplies and materials	6,314	3,571	2,743	4,507
Business and travel	971	58	913	245
Total	142,661	142,901	(240)	144,305

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003 Actual
<b>Expenditures (continued)</b>				
<b>Current:</b>				
<u>General Government (cont.):</u>				
Treasurer:				
Personal services	1,094,549	1,120,002	(25,453)	1,051,867
Contractual services	141,532	116,784	24,748	85,203
Supplies and materials	69,292	57,259	12,033	57,437
Business and travel	22,436	18,875	3,561	17,347
<b>Total</b>	<b>1,327,809</b>	<b>1,312,920</b>	<b>14,889</b>	<b>1,211,854</b>
Auditor:				
Personal Services	851,000	871,821	(20,821)	813,398
Contractual services	36,101	25,083	11,018	22,229
Supplies and materials	73,299	58,618	14,681	13,310
Business and travel	12,118	9,662	2,456	9,066
Capital outlay	-	-	-	-
<b>Total</b>	<b>972,518</b>	<b>965,184</b>	<b>7,334</b>	<b>858,003</b>
Records Retention:				
Personal services	182,244	190,146	(7,902)	172,469
Contractual services	16,721	16,053	668	16,780
Supplies and materials	13,701	14,210	(509)	7,990
Business and travel	2,913	2,903	10	3,456
<b>Total</b>	<b>215,579</b>	<b>223,312</b>	<b>(7,733)</b>	<b>200,695</b>
Probate Judge:				
Personal services	588,542	567,813	20,729	543,023
Contractual services	16,979	11,178	5,801	6,346
Supplies and materials	40,493	37,294	3,199	22,262
Business and travel	10,544	7,309	3,235	4,413
Capital outlay	28,072	25,698	2,374	-
<b>Total</b>	<b>684,630</b>	<b>649,292</b>	<b>35,338</b>	<b>576,044</b>
Master-in-Equity:				
Personal services	191,176	192,237	(1,061)	186,235
Contractual services	1,500	1,228	272	841
Supplies and materials	1,500	588	912	732
Business and travel	850	575	275	480
<b>Total</b>	<b>195,026</b>	<b>194,628</b>	<b>398</b>	<b>188,288</b>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003 Actual
<b>Expenditures (continued)</b>				
<b>Current:</b>				
<u>General Government (cont.):</u>				
Legal:				
Personal services	174,871	165,165	9,706	268,090
Contractual services	213,813	148,405	65,408	209,850
Supplies and materials	2,372	2,189	183	2,184
Business and travel	4,800	3,800	1,000	3,684
Other	-	-	-	7,787
<b>Total</b>	<b>395,856</b>	<b>319,559</b>	<b>76,297</b>	<b>491,595</b>
Grants Administration:				
Personal services	93,684	94,773	(1,089)	89,222
Contractual services	32,188	635	31,553	10,760
Supplies and materials	3,097	2,698	399	1,340
Business and travel	2,833	1,519	1,314	1,149
Capital outlay	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>131,802</b>	<b>99,625</b>	<b>32,177</b>	<b>102,471</b>
Delegation:				
Personal services	75,277	76,281	(1,004)	71,188
Contractual services	1,056	497	559	241
Supplies and materials	400	355	45	365
<b>Total</b>	<b>76,733</b>	<b>77,133</b>	<b>(400)</b>	<b>71,794</b>
Hospitality:				
Personal services	196,649	198,101	(1,452)	190,110
Contractual services	8,321	2,979	5,342	3,225
Supplies and materials	34,112	29,410	4,702	16,805
Business and travel	11,087	7,906	3,181	8,272
<b>Total</b>	<b>250,169</b>	<b>238,396</b>	<b>11,773</b>	<b>218,412</b>
Business License:				
Personal services	81,193	82,391	(1,198)	99,264
Contractual services	27,861	15,892	11,969	2,191
Supplies and materials	9,419	8,395	1,024	5,246
Business and travel	10,541	7,268	3,273	7,045
Other	-	-	-	38
<b>Total</b>	<b>129,014</b>	<b>113,946</b>	<b>15,068</b>	<b>113,784</b>
<b>Total general government</b>	<b>21,864,116</b>	<b>19,888,513</b>	<b>1,975,603</b>	<b>18,461,850</b>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003
				Actual
<b>Expenditures (continued)</b>				
<b>Current:</b>				
<u>Public Safety:</u>				
Solicitor:				
Personal services	2,943,474	2,861,547	81,927	2,772,443
Contractual services	142,356	139,414	2,942	141,978
Supplies and materials	67,773	64,387	3,386	45,636
Business and travel	66,792	66,500	292	45,417
<b>Total</b>	<b>3,220,395</b>	<b>3,131,848</b>	<b>88,547</b>	<b>3,005,474</b>
Clerk of Court - DSS Family Court:				
Personal services	1,369,752	1,341,339	28,413	1,266,264
Contractual services	267,926	246,400	21,526	269,963
Supplies and materials	79,520	65,888	13,632	68,740
Business and travel	3,648	2,733	915	2,122
Capital outlay	15,885	13,500	2,385	-
Other	28,821	28,434	387	11,179
<b>Total</b>	<b>1,765,552</b>	<b>1,698,294</b>	<b>67,258</b>	<b>1,618,268</b>
Circuit Court Judge:				
Personal services	-	-	-	9,293
Contractual services	-	-	-	759
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,052</b>
Magistrate No. 1 Conway:				
Personal services	213,408	214,347	(939)	207,258
Contractual services	3,261	2,262	999	1,763
Supplies and materials	7,431	6,440	991	2,192
Business and travel	3,100	3,069	31	1,422
<b>Total</b>	<b>227,200</b>	<b>226,118</b>	<b>1,082</b>	<b>212,635</b>
Magistrate No. 2 Aynor:				
Personal services	150,924	151,578	(654)	144,635
Contractual services	22,383	18,052	4,331	16,474
Supplies and materials	4,778	3,445	1,333	3,994
Business and travel	2,150	1,287	863	1,471
<b>Total</b>	<b>180,235</b>	<b>174,362</b>	<b>5,873</b>	<b>166,574</b>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003 Actual
<b>Expenditures (continued)</b>				
<b>Current:</b>				
<u>Public Safety (cont.):</u>				
Magistrate No. 4 Mt. Olive:				
Personal services	116,660	118,203	(1,543)	111,603
Contractual services	9,250	10,947	(1,697)	10,213
Supplies and materials	1,450	747	703	1,279
Business and travel	2,200	1,794	406	2,198
Total	<u>129,560</u>	<u>131,691</u>	<u>(2,131)</u>	<u>125,293</u>
Magistrate No. 5 Loris:				
Personal services	158,152	162,774	(4,622)	155,371
Contractual services	6,837	5,114	1,723	5,569
Supplies and materials	3,200	3,072	128	7,293
Business and travel	3,500	2,089	1,411	1,763
Total	<u>171,689</u>	<u>173,049</u>	<u>(1,360)</u>	<u>169,996</u>
Magistrate No. 6 Myrtle Beach:				
Personal services	237,911	230,768	7,143	220,006
Contractual services	6,410	3,902	2,508	4,815
Supplies and materials	7,741	7,122	619	4,908
Business and travel	2,759	1,488	1,271	1,314
Total	<u>254,821</u>	<u>243,280</u>	<u>11,541</u>	<u>231,043</u>
Magistrate No. 7 Stevens Cross Road:				
Personal services	152,103	160,635	(8,532)	156,238
Contractual services	1,500	641	859	692
Supplies and materials	10,500	5,209	5,291	5,907
Business and travel	7,000	2,868	4,132	4,014
Total	<u>171,103</u>	<u>169,353</u>	<u>1,750</u>	<u>166,851</u>
Magistrate No. 11 Surfside:				
Personal services	150,199	153,072	(2,873)	149,138
Contractual services	18,600	12,783	5,817	19,007
Supplies and materials	3,860	2,734	1,126	3,798
Business and travel	2,087	1,667	420	2,847
Capital outlay	-	-	-	2,822
Total	<u>174,746</u>	<u>170,256</u>	<u>4,490</u>	<u>177,612</u>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance Positive (Negative)	Restated 2003
	Budget	Actual		Actual
<b>Expenditures (continued)</b>				
<b>Current:</b>				
<u>Public Safety (cont.):</u>				
Magistrate -Night:				
Personal services	133,434	88,890	44,544	60,325
Contractual services	5,022	4,336	686	2,811
Supplies and materials	2,106	2,046	60	1,428
Business and travel	3,300	3,683	(383)	722
Total	143,862	98,955	44,907	65,286
Magistrate at Large No. 1:				
Personal services	79,046	79,777	(731)	76,237
Contractual services	237	(2)	239	-
Supplies and materials	400	25	375	-
Business and travel	3,800	3,274	526	2,679
Total	83,483	83,074	409	78,916
Magistrate at Large No. 2 - Detention:				
Personal services	106,919	113,018	(6,099)	104,784
Contractual services	101	101	-	62
Supplies and materials	4,853	5,775	(922)	5,452
Business and travel	-	-	-	175
Total	111,873	118,894	(7,021)	110,473
Central Summary Court:				
Personal services	299,812	304,504	(4,692)	291,538
Contractual services	5,000	1,829	3,171	1,810
Supplies and materials	17,500	12,606	4,894	6,022
Business and travel	2,800	650	2,150	940
Capital outlay	3,000	-	3,000	-
Total	328,112	319,589	8,523	300,310
Central Jury Court:				
Personal services	38,605	38,725	(120)	36,427
Contractual services	182,800	99,366	83,434	111,948
Supplies and materials	12,250	8,718	3,532	3,773
Business and travel	1,700	843	857	874
Total	235,355	147,652	87,703	153,022

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003
				Actual
<b>Expenditures (continued)</b>				
<b>Current:</b>				
<u>Public Safety (cont.):</u>				
Public Safety Division Director:				
Personal services	154,151	153,942	209	145,205
Contractual services	1,534	21,278	(19,744)	571
Supplies and materials	900	845	55	714
Business and travel	5,843	5,614	229	41,382
<b>Total</b>	<b>162,428</b>	<b>181,679</b>	<b>(19,251)</b>	<b>187,872</b>
Sheriff:				
Personal services	2,127,033	2,065,257	61,776	2,007,179
Contractual services	70,200	56,294	13,906	37,912
Supplies and materials	58,807	34,622	24,185	39,490
Business and travel	186,598	173,016	13,582	154,720
Capital outlay	7,350	-	7,350	3,208
Other	-	-	-	53
<b>Total</b>	<b>2,449,988</b>	<b>2,329,189</b>	<b>120,799</b>	<b>2,242,562</b>
Police:				
Personal services	9,896,606	9,948,650	(52,044)	9,024,010
Contractual services	246,160	238,815	7,345	257,105
Supplies and materials	276,442	266,059	10,383	244,174
Business and travel	1,637,634	1,635,812	1,822	1,605,353
Capital outlay	-	-	-	43,844
Other	1,720	1,720	-	8,299
<b>Total</b>	<b>12,058,562</b>	<b>12,091,056</b>	<b>(32,494)</b>	<b>11,182,785</b>
Central Processing:				
Personal services	45,048	44,851	197	41,474
Contractual services	554	-	554	-
Supplies and materials	4,016	2,272	1,744	7,372
Business and travel	2,500	2,160	340	2,035
Capital outlay	-	-	-	7,018
<b>Total</b>	<b>52,118</b>	<b>49,283</b>	<b>2,835</b>	<b>57,899</b>
Emergency Preparedness:				
Personal services	114,432	112,168	2,264	35,852
Contractual services	7,580	5,772	1,808	5,438
Supplies and materials	4,188	3,540	648	4,924
Business and travel	12,592	11,141	1,451	10,272
<b>Total</b>	<b>138,792</b>	<b>132,621</b>	<b>6,171</b>	<b>56,486</b>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance	Restated
	Budget	Actual	Positive (Negative)	2003
				Actual
<b>Expenditures (continued)</b>				
<b>Current:</b>				
<u>Public Safety (cont.):</u>				
Emergency 911 Communications:				
Personal services	1,812,403	1,696,647	115,756	1,663,767
Contractual services	1,143,750	1,084,500	59,250	781,301
Supplies and materials	17,393	21,577	(4,184)	11,388
Business and travel	2,410	2,296	114	1,969
Capital outlay	125,000	125,000	-	-
<b>Total</b>	<b>3,100,956</b>	<b>2,930,020</b>	<b>170,936</b>	<b>2,458,425</b>
Victim's BOR:				
Personal services	-	3,267	(3,267)	-
Capital outlay	-	-	-	-
<b>Total</b>	<b>-</b>	<b>3,267</b>	<b>(3,267)</b>	<b>-</b>
Coroner:				
Personal services	172,644	192,293	(19,649)	165,025
Contractual services	167,934	174,427	(6,493)	190,894
Supplies and materials	10,914	8,816	2,098	3,852
Business and travel	19,253	18,548	705	12,719
<b>Total</b>	<b>370,745</b>	<b>394,084</b>	<b>(23,339)</b>	<b>372,490</b>
Detention Center:				
Personal services	6,839,804	6,863,508	(23,704)	6,242,659
Contractual services	578,735	629,108	(50,373)	514,635
Supplies and materials	1,239,497	1,383,130	(143,633)	1,111,735
Business and travel	173,329	169,420	3,909	165,801
Capital outlay	105,100	64,303	40,797	69,810
<b>Total</b>	<b>8,936,465</b>	<b>9,109,469</b>	<b>(173,004)</b>	<b>8,104,640</b>
Emergency Medical Services:				
Personal services	6,978,736	7,455,208	(476,472)	6,674,347
Contractual services	223,382	178,039	45,343	226,868
Supplies and materials	497,286	486,861	10,425	514,724
Business and travel	571,114	566,335	4,779	482,955
Capital outlay	-	-	-	12,528
<b>Total</b>	<b>8,270,518</b>	<b>8,686,443</b>	<b>(415,925)</b>	<b>7,911,422</b>
Beach Front Program:				
Personal services	27,602	27,585	17	25,511
Contractual services	554	-	554	-
Supplies and materials	12,300	10,506	1,794	785
Business and travel	1,200	1,109	91	927
<b>Total</b>	<b>41,656</b>	<b>39,200</b>	<b>2,456</b>	<b>27,223</b>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance	Restated
	Budget	Actual	Positive (Negative)	2003 Actual
<b>Expenditures (continued)</b>				
<b>Current:</b>				
<u>Public Safety (cont.):</u>				
Environmental Services:				
Personal services	907,402	903,524	3,878	811,427
Contractual services	207,278	147,751	59,527	163,711
Supplies and materials	264,757	261,324	3,433	259,355
Business and travel	178,598	178,618	(20)	162,916
Capital outlay	25,156	25,146	10	35,141
Total	1,583,191	1,516,363	66,828	1,432,550
Pre-Trial Intervention:				
Personal services	237,188	294,847	(57,659)	229,127
Total	237,188	294,847	(57,659)	229,127
Total public safety	44,600,593	44,643,936	(43,343)	40,855,286
<u>Public Works:</u>				
Road construction:				
Other	100,000	-	100,000	-
Total	100,000	-	100,000	-
Total public works	100,000	-	100,000	-
<u>Infrastructure and Regulation:</u>				
Code Enforcement:				
Personal services	1,652,196	1,608,665	43,531	1,407,323
Contractual services	22,093	18,780	3,313	19,239
Supplies and materials	33,586	29,089	4,497	24,297
Business and travel	123,706	113,267	10,439	97,524
Capital outlay	58,067	58,067	-	4,278
Other	-	-	-	-
Total	1,889,648	1,827,868	61,780	1,552,661
Planning:				
Personal services	815,484	794,766	20,718	674,535
Contractual services	50,304	31,697	18,607	35,020
Supplies and materials	83,079	63,245	19,834	43,044
Business and travel	14,604	13,969	635	6,862
Capital outlay	14,000	-	14,000	-
Total	977,471	903,677	73,794	759,461

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003 Actual
<b>Expenditures (continued)</b>				
<b>Current:</b>				
<u>Infrastructure and Regulation (cont):</u>				
Zoning:				
Personal services	512,653	467,853	44,800	409,679
Contractual services	19,124	14,650	4,474	10,470
Supplies and materials	7,789	4,804	2,985	8,419
Business and travel	20,689	15,192	5,497	11,036
Capital outlay	18,000	-	18,000	-
Total	<u>578,255</u>	<u>502,499</u>	<u>75,756</u>	<u>439,604</u>
Total infrastructure and regulation	<u>3,445,374</u>	<u>3,234,044</u>	<u>211,330</u>	<u>2,751,726</u>
<u>Health and Social Services:</u>				
Medically Indigent Assistance Program:				
Personal services	43,493	43,936	(443)	40,392
Supplies and materials	1,125,970	1,124,270	1,700	1,176,877
Business and travel	500	-	500	-
Total	<u>1,169,963</u>	<u>1,168,206</u>	<u>1,757</u>	<u>1,217,269</u>
Summer Food:				
Personal services	-	170	(170)	-
Total	<u>-</u>	<u>170</u>	<u>(170)</u>	<u>-</u>
Veteran Affairs:				
Personal services	105,827	107,180	(1,353)	100,318
Supplies and materials	818	489	329	526
Business and travel	1,444	1,337	107	1,232
Capital outlay	1,830	710	1,120	540
Total	<u>109,919</u>	<u>109,716</u>	<u>203</u>	<u>102,616</u>
Total health and social services	<u>1,279,882</u>	<u>1,278,092</u>	<u>1,790</u>	<u>1,319,885</u>
<u>Culture, Recreation and Tourism:</u>				
Library:				
Personal services	1,903,683	1,876,243	27,440	1,641,653
Contractual services	273,665	272,689	976	253,616
Supplies and materials	790,236	783,512	6,724	794,773
Business and travel	64,730	52,598	12,132	45,536
Capital outlay	10,984	-	10,984	10,593
Total	<u>3,043,298</u>	<u>2,985,042</u>	<u>58,256</u>	<u>2,746,171</u>
Museum:				
Personal services	186,680	178,063	8,617	174,912
Contractual services	29,554	28,280	1,274	21,102
Supplies and materials	16,300	15,947	353	15,188
Business and travel	2,900	2,571	329	2,647
Total	<u>235,434</u>	<u>224,861</u>	<u>10,573</u>	<u>213,849</u>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003
				Actual
<b>Expenditures (continued)</b>				
<b>Current:</b>				
<u>Culture, Recreation and Tourism:</u>				
Parks and Recreation:				
Contractual services	-	-	-	744
Capital outlay	7,881	-	7,881	1,313
Other	831,365	81,736	749,629	461,547
Contingency	35,887	-	35,887	-
Total	875,133	81,736	793,397	463,604
Total culture, recreation and tourism	4,153,865	3,291,639	862,226	3,423,624
<u>Other:</u>				
State Mandated Supplements:				
Health Department	219,973	215,483	4,490	200,725
Department of Social Services	116,297	78,679	37,618	102,411
Department of Juvenile Detention	10,680	8,010	2,670	10,680
Public Defender	715,000	715,000	-	715,000
Total	1,061,950	1,017,172	44,778	1,028,816
Other Agencies:				
Waccamaw Regional Planing Council	75,000	75,000	-	75,000
Rescue Squads:				
Aynor	6,000	6,000	-	4,000
Horry	6,000	6,000	-	3,000
Myrtle Beach	6,000	6,000	-	4,000
North Myrtle Beach	10,000	10,000	-	8,000
Northern Horry	6,000	6,000	-	4,000
Mount Olive	6,000	6,000	-	-
Coastal Rapid Transit Authority	75,000	75,000	-	100,000
Waccamaw Center of Mental Health	18,000	18,000	-	-
Wachovia EOC	5,000	5,000	-	-
Mercy Hospice	6,750	6,750	-	9,000
Disabilities and Special Needs	20,000	20,000	-	30,000
Pee Dee Speech & Hearing	3,750	3,750	-	5,000
Chapin Memorial Library	40,000	40,000	-	40,000
Community Coalition	2,250	2,250	-	3,000
Children's Recovery	2,800	2,800	-	-
Waccamaw Youth	-	-	-	3,750
Careteam	5,000	5,000	-	-
Cooperative Extension	5,000	5,000	-	3,500
HC Arch Review Board	-	-	-	642
Boys and Girls Club	10,000	10,000	-	-
Shoreline Behavior	30,000	30,000	-	30,000
Total	338,550	338,550	-	322,892
Total other	1,400,500	1,355,722	44,778	1,351,708
Total expenditures	76,844,330	73,691,946	3,152,384	68,164,079
Excess of revenues over expenditures	4,561,757	12,548,554	1,682,029	10,360,637

HORRY COUNTY, SOUTH CAROLINA

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

CONTINUED

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003
				Actual
<b>Other Financing Sources (Uses)</b>				
Sale of assets	8,000	89,195	81,195	182,260
Transfers in	1,804,862	1,414,067	(390,795)	1,290,418
Transfers out	(8,718,960)	(8,708,757)	10,203	(7,176,415)
Total other financing sources (uses)	(6,906,098)	(7,205,495)	(299,397)	(5,703,737)
Net change in fund balance	(2,344,341)	5,343,059	1,382,632	4,656,900
Fund balance at beginning of year, as restated	20,867,317	20,867,317	-	16,210,417
Fund balance at end of year	<u>\$ 18,522,976</u>	<u>\$ 26,210,376</u>	<u>\$ 1,382,632</u>	<u>\$ 20,867,317</u>

## SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

**Beach Nourishment** - accounts for revenue earmarked for beach nourishment.

**Grants** - accounts for revenue and expenditures for all grants.

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

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

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

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

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

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

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

## SPECIAL REVENUE FUNDS

- CONTINUED -

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

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

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2004

	Non-Major Funds											
	Fire	Accommodations Tax	Waste Management Recycling	Watersheds	Mt. Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Nourishment	Grants	Admissions Tax	Hospitality 1.0% Fee	Victim Assistance
<b>Assets</b>												
Cash and cash equivalents	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,590	\$ 219,469	\$ -	\$ 1,655,785	\$ -
Equity in pooled cash and investments	2,351,224	340,337	578,010	289,791	177,922	-	10,795,545	1,777,680	3,601	-	1,385,281	173,081
Receivables, net:												
Property taxes	81,728	-	24,827	957	640	1,058	-	-	-	-	-	-
Accounts and other	1,813	2,176	-	-	-	-	5,411	-	9,632	-	626,761	-
Fees	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid assets	49,454	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	517,665	510,000	-	-	-	-
Due from other governments	13,453	844,027	-	-	-	-	257,006	-	1,190,293	27,016	-	-
Inventories	-	-	-	-	-	-	21,665	-	-	-	-	-
<b>Total assets</b>	<b>\$ 2,497,872</b>	<b>\$ 1,186,540</b>	<b>\$ 602,837</b>	<b>\$ 290,748</b>	<b>\$ 178,562</b>	<b>\$ 1,058</b>	<b>\$ 11,597,292</b>	<b>\$ 2,649,270</b>	<b>\$ 1,422,995</b>	<b>\$ 27,016</b>	<b>\$ 3,667,827</b>	<b>\$ 173,081</b>
<b>Liabilities and Fund Balances</b>												
<b>Liabilities:</b>												
Accounts payable-trade	\$ 53,994	\$ 306,452	\$ -	\$ -	\$ 1,711	\$ -	\$ 434,880	\$ -	\$ 126,387	\$ -	\$ -	\$ 3,835
Accounts payable-other	-	-	-	-	-	-	2,310	-	-	-	-	-
Construction and retainage payable	-	-	-	-	-	-	398,659	-	-	-	-	-
Accrued salaries and wages	66,992	11,554	-	-	-	-	50,170	-	4,965	-	-	3,694
Due to other funds	-	510,000	-	-	-	3,734	-	1,580,000	649,660	27,016	283,156	-
Due to component unit	-	-	563,179	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	92,515	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	200,436	-	-	-
<b>Total liabilities</b>	<b>120,986</b>	<b>828,006</b>	<b>655,694</b>	<b>-</b>	<b>1,711</b>	<b>3,734</b>	<b>886,019</b>	<b>1,580,000</b>	<b>981,448</b>	<b>27,016</b>	<b>283,156</b>	<b>7,529</b>
<b>Fund-balances:</b>												
Reserved for encumbrances	-	-	-	-	-	-	2,095,736	-	576,725	-	-	-
Reserved for road maintenance	-	-	-	-	-	-	870,760	-	-	-	-	-
Reserved for Baseball Stadium Fund	-	-	-	-	-	-	-	-	-	300,000	-	-
Reserved for inventories	-	-	-	-	-	-	21,665	-	-	-	-	-
Reserved for Victims Rights Assistant	-	-	-	-	-	-	-	-	-	-	-	165,552
Reserved for cultural	-	48,981	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated	2,376,886	309,553	(52,857)	290,748	176,851	(2,676)	7,723,112	1,069,270	(135,178)	-	3,084,671	-
Total fund balances (deficits)	2,376,886	358,534	(52,857)	290,748	176,851	(2,676)	10,711,273	1,069,270	441,547	-	3,384,671	165,552
<b>Total liabilities and fund balances</b>	<b>\$ 2,497,872</b>	<b>\$ 1,186,540</b>	<b>\$ 602,837</b>	<b>\$ 290,748</b>	<b>\$ 178,562</b>	<b>\$ 1,058</b>	<b>\$ 11,597,292</b>	<b>\$ 2,649,270</b>	<b>\$ 1,422,995</b>	<b>\$ 27,016</b>	<b>\$ 3,667,827</b>	<b>\$ 173,081</b>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

CONTINUED

	Non-Major Funds										Major Fund		Total Special Revenue Funds
	Senior Citizens	Railroad	Arcadian Shores	CDBG Revolving Loan	Storm Water Management	GIS/IT	B&C MCBP	Local Ainx	Recreation	Non-Major Funds	Total	Hospitality 1.5% Fee	
<b>Assets</b>													
Cash and cash equivalents	\$ 24,210	\$ 61,797	\$ 23,529	\$ 489	\$ 5,309,298	\$ 27,314	\$ 1,208,023	\$ 65,633	\$ 100	\$ 2,303,266	\$ 3,055,070	\$ 94,976	\$ 5,358,336
Equity in pooled cash and investments	-	-	-	-	-	-	-	44,918	2,393,462	26,965,023	-	-	27,059,999
Receivables, net:													
Property taxes	2,129	-	-	-	-	-	-	-	7,748	119,087	-	-	119,087
Accounts and other	-	-	3,000	-	-	-	-	137,822	116	159,970	-	-	159,970
Fees	-	-	-	-	28,029	-	-	-	-	654,790	3,357,683	-	4,012,473
Prepaid assets	-	-	-	-	-	-	-	-	-	49,454	-	-	49,454
Due from other funds	-	-	-	329,446	-	-	-	-	-	1,357,111	-	-	1,357,111
Due from other governments	-	-	-	-	-	-	-	-	-	2,331,795	-	-	2,331,795
Mortgage receivable	-	-	-	250,000	-	-	-	-	-	250,000	-	-	250,000
Inventories	-	-	-	-	-	-	-	-	-	21,665	-	-	21,665
<b>Total assets</b>	<b>\$ 26,339</b>	<b>\$ 61,797</b>	<b>\$ 26,529</b>	<b>\$ 579,935</b>	<b>\$ 5,337,327</b>	<b>\$ 27,314</b>	<b>\$ 1,208,023</b>	<b>\$ 248,373</b>	<b>\$ 2,401,426</b>	<b>\$ 34,212,161</b>	<b>\$ 6,507,729</b>	<b>\$ 21,665</b>	<b>\$ 40,719,890</b>
<b>Liabilities and Fund Balances</b>													
<b>Liabilities:</b>													
Accounts payable - trade	\$ -	\$ -	\$ 1,213	\$ -	\$ 194,276	\$ 105	\$ -	\$ 140,690	\$ 92,558	\$ 1,556,101	\$ -	\$ -	\$ 1,356,101
Accounts payable - other	-	-	4,700	-	-	-	-	-	-	7,010	-	-	7,010
Construction and reclamation payable	-	-	-	-	-	-	-	-	12,857	411,516	-	-	411,516
Accrued salaries and wages	-	-	-	-	6,208	-	-	-	3,074	146,657	-	-	146,657
Due to other funds	-	-	397,639	-	240,449	-	-	1,378	-	3,693,032	5,596,570	-	9,289,602
Due to component unit	-	-	-	-	-	-	-	-	-	563,179	-	-	563,179
Due to other governments	-	-	-	329,446	-	-	-	-	-	421,961	-	-	421,961
Deferred revenue	-	-	-	-	-	-	-	-	-	200,436	-	-	200,436
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>403,552</b>	<b>329,446</b>	<b>440,933</b>	<b>105</b>	<b>-</b>	<b>142,068</b>	<b>108,489</b>	<b>6,799,892</b>	<b>5,596,570</b>	<b>-</b>	<b>12,396,462</b>
<b>Fund balances:</b>													
Reserved for encumbrances	-	-	-	-	795,775	-	-	-	478,744	3,946,980	-	-	3,946,980
Reserved for road maintenance	-	-	-	-	-	-	-	-	-	870,760	-	-	870,760
Reserved for Baseball Stadium Fund	-	-	-	-	-	-	-	-	-	300,000	-	-	300,000
Reserved for inventories	-	-	-	-	-	-	-	-	-	21,665	-	-	21,665
Reserved for Victims Rights Assistance	-	-	-	-	-	-	-	-	-	165,552	-	-	165,552
Reserved for cultural	-	-	-	-	-	-	-	-	-	48,981	-	-	48,981
Unreserved, undesignated	26,339	61,797	(377,023)	250,489	4,100,619	27,209	1,208,023	106,305	1,814,193	22,058,331	911,159	-	22,969,490
<b>Total fund balances</b>	<b>26,339</b>	<b>61,797</b>	<b>(377,023)</b>	<b>250,489</b>	<b>4,896,394</b>	<b>27,209</b>	<b>1,208,023</b>	<b>106,305</b>	<b>2,292,937</b>	<b>27,412,269</b>	<b>911,159</b>	<b>-</b>	<b>28,323,428</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,339</b>	<b>\$ 61,797</b>	<b>\$ 26,529</b>	<b>\$ 579,935</b>	<b>\$ 5,337,327</b>	<b>\$ 27,314</b>	<b>\$ 1,208,023</b>	<b>\$ 248,373</b>	<b>\$ 2,401,426</b>	<b>\$ 34,212,161</b>	<b>\$ 6,507,729</b>	<b>\$ 21,665</b>	<b>\$ 40,719,890</b>

HORRY COUNTY, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2004

	Non-Major Funds											Victim Assistance
	Fire	Accommodations Tax	Waste Management Recycling	Watershed	ML Gilend	Seaside Recreation	Road Maintenance & CTC	Beach Nourishment	Grants	Admissions Tax	Hospitality 1.0% Fee	
<b>Revenues</b>												
Property taxes	\$ 10,907,874	\$ -	\$ 3,403,171	\$ 67,985	\$ 58,234	\$ 96,886	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	32,981	2,608,040	-	-	-	-	1,234,346	-	1,922,033	80,864	-	-
Fees	-	-	-	-	-	-	3,889,828	-	-	-	5,351,098	409,838
Interest	-	7,790	-	-	1,777	135	119,036	4,226	-	-	13,030	2,696
Other	14,141	2,015	585	-	-	-	21,054	-	1,341	-	-	-
<b>Total revenues</b>	<b>10,954,996</b>	<b>2,617,845</b>	<b>3,403,756</b>	<b>67,985</b>	<b>60,011</b>	<b>97,021</b>	<b>5,264,264</b>	<b>4,226</b>	<b>1,923,374</b>	<b>80,864</b>	<b>5,364,128</b>	<b>412,534</b>
<b>Expenditures</b>												
Current:												
General government	-	-	-	-	-	-	-	-	213,529	-	-	-
Public Safety	9,035,233	973,041	-	-	-	-	-	-	1,081,145	-	-	551,419
Infrastructure and regulation	-	-	3,757,507	18,332	84,899	-	13,514,992	70,109	125,494	-	-	-
Health and social services	-	-	-	-	-	-	-	-	240,165	-	-	-
Culture, recreation & tourism	-	1,073,805	-	-	-	104,223	-	-	14,141	-	-	-
Economic development	-	-	-	-	-	-	-	-	208,407	-	-	-
Conservation and natural resources	-	-	-	-	-	-	-	-	341,992	-	-	-
<b>Total expenditures</b>	<b>9,035,233</b>	<b>2,046,846</b>	<b>3,757,507</b>	<b>18,332</b>	<b>84,899</b>	<b>104,223</b>	<b>13,514,992</b>	<b>70,109</b>	<b>2,224,873</b>	<b>80,864</b>	<b>5,364,128</b>	<b>551,419</b>
Excess (deficiency) of revenues over expenditures	1,919,763	570,999	(353,751)	49,653	(24,888)	(7,202)	(8,250,728)	(65,883)	(301,499)	80,864	5,364,128	(138,885)
<b>Other Financing Sources (Uses)</b>												
Transfers in	-	5,945	92,540	1,570	22,139	-	8,991,235	627,843	259,491	-	-	-
Transfers out	(1,466,172)	(510,000)	-	-	-	-	-	-	-	(80,864)	(5,881,407)	-
<b>Total other financing sources (uses)</b>	<b>(1,466,172)</b>	<b>(504,055)</b>	<b>92,540</b>	<b>1,570</b>	<b>22,139</b>	<b>-</b>	<b>8,991,235</b>	<b>627,843</b>	<b>259,491</b>	<b>(80,864)</b>	<b>(5,881,407)</b>	<b>-</b>
Net change in fund balance	453,591	66,944	(261,211)	51,223	(2,749)	(7,202)	740,507	561,960	(42,008)	-	(517,279)	(138,885)
Fund balances at beginning of year	1,923,295	291,590	208,354	239,525	179,600	4,526	9,970,766	507,310	483,555	-	3,901,950	304,437
<b>Fund balances (deficits) at end of year</b>	<b>\$ 2,376,886</b>	<b>\$ 358,534</b>	<b>\$ (52,857)</b>	<b>\$ 290,748</b>	<b>\$ 176,851</b>	<b>\$ (2,676)</b>	<b>\$ 10,711,273</b>	<b>\$ 1,069,270</b>	<b>\$ 441,547</b>	<b>\$ -</b>	<b>\$ 3,384,671</b>	<b>\$ 165,552</b>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

CONTINUED

	Non-Major Funds										Major Fund Hospitality 1.5% Fee	Total Special Revenue Funds
	Senior Citizens	Railroad	Arcadian Shores	CDBG Revolving Loan	Stormwater Management	GIS/IT	B&C/MCBP	Local Atax	Recreation	Total Non-Major Funds		
<b>Revenues</b>												
Property taxes	\$ 462,543	\$ -	\$ 43,094	\$ -	\$ -	\$ -	\$ 913,843	\$ -	\$ 1,723,699	\$ 17,677,329	\$ -	\$ 17,677,329
Accommodations tax	-	-	-	-	-	-	833,856	-	-	833,856	-	833,856
Intergovernmental	-	-	-	-	1,088	-	-	-	-	5,879,352	-	5,879,352
Fees	-	-	-	-	3,275,768	-	-	-	62,812	12,989,344	24,759,413	37,748,757
Interest	-	-	307	-	61,236	8,038	-	408	25,947	244,626	13,734	258,360
Other	1,746	-	4,000	-	-	-	-	404,106	-	448,988	-	448,988
<b>Total revenues</b>	<b>464,289</b>	<b>-</b>	<b>47,401</b>	<b>-</b>	<b>3,338,092</b>	<b>8,038</b>	<b>913,843</b>	<b>1,238,370</b>	<b>1,812,458</b>	<b>38,073,495</b>	<b>24,773,147</b>	<b>62,846,642</b>
<b>Expenditures</b>												
Current:												
General government	-	-	-	-	-	-	-	-	-	213,529	-	213,529
Public Safety	-	-	-	-	-	-	-	288,008	-	11,928,846	-	11,928,846
Infrastructure and regulation	-	-	-	-	2,775,029	-	-	-	-	20,396,716	-	20,396,716
Health and social services	469,128	-	50,354	-	-	-	-	-	-	709,293	-	709,293
Culture, recreation & tourism	-	-	-	-	-	-	-	839,686	1,173,682	3,205,537	-	3,205,537
Economic development	-	-	-	-	-	-	-	-	-	208,407	-	208,407
Conservation and natural resources	-	-	-	-	-	-	-	-	-	341,992	-	341,992
<b>Total expenditures</b>	<b>469,128</b>	<b>-</b>	<b>50,354</b>	<b>-</b>	<b>2,775,029</b>	<b>-</b>	<b>-</b>	<b>1,127,694</b>	<b>1,173,682</b>	<b>37,004,320</b>	<b>-</b>	<b>37,004,320</b>
Excess (deficiency) of revenues over expenditures	(4,839)	-	(2,953)	-	563,063	8,038	913,843	110,676	638,776	1,069,175	24,773,147	25,842,322
<b>Other Financing Sources (Uses)</b>												
Transfers in	13,039	-	-	-	-	-	-	-	-	10,013,802	-	10,013,802
Transfers out	-	-	-	-	-	-	-	(8,342)	(12,901)	(7,959,686)	(24,801,215)	(32,760,901)
<b>Total other financing sources (uses)</b>	<b>13,039</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,342)</b>	<b>(12,901)</b>	<b>2,054,116</b>	<b>(24,801,215)</b>	<b>(22,747,099)</b>
Net change in fund balance	8,200	-	(2,953)	-	563,063	8,038	913,843	102,334	625,875	3,123,291	(28,068)	3,095,223
Fund balances at beginning of year (restated)	18,139	61,797	(374,070)	250,489	4,333,331	19,171	294,180	3,971	1,667,062	24,288,978	939,227	25,228,205
<b>Fund balances (deficits), at end of year</b>	<b>\$ 26,339</b>	<b>\$ 61,797</b>	<b>\$ (377,023)</b>	<b>\$ 250,489</b>	<b>\$ 4,896,394</b>	<b>\$ 27,209</b>	<b>\$ 1,208,023</b>	<b>\$ 106,305</b>	<b>\$ 2,292,937</b>	<b>\$ 27,412,269</b>	<b>\$ 911,159</b>	<b>\$ 28,323,428</b>

HORRY COUNTY, SOUTH CAROLINA

FIRE SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004

(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>Restated 2003</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 200	\$ 200
Equity in pooled cash and investments	2,351,224	2,135,446
Receivables, net:		
Property taxes	81,728	86,986
Other	1,813	578
Due from other governments	13,453	-
Prepaid assets	49,454	-
Total assets	<u>\$ 2,497,872</u>	<u>\$ 2,223,210</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 53,994	\$ 96,070
Accrued salaries and wages	66,992	203,845
Total liabilities	<u>120,986</u>	<u>299,915</u>
Fund balance:		
Reserved for encumbrances	-	-
Unreserved, undesignated	2,376,886	1,923,295
Total fund balance	<u>2,376,886</u>	<u>1,923,295</u>
Total liabilities and fund balance	<u>\$ 2,497,872</u>	<u>\$ 2,223,210</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003 Actual
<b>Revenues</b>				
Property taxes	\$ 10,640,425	\$ 10,907,874	267,449	\$ 10,608,174
Intergovernmental	26,594	32,981	6,387	-
Other	-	14,141	14,141	2,542
Total revenues	<u>10,667,019</u>	<u>10,954,996</u>	<u>287,977</u>	<u>10,610,716</u>
<b>Expenditures</b>				
Current:				
Public Safety:				
Personal services	5,449,453	5,710,872	(261,419)	5,268,351
Contractual services	1,159,197	1,025,261	133,936	1,035,273
Supplies and materials	836,837	762,755	74,082	637,427
Business and travel	379,552	350,285	29,267	317,698
Capital outlay	167,200	152,775	14,425	99,249
Indirect cost allocation	370,075	1,007,023	(636,948)	370,075
Other	314,105	26,262	287,843	2,305
Total expenditures	<u>8,676,419</u>	<u>9,035,233</u>	<u>(358,814)</u>	<u>7,730,378</u>
Excess of revenues over expenditures	<u>1,990,600</u>	<u>1,919,763</u>	<u>(70,837)</u>	<u>2,880,338</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(1,990,600)</u>	<u>(1,466,172)</u>	<u>524,428</u>	<u>(1,481,903)</u>
Total other financing sources (uses)	<u>(1,990,600)</u>	<u>(1,466,172)</u>	<u>524,428</u>	<u>(1,481,903)</u>
Net change in fund balance	-	453,591	453,591	1,398,435
Fund balance at beginning of year, as restated	1,923,295	1,923,295	-	524,860
Fund balance at end of year	<u>\$ 1,923,295</u>	<u>\$ 2,376,886</u>	<u>\$ 453,591</u>	<u>\$ 1,923,295</u>

HORRY COUNTY, SOUTH CAROLINA

ACCOMODATIONS TAX SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004

(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>Restated 2003</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 340,337	\$ 309,847
Accounts receivable, net:		
Other	2,176	3,040
Due from other governments	844,027	795,212
Total assets	<u>\$ 1,186,540</u>	<u>\$ 1,108,099</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 306,452	\$ 274,856
Accrued salaries and wages	11,554	31,186
Compensation for future absences	-	467
Due to other funds	510,000	510,000
Total liabilities	<u>828,006</u>	<u>816,509</u>
Fund balance:		
Reserved for cultural	48,981	-
Unreserved, undesignated	309,553	291,590
Total fund balance	<u>358,534</u>	<u>291,590</u>
Total liabilities and fund balance	<u>\$ 1,186,540</u>	<u>\$ 1,108,099</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	Restated 2003
	Budget	Actual		Actual
<b>Revenues</b>				
Intergovernmental	\$ 2,758,950	\$ 2,608,040	\$ (150,910)	\$ 2,551,339
Interest	5,000	7,790	2,790	5,644
Other	-	2,015	2,015	2,936
Total revenues	<u>2,763,950</u>	<u>2,617,845</u>	<u>(146,105)</u>	<u>2,559,919</u>
<b>Expenditures</b>				
Current:				
<u>Public Safety</u>				
Beach Patrol:				
Personal services	488,227	454,173	34,054	392,650
Contractual services	60,486	60,997	(511)	33,691
Supplies and materials	37,912	30,819	7,093	26,407
Business and travel	21,400	19,748	1,652	14,222
Capital outlay	29,021	24,297	4,724	19,839
Total beach patrol	<u>637,046</u>	<u>590,034</u>	<u>47,012</u>	<u>486,809</u>
Beach Clean-up:				
Personal services	281,141	248,932	32,209	187,213
Contractual services	68,610	63,118	5,492	26,335
Supplies and materials	26,125	24,028	2,097	20,520
Business and travel	53,952	46,929	7,023	35,583
Capital outlay	-	-	-	41,643
Total beach cleanup	<u>429,828</u>	<u>383,007</u>	<u>46,821</u>	<u>311,294</u>
Total public Safety	<u>1,066,874</u>	<u>973,041</u>	<u>93,833</u>	<u>798,103</u>
Culture, Recreation and Tourism:				
Contributions to other agencies	1,214,021	1,073,805	140,216	1,348,523
Total culture, recreation and tourism	<u>1,214,021</u>	<u>1,073,805</u>	<u>140,216</u>	<u>1,348,523</u>
Total expenditures	<u>2,280,895</u>	<u>2,046,846</u>	<u>234,049</u>	<u>2,146,626</u>
Excess of revenues over expenditures	<u>483,055</u>	<u>570,999</u>	<u>87,944</u>	<u>413,293</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003
				Actual
<b>Other Financing Sources (Uses)</b>				
Transfers in	5,945	5,945	-	-
Transfers out	(510,000)	(510,000)	-	(560,000)
Total other financing sources (uses)	(504,055)	(504,055)	-	(560,000)
Net change in fund balance	(21,000)	66,944	87,944	(146,707)
Fund balance at beginning of year	291,590	291,590	-	438,297
Fund balance at end of year	<u>\$ 270,590</u>	<u>\$ 358,534</u>	<u>\$ 87,944</u>	<u>\$ 291,590</u>

HORRY COUNTY, SOUTH CAROLINA

WASTE MANAGEMENT RECYCLING SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 578,010	\$ 515,850
Receivables, net:		
Property taxes	24,827	28,810
Total assets	<u>\$ 602,837</u>	<u>\$ 544,660</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Due to component unit	\$ 563,179	\$ 336,306
Intergovernmental payable	92,515	-
Total liabilities	<u>655,694</u>	<u>336,306</u>
Fund balance:		
Reserved for encumbrances	-	96,707
Unreserved, undesignated	(52,857)	111,647
Total fund balance (deficit)	<u>(52,857)</u>	<u>208,354</u>
Total liabilities and fund balance	<u>\$ 602,837</u>	<u>\$ 544,660</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Property taxes	\$ 3,483,500	\$ 3,403,171	\$ (80,329)	\$ 3,365,346
Other	-	585	585	-
Total revenues	<u>3,483,500</u>	<u>3,403,756</u>	<u>(79,744)</u>	<u>3,365,346</u>
<b>Expenditures</b>				
Current:				
Infrastructure and Regulation:				
Contractual services	3,635,923	3,622,658	13,265	3,435,115
Capital outlay	-	134,849	(134,849)	-
Total expenditures	<u>3,635,923</u>	<u>3,757,507</u>	<u>(121,584)</u>	<u>3,435,115</u>
Excess (deficiency) of revenues over expenditures	<u>(152,423)</u>	<u>(353,751)</u>	<u>(201,328)</u>	<u>(69,769)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	92,540	92,540	-
Total other financing sources (uses)	<u>-</u>	<u>92,540</u>	<u>92,540</u>	<u>-</u>
Net change in fund balance	(152,423)	(261,211)	(108,788)	(69,769)
Fund balance at beginning of year	208,354	208,354	-	278,123
Fund balance (deficit) at end of year	<u>\$ 55,931</u>	<u>\$ (52,857)</u>	<u>\$ (108,788)</u>	<u>\$ 208,354</u>

HORRY COUNTY, SOUTH CAROLINA  
WATERSHED SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	<b>2004</b>	2003
<b>Assets</b>		
Equity in pooled cash and investments	\$ 289,791	\$ 238,685
Receivables, net:		
Property taxes	957	840
Total assets	\$ 290,748	\$ 239,525
 <b>Liabilities and Fund Balance</b>		
Fund balance		
Unreserved, undesignated	\$ 290,748	\$ 239,525
Total fund balance	290,748	239,525
Total liabilities and fund balance	\$ 290,748	\$ 239,525

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Property taxes	\$ 71,253	\$ 67,985	\$ (3,268)	\$ 69,344
Total revenues	<u>71,253</u>	<u>67,985</u>	<u>(3,268)</u>	<u>69,344</u>
<b>Expenditures</b>				
Current:				
Infrastructure and Regulation:				
Contractual services	68,553	18,332	50,221	105,120
Indirect cost allocation	2,700	-	2,700	2,700
Total expenditures	<u>71,253</u>	<u>18,332</u>	<u>52,921</u>	<u>107,820</u>
Excess (deficiency) of revenues over expenditure	<u>-</u>	<u>49,653</u>	<u>49,653</u>	<u>(38,476)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	1,570	1,570	-
Total other financing sources (uses)	<u>-</u>	<u>1,570</u>	<u>1,570</u>	<u>-</u>
Net change in fund balance	-	51,223	51,223	(38,476)
Fund balance at beginning of year	239,525	239,525	-	278,001
Fund balance at end of year	<u>\$ 239,525</u>	<u>\$ 290,748</u>	<u>\$ 51,223</u>	<u>\$ 239,525</u>

HORRY COUNTY, SOUTH CAROLINA

MT. GILEAD SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 177,922	\$ 180,452
Receivables, net:		
Property taxes	640	175
Total assets	<u>\$ 178,562</u>	<u>\$ 180,627</u>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 1,711	\$ 1,027
Total liabilities	<u>1,711</u>	<u>1,027</u>
 Fund balance:		
Unreserved, undesignated	<u>176,851</u>	<u>179,600</u>
Total fund balance	<u>176,851</u>	<u>179,600</u>
Total liabilities and fund balance	<u>\$ 178,562</u>	<u>\$ 180,627</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Property tax	\$ 59,200	\$ 58,234	\$ (966)	\$ 58,460
Interest on investments	-	1,777	1,777	2,311
Total revenues	<u>59,200</u>	<u>60,011</u>	<u>811</u>	<u>60,771</u>
<b>Expenditures</b>				
Current:				
Infrastructure and Regulation:				
Contractual services	40,475	13,852	26,623	22,699
Supplies and materials	1,925	61,097	(59,172)	-
Other	16,000	9,950	6,050	-
Indirect cost allocation	800	-	800	800
Total expenditures	<u>59,200</u>	<u>84,899</u>	<u>(25,699)</u>	<u>23,499</u>
Excess of revenues over expenditures	<u>-</u>	<u>(24,888)</u>	<u>(24,888)</u>	<u>37,272</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	22,139	22,139	-
Total other financing sources (uses)	<u>-</u>	<u>22,139</u>	<u>22,139</u>	<u>-</u>
Net change in fund balance	-	(2,749)	(2,749)	37,272
Fund balance at beginning of year	179,600	179,600	-	142,328
Fund balance at end of year	<u>\$ 179,600</u>	<u>\$ 176,851</u>	<u>\$ (2,749)</u>	<u>\$ 179,600</u>

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

JUNE 30, 2004  
 (with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Equity in pooled cash and investments	\$ -	\$ 3,442
Receivables, net:		
Property taxes	1,058	1,084
Total assets	\$ 1,058	\$ 4,526
 <b>Liabilities and Fund Balance</b>		
Liabilities		
Due to general fund	\$ 3,734	\$ -
Total liabilities	3,734	-
Fund balance		
Unreserved, undesignated	(2,676)	4,526
Total fund balance (deficit)	(2,676)	4,526
Total liabilities and fund balance	\$ 1,058	\$ 4,526

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Property taxes	\$ 98,550	\$ 96,886	\$ (1,664)	\$ 93,729
Interest	-	135	135	376
Total revenues	<u>98,550</u>	<u>97,021</u>	<u>(1,529)</u>	<u>94,105</u>
<b>Expenditures</b>				
Current:				
Culture, Recreation & Tourism				
Contractual services	97,350	97,560	(210)	93,067
Indirect cost allocation	1,200	6,663	(5,463)	800
Total expenditures	<u>98,550</u>	<u>104,223</u>	<u>(5,673)</u>	<u>93,867</u>
Excess of revenues (under) over expenditures	<u>-</u>	<u>(7,202)</u>	<u>(7,202)</u>	<u>238</u>
Net change in fund balance	-	(7,202)	(7,202)	238
Fund balance at beginning of year	4,526	4,526	-	4,288
Fund balance (deficit) at end of year	<u>\$ 4,526</u>	<u>\$ (2,676)</u>	<u>\$ (7,202)</u>	<u>\$ 4,526</u>

HORRY COUNTY, SOUTH CAROLINA

ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>Restated 2003</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 10,795,545	\$ 9,665,827
Accounts receivable - other	5,411	-
Due from other governments	257,006	126,357
Due from other funds	517,665	650,094
Inventories-tile	21,665	33,616
Total assets	<u>\$ 11,597,292</u>	<u>\$ 10,475,894</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 434,880	\$ 224,863
Accounts Payable - other	2,310	22,000
Construction and retainage payable	398,659	63,813
Accrued salaries and wages	50,170	176,729
Compensation for future absences	-	5,060
Deferred revenue	-	12,663
Total liabilities	<u>886,019</u>	<u>505,128</u>
Fund balance:		
Reserved for encumbrances	2,095,736	1,605,067
Reserved for inventories	21,665	33,616
Reserved for road maintenance	870,760	1,312,914
Unreserved, Undesignated	7,723,112	7,019,169
Total fund balance	<u>10,711,273</u>	<u>9,970,766</u>
Total liabilities and fund balance	<u>\$ 11,597,292</u>	<u>\$ 10,475,894</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004

(with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003 Actual
<b>Revenues</b>				
Fees	\$ 3,728,570	\$ 3,889,828	\$ 161,258	\$ 2,746,129
Intergovernmental	4,122,820	1,234,346	(2,888,474)	954,660
Interest	135,000	119,036	(15,964)	123,078
Other	-	21,054	21,054	407
Total revenues	<u>7,986,390</u>	<u>5,264,264</u>	<u>(2,722,126)</u>	<u>3,824,274</u>
<b>Expenditures</b>				
Public Works:				
Personal services	179,508	179,877	(369)	169,530
Contractual services	121,254	3,693	117,561	18,894
Supplies and materials	2,922	2,805	117	4,125
Business and travel	16,822	10,176	6,646	7,162
Capital outlay	2,369	2,369	-	-
Other	112,835	-	112,835	-
Total division director	<u>435,710</u>	<u>198,920</u>	<u>236,790</u>	<u>199,711</u>
Engineer:				
Personal services	724,097	626,405	97,692	565,759
Contractual services	11,129,770	2,764,046	8,365,724	1,482,329
Supplies and materials	16,307	15,220	1,087	11,138
Business and travel	29,455	29,983	(528)	31,776
Capital outlay	-	-	-	315
Other	282,602	-	282,602	-
Total engineer	<u>12,182,231</u>	<u>3,435,654</u>	<u>8,746,577</u>	<u>2,091,317</u>
Operations:				
Personal services	4,175,461	3,978,915	196,546	3,745,425
Contractual services	8,247,110	4,234,043	4,013,067	2,785,622
Supplies and materials	116,998	69,243	47,755	752,500
Business and travel	1,473,315	1,009,428	463,887	1,171,648
Other	728,925	-	728,925	-
Indirect cost allocation	110,000	588,789	(478,789)	110,000
Total operations	<u>14,851,809</u>	<u>9,880,418</u>	<u>4,971,391</u>	<u>8,565,195</u>
Total expenditures	<u>27,469,750</u>	<u>13,514,992</u>	<u>13,954,758</u>	<u>10,856,223</u>
Excess (deficiency) of revenues over expenditures	<u>(19,483,360)</u>	<u>(8,250,728)</u>	<u>11,232,632</u>	<u>(7,031,949)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

CONTINUED

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003
<b>Other Financing Sources (Uses)</b>				
Transfers in	9,184,022	8,991,235	(192,787)	8,961,910
Total other financing sources (uses)	9,184,022	8,991,235	(192,787)	8,961,910
Net change in fund balance	(10,299,338)	740,507	11,039,845	1,929,961
Fund balance at beginning of year, as restated	9,970,766	9,970,766	-	8,040,805
Fund balance (deficit) at end of year	\$ (328,572)	\$ 10,711,273	\$ 11,039,845	\$ 9,970,766

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

JUNE 30, 2004  
 (with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Cash and cash equivalents	\$ 361,590	\$ 357,745
Equity in pooled cash and investments	1,777,680	1,219,565
Due from other funds	510,000	510,000
<b>Total assets</b>	<b>\$ 2,649,270</b>	<b>\$ 2,087,310</b>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Due to other funds	\$ 1,580,000	\$ 1,580,000
<b>Total liabilities</b>	<b>1,580,000</b>	<b>1,580,000</b>
 Fund balance:		
Unreserved, undesignated	1,069,270	507,310
<b>Total fund balance</b>	<b>1,069,270</b>	<b>507,310</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,649,270</b>	<b>\$ 2,087,310</b>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Interest	\$ 9,000	\$ 4,226	\$ (4,774)	\$ 5,249
Total revenues	<u>9,000</u>	<u>4,226</u>	<u>(4,774)</u>	<u>5,249</u>
<b>Expenditures</b>				
Current:				
Infrastructure and Regulation:				
Contractual services	664,208	6,900	657,308	228,655
Cost Allocation	-	63,209	(63,209)	3,300
Total expenditures	<u>664,208</u>	<u>70,109</u>	<u>594,099</u>	<u>231,955</u>
Excess (deficiency) of revenues over expenditures	<u>(655,208)</u>	<u>(65,883)</u>	<u>589,325</u>	<u>(226,706)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	655,208	627,843	(27,365)	694,281
Total other financing sources (uses)	<u>655,208</u>	<u>627,843</u>	<u>(27,365)</u>	<u>694,281</u>
Net change in fund balance	-	561,960	561,960	467,575
Fund balance at beginning of year	507,310	507,310	-	39,735
Fund balance at end of year	<u>\$ 507,310</u>	<u>\$ 1,069,270</u>	<u>\$ 561,960</u>	<u>\$ 507,310</u>

HORRY COUNTY, SOUTH CAROLINA

GRANTS SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004

(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>Restated 2003</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 219,469	\$ 252,473
Equity and pooled cash and investments	3,601	-
Accounts receivable - other	9,632	-
Due from other governments	1,190,293	1,178,955
Total assets	<u>\$ 1,422,995</u>	<u>\$ 1,431,428</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 126,387	\$ 377,637
Accrued salaries and wages	4,965	33,341
Due to other funds	649,660	309,420
Deferred revenue	200,436	227,475
Total liabilities	<u>981,448</u>	<u>947,873</u>
Fund balance:		
Reserved for encumbrances	576,725	483,935
Unreserved, undesignated	(135,178)	(380)
Total fund balance	<u>441,547</u>	<u>483,555</u>
Total liabilities and fund balance	<u>\$ 1,422,995</u>	<u>\$ 1,431,428</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003
<b>Revenues</b>				
Intergovernmental	\$ 5,268,744	\$ 1,922,033	\$ (3,346,711)	\$ 2,105,232
Other	6,977	1,341	(5,636)	526
Total revenues	<u>5,275,721</u>	<u>1,923,374</u>	<u>(3,352,347)</u>	<u>2,105,758</u>
<b>Expenditures</b>				
General Government:				
Personal services	146,177	133,710	12,467	121,776
Contractual services	28,523	-	28,523	1,985
Supplies and materials	56,044	55,127	917	-
Business and travel	8,864	2,488	6,376	2,992
Capital Outlay	24,240	20,942	3,298	12,012
Other	1,700	1,262	438	-
Total general government	<u>265,548</u>	<u>213,529</u>	<u>52,019</u>	<u>138,765</u>
Public Safety:				
Personal services	304,452	234,030	70,422	404,146
Contractual services	11,822	5,592	6,230	994
Supplies and materials	328,146	234,954	93,192	57,468
Business and travel	33,961	2,671	31,290	4,800
Capital outlay	1,132,648	596,422	536,226	175,019
Other	37,355	7,476	29,879	1,514
Total public safety	<u>1,848,384</u>	<u>1,081,145</u>	<u>767,239</u>	<u>643,941</u>
Infrastructure and Regulation:				
Construction contracts	220,126	125,494	94,632	63,983
Total infrastructure and regulation	<u>220,126</u>	<u>125,494</u>	<u>94,632</u>	<u>63,983</u>
Health and Social Services:				
Personal services	120,382	97,027	23,355	83,332
Contractual services	10,883	9,915	968	11,631
Supplies and materials	131,525	128,379	3,146	136,869
Business and travel	9,814	4,844	4,970	2,382
Capital outlay	-	-	-	17,467
Total health and social services	<u>272,604</u>	<u>240,165</u>	<u>32,439</u>	<u>251,681</u>
Culture, Recreation & Tourism:				
Personal services	29,681	12,147	17,534	24,416
Supplies and materials	2,000	1,994	6	13,500
Total culture, recreation & tourism	<u>31,681</u>	<u>14,141</u>	<u>17,540</u>	<u>37,916</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003 Actual
<b>Expenditures (Continued)</b>				
Economic Development:				
Supplies and materials	-	-	-	1,982
Construction contracts	1,198,680	208,407	990,273	570,941
Total economic development	1,198,680	208,407	990,273	572,923
Conservation and Natural Resources:				
Personal service	25,000	13,119	11,881	87,428
Contractual services	272,579	30,092	242,487	113,204
Supplies and material	229,069	154,189	74,880	7,837
Business and travel	4,099	4,479	(380)	1,550
Capital outlay	1,563,786	129,520	1,434,266	513,695
Other	2,861	10,593	(7,732)	-
Total conservation and natural	2,097,394	341,992	1,755,402	723,714
Total expenditures	5,934,417	2,224,873	3,709,544	2,432,923
Excess (deficiency) of revenues over expenditures	(658,696)	(301,499)	357,197	(327,165)
<b>Other Financing Sources (Uses)</b>				
Transfers in	259,491	259,491	-	171,283
Total other financing sources (uses)	259,491	259,491	-	171,283
Net change in fund balance	(399,205)	(42,008)	357,197	(155,882)
Fund balance at beginning of year	483,555	483,555	-	639,437
Fund balance at end of year	\$ 84,350	\$ 441,547	\$ 357,197	\$ 483,555

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

JUNE 30, 2004  
 (with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Due from State Treasurer	\$ 27,016	\$ 25,795
Total assets	\$ 27,016	\$ 25,795
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Due to other funds	\$ 27,016	\$ 25,795
Total Liabilities	27,016	25,795
Total liabilities and fund balance	\$ 27,016	\$ 25,795

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

YEAR ENDED JUNE 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Intergovernmental	\$ 80,000	\$ 80,864	\$ 864	\$ 74,893
Total revenues	<u>80,000</u>	<u>80,864</u>	<u>864</u>	<u>74,893</u>
Excess of revenues over expenditures	<u>80,000</u>	<u>80,864</u>	<u>864</u>	<u>74,893</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(80,000)	(80,864)	(864)	(74,893)
Total other financing sources (uses)	<u>(80,000)</u>	<u>(80,864)</u>	<u>(864)</u>	<u>(74,893)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Cash and cash equivalents	\$ 1,655,785	\$ 3,429,317
Equity in pooled cash and investments	1,385,281	136,755
Receivables, net:		
Accounts	626,761	640,232
Total assets	\$ 3,667,827	\$ 4,206,304
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Due to other funds	\$ 283,156	\$ 304,354
Total liabilities	283,156	304,354
Fund balance:		
Reserved for Baseball Stadium Fund	300,000	300,000
Unreserved, undesignated	3,084,671	3,601,950
Total fund balance	3,384,671	3,901,950
Total liabilities and fund balance	\$ 3,667,827	\$ 4,206,304

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Fees and fines	\$ 5,310,000	\$ 5,351,098	\$ 41,098	\$ 5,063,023
Interest	30,000	13,030	(16,970)	38,043
Total revenues	<u>5,340,000</u>	<u>5,364,128</u>	<u>24,128</u>	<u>5,101,066</u>
Excess of revenues over expenditure	<u>5,340,000</u>	<u>5,364,128</u>	<u>24,128</u>	<u>5,101,066</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(5,927,800)	(5,881,407)	46,393	(5,301,545)
Total other financing sources (uses)	<u>(5,927,800)</u>	<u>(5,881,407)</u>	<u>46,393</u>	<u>(5,301,545)</u>
Net change in fund balance	(587,800)	(517,279)	70,521	(200,479)
Fund balance at beginning of year	3,901,950	3,901,950	-	4,102,429
Fund balance at end of year	<u>\$ 3,314,150</u>	<u>\$ 3,384,671</u>	<u>\$ 70,521</u>	<u>\$ 3,901,950</u>

HORRY COUNTY, SOUTH CAROLINA

VICTIM WITNESS ASSISTANCE SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004

(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 173,081	\$ 305,581
Total assets	<u>\$ 173,081</u>	<u>\$ 305,581</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 3,835	\$ -
Accrued salaries and wages	3,694	1,144
Total liabilities	<u>7,529</u>	<u>1,144</u>
Fund balance:		
Reserved for Victims Rights Assistance	<u>165,552</u>	<u>304,437</u>
Total fund balance	<u>165,552</u>	<u>304,437</u>
Total liabilities and fund balance	<u>\$ 173,081</u>	<u>\$ 305,581</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Fees and fines	\$ 455,500	\$ 409,838	\$ (45,662)	\$ 480,701
Interest	-	2,696	2,696	5,879
Total revenues	455,500	412,534	(42,966)	486,580
<b>Expenditures</b>				
Detention:				
Personal services	186,913	184,921	1,992	181,583
Contractual services	4,500	1,410	3,090	2,593
Supplies and materials	14,650	2,666	11,984	6,967
Business and travel	7,125	5,209	1,916	1,407
Capital outlay	-	-	-	13,442
Total detention	213,188	194,206	18,982	205,992
Police:				
Personal services	70,142	70,523	(381)	69,353
Supplies and material	1,000	-	1,000	-
Business and travel	700	981	(281)	-
Total police	71,842	71,504	338	69,353
Victim Witness:				
Other	60,000	60,000	-	60,000
Total victim witness	60,000	60,000	-	60,000
Solicitor:				
Personal services	215,726	219,424	(3,698)	210,087
Contractual services	6,965	4,285	2,680	6,404
Business and travel	3,582	2,000	1,582	2,473
Total solicitor	226,273	225,709	564	218,964
Total expenditures	571,303	551,419	19,884	554,309
Deficiency of revenues over expenditures	(115,803)	(138,885)	(23,082)	(67,729)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
Net change in fund balance	(115,803)	(138,885)	(23,082)	(67,729)
Fund balance at beginning of year	304,437	304,437	-	372,166
Fund balance at end of year	<u>\$ 188,634</u>	<u>\$ 165,552</u>	<u>\$ (23,082)</u>	<u>\$ 304,437</u>

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

JUNE 30, 2004  
 (with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Equity in pooled cash and investments	\$ 24,210	\$ 13,676
Receivables, net:		
Property taxes	2,129	4,463
Total assets	\$ 26,339	\$ 18,139
 <b>Liabilities and Fund Balance</b>		
Fund balance:		
Unreserved, undesignated	\$ 26,339	\$ 18,139
Total fund balance	26,339	18,139
Total liabilities and fund balance	\$ 26,339	\$ 18,139

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Property taxes	\$ 458,285	\$ 462,543	\$ 4,258	\$ 449,755
Other	165	1,746	1,581	163
Total revenues	<u>458,450</u>	<u>464,289</u>	<u>5,839</u>	<u>449,918</u>
<b>Expenditures</b>				
Health and Social Services:				
Contractual services	439,615	469,128	(29,513)	439,615
Indirect cost allocation	5,000	-	5,000	5,000
Total expenditures	<u>444,615</u>	<u>469,128</u>	<u>(24,513)</u>	<u>444,615</u>
Excess of revenues over (under) expenditures	<u>13,835</u>	<u>(4,839)</u>	<u>(18,674)</u>	<u>5,303</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	13,039	13,039	-
Total other financing sources (uses)	<u>-</u>	<u>13,039</u>	<u>13,039</u>	<u>-</u>
Net change in fund balance	13,835	8,200	(5,635)	5,303
Fund balance at beginning of year	18,139	18,139	-	12,836
Fund balance at end of year	<u>\$ 31,974</u>	<u>\$ 26,339</u>	<u>\$ (5,635)</u>	<u>\$ 18,139</u>

HORRY COUNTY, SOUTH CAROLINA  
RAILROAD SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Equity in pooled cash and investments	\$ 61,797	\$ 31,797
Accounts Receivable - other	-	30,000
<b>Total assets</b>	<b>\$ 61,797</b>	<b>\$ 61,797</b>
 <b>Liabilities and Fund Balance</b>		
Fund balance:		
Unreserved, undesignated	\$ 61,797	\$ 61,797
Total fund balance	<b>61,797</b>	<b>61,797</b>
<b>Total liabilities and fund balance</b>	<b>\$ 61,797</b>	<b>\$ 61,797</b>

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

Year Ended June 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Fees	\$ -	\$ -	\$ -	\$ 450
Total revenues	-	-	-	450
<b>Expenditures</b>				
Infrastructure and Regulation:				
Contractual services	-	-	-	38
Total expenditures	-	-	-	38
Net change in fund balance	-	-	-	412
Fund balance at beginning of year	61,797	61,797	-	61,385
Fund balance at end of year	<u>\$ 61,797</u>	<u>\$ 61,797</u>	<u>\$ -</u>	<u>\$ 61,797</u>

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

JUNE 30, 2004  
 (with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Equity in pooled cash and investments	\$ 23,529	\$ 31,998
Receivables (net):		
Accounts	3,000	-
Total assets	\$ 26,529	\$ 31,998
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 1,213	\$ 299
Accounts payable - other	4,700	-
Due to other funds	397,639	405,769
Total liabilities	403,552	406,068
Fund balance:		
Unreserved, undesignated	(377,023)	(374,070)
Total fund balance (deficit)	(377,023)	(374,070)
Total liabilities and fund balance	\$ 26,529	\$ 31,998

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Property taxes	\$ 42,860	\$ 43,094	\$ 234	\$ 42,088
Interest on investments	840	307	(533)	2,940
Other	-	4,000	4,000	500
Total revenues	<u>43,700</u>	<u>47,401</u>	<u>3,701</u>	<u>45,528</u>
<b>Expenditures</b>				
Current:				
Infrastructure and Regulation:				
Contractual services	1,500	1,674	(174)	89,279
Supplies and materials	10,300	24,311	(14,011)	358,751
Other	31,900	23,769	8,131	21,916
Indirect cost allocation	-	600	(600)	800
Total expenditures	<u>43,700</u>	<u>50,354</u>	<u>(6,654)</u>	<u>470,746</u>
Excess of revenues over (under) expenditures	-	(2,953)	(2,953)	(425,218)
Net change in fund balance	-	(2,953)	(2,953)	(425,218)
Fund balance (deficit) at beginning of year	<u>(374,070)</u>	<u>(374,070)</u>	-	<u>51,148</u>
Fund balance (deficit) at end of year	<u>\$ (374,070)</u>	<u>\$ (377,023)</u>	<u>\$ (2,953)</u>	<u>\$ (374,070)</u>

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

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Cash held in trust	\$ 489	\$ 489
Notes receivable	250,000	250,000
Due from other funds	329,446	343,617
Total assets	\$ 579,935	\$ 594,106
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Due to other governments	\$ 329,446	\$ 343,617
Total liabilities	329,446	343,617
Fund balance:		
Unreserved, undesignated	250,489	250,489
Total fund balance	250,489	250,489
Total liabilities and fund balance	\$ 579,935	\$ 594,106

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Expenditures</b>				
Current:				
Economic Development:				
JEDA	\$ -	\$ 14,191	\$ (14,191)	\$ -
Total expenditures	-	14,191	(14,191)	-
Deficiency of revenues over expenditures	-	(14,191)	(14,191)	-
<b>Other financing sources (Uses)</b>				
Transfers in	6,917	14,191	7,274	-
Total other financing sources (uses)	6,917	14,191	7,274	-
Net change in fund balance	6,917	-	6,917	-
Fund balance at beginning of year	250,489	250,489	-	250,489
Fund balance at end of year	\$ 257,406	\$ 250,489	\$ 6,917	\$ 250,489

HORRY COUNTY, SOUTH CAROLINA

STORM WATER MANAGEMENT SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004

(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>Restated 2003</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 5,309,298	\$ 4,757,991
Fee receivable (net)	28,029	27,749
Total assets	<u>\$ 5,337,327</u>	<u>\$ 4,785,740</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 194,276	\$ 37,435
Accrued salaries and wages	6,208	24,525
Due to other funds	240,449	390,449
Total liabilities	<u>440,933</u>	<u>452,409</u>
Fund balance:		
Reserved for encumbrances	795,775	291,789
Unreserved, undesignated	4,100,619	4,041,542
Total fund balance	<u>4,896,394</u>	<u>4,333,331</u>
Total liabilities and fund balance	<u>\$ 5,337,327</u>	<u>\$ 4,785,740</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		2003
<b>Revenues</b>				
Intergovernmental revenue	\$ -	\$ 1,088	\$ 1,088	\$ -
Fees and fines	3,140,598	3,275,768	135,170	3,154,691
Interest on investments	-	61,236	61,236	60,136
Total revenues	<u>3,140,598</u>	<u>3,338,092</u>	<u>197,494</u>	<u>3,214,827</u>
<b>Expenditures</b>				
Current:				
Infrastructure and Regulation:				
Personal services	853,679	847,560	6,119	601,949
Contractual services	969,502	405,139	564,363	942,854
Supplies and materials	40,919	35,139	5,780	127,718
Business and travel	69,136	71,342	(2,206)	42,215
Capital outlay	4,785,504	1,260,319	3,525,185	49,438
Cost allocation	57,578	155,530	(97,952)	20,000
Total expenditures	<u>6,776,318</u>	<u>2,775,029</u>	<u>4,001,289</u>	<u>1,784,174</u>
Excess (deficiency) of revenues over expenditures	<u>(3,635,720)</u>	<u>563,063</u>	<u>4,198,783</u>	<u>1,430,653</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(300,000)	-	300,000	-
Total other financing sources (uses)	<u>(300,000)</u>	<u>-</u>	<u>300,000</u>	<u>-</u>
Net change in fund balance	(3,935,720)	563,063	4,498,783	1,430,653
Fund balance at beginning of year, as restated	4,333,331	4,333,331	-	2,902,678
Fund balance at end of year	<u>\$ 397,611</u>	<u>\$ 4,896,394</u>	<u>\$ 4,498,783</u>	<u>\$ 4,333,331</u>

HORRY COUNTY, SOUTH CAROLINA

GIS/IT SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004

(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 27,314	\$ 12,148
Accounts receivable	-	7,023
Total assets	<u>\$ 27,314</u>	<u>\$ 19,171</u>
<b>Liabilities and Fund Balance</b>		
Liabilities		
Accounts payable - trade	\$ 105	\$ -
Total liabilities	<u>105</u>	<u>-</u>
Fund balance		
Unreserved, undesignated	27,209	19,171
Total fund balance	<u>27,209</u>	<u>19,171</u>
Total liabilities and fund balance	<u>\$ 27,314</u>	<u>\$ 19,171</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004			2003
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 10,000
GIS users fees	-	8,038	8,038	9,171
Total revenues	-	8,038	8,038	19,171
Excess of revenues over expenditures	-	8,038	8,038	19,171
Net change in fund balance	-	8,038	8,038	19,171
Fund balance at beginning of year	19,171	19,171	-	-
Fund balance at end of year	\$ 19,171	\$ 27,209	\$ 8,038	\$ 19,171

HORRY COUNTY, SOUTH CAROLINA

MULTI-COUNTY BUSINESS PARK ROLLBACK SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 1,208,023	\$ 294,180
Total assets	<u>\$ 1,208,023</u>	<u>\$ 294,180</u>
<b>Liabilities and Fund Balance</b>		
Fund balance		
Unreserved, undesignated	\$ 1,208,023	\$ 294,180
Total fund balance	<u>1,208,023</u>	<u>294,180</u>
Total liabilities and fund balance	<u>\$ 1,208,023</u>	<u>\$ 294,180</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Property taxes	\$ -	\$ 913,843	\$ 913,843	\$ 166,416
Total revenues	-	913,843	913,843	166,416
Excess of revenues over expenditures	-	913,843	913,843	166,416
Net change in fund balance	-	913,843	913,843	166,416
Fund balance at beginning of year	294,180	294,180	-	127,764
Fund balance at end of year	\$ 294,180	\$ 1,208,023	\$ 913,843	\$ 294,180

HORRY COUNTY, SOUTH CAROLINA

LOCAL ACCOMMODATIONS TAX SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 65,633	\$ 75,645
Equity in pooled cash and investments	44,918	-
Receivables (net):		
Other	137,822	134,978
Total assets	<u>\$ 248,373</u>	<u>\$ 210,623</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 140,690	\$ 104,070
Due to other funds	1,378	102,582
Total liabilities	<u>142,068</u>	<u>206,652</u>
Fund balance:		
Unreserved, undesignated	106,305	3,971
Total fund balance	<u>106,305</u>	<u>3,971</u>
Total liabilities and fund balance	<u>\$ 248,373</u>	<u>\$ 210,623</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Accommodations tax	\$ 800,000	\$ 833,856	\$ 33,856	\$ 787,351
Interest	-	408	408	874
Other - City contribution	-	404,106	404,106	1,896,893
Total revenues	<u>800,000</u>	<u>1,238,370</u>	<u>438,370</u>	<u>2,685,118</u>
<b>Expenditures</b>				
Public Safety:				
Personal services	396,000	288,008	107,992	103,750
Total public safety	<u>396,000</u>	<u>288,008</u>	<u>107,992</u>	<u>103,750</u>
Culture, Recreation & Tourism:				
Other	396,000	839,686	(443,686)	2,570,098
Total culture, recreation & tourism	<u>396,000</u>	<u>839,686</u>	<u>(443,686)</u>	<u>2,570,098</u>
Total expenditures	<u>792,000</u>	<u>1,127,694</u>	<u>(335,694)</u>	<u>2,673,848</u>
Excess of revenues over expenditures	<u>8,000</u>	<u>110,676</u>	<u>102,676</u>	<u>11,270</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(8,000)	(8,342)	(342)	(7,905)
Total other financing sources (uses)	<u>(8,000)</u>	<u>(8,342)</u>	<u>(342)</u>	<u>(7,905)</u>
Net change in fund balance	-	102,334	102,334	3,365
Fund balance at beginning of year	3,971	3,971	-	606
Fund balance at end of year	<u>\$ 3,971</u>	<u>\$ 106,305</u>	<u>\$ 102,334</u>	<u>\$ 3,971</u>

HORRY COUNTY, SOUTH CAROLINA  
RECREATION SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	2004	Restated 2003
<b>Assets</b>		
Cash	\$ 100	\$ 100
Equity in pooled cash and investments	2,393,462	1,675,429
Receivables, net:		
Property taxes	7,748	16,457
Other	116	800
Inventories	-	1,300
<b>Total assets</b>	<b>\$ 2,401,426</b>	<b>\$ 1,694,086</b>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 92,558	\$ 11,978
Retainage payable	12,857	-
Due to component units	-	12
Accrued salaries and wages	3,074	15,034
<b>Total liabilities</b>	<b>108,489</b>	<b>27,024</b>
Fund balance:		
Reserve for inventories	-	1,300
Reserve for encumbrances	478,744	14,020
Unreserved, undesignated	1,814,193	1,651,742
<b>Total fund balance</b>	<b>2,292,937</b>	<b>1,667,062</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,401,426</b>	<b>\$ 1,694,086</b>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	Restated
	Budget	Actual		Actual
<b>Revenues</b>				
Property taxes	\$ 1,696,319	\$ 1,723,699	\$ 27,380	\$ 1,676,073
Fees	50,000	62,812	12,812	195,273
Interest on investments	-	25,947	25,947	18,737
Total revenues	<u>1,746,319</u>	<u>1,812,458</u>	<u>66,139</u>	<u>1,890,083</u>
<b>Expenditures</b>				
Culture, Recreation & Tourism:				
Personal services	527,419	400,829	126,590	345,378
Contractual services	111,151	44,181	66,970	22,867
Supplies and materials	108,382	57,006	51,376	54,586
Business and travel	68,943	49,498	19,445	43,187
Capital outlay	93,887	19,518	74,369	40,324
Other	2,547,677	602,650	1,945,027	445,873
Cost allocation	-	-	-	19,000
Total expenditures	<u>3,457,459</u>	<u>1,173,682</u>	<u>2,283,777</u>	<u>971,215</u>
Excess (deficiency) of revenues over expenditures	<u>(1,711,140)</u>	<u>638,776</u>	<u>2,349,916</u>	<u>918,868</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(12,901)	(12,901)	-	-
Total other financing sources (uses)	<u>(12,901)</u>	<u>(12,901)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,724,041)	625,875	2,349,916	918,868
Fund balance at beginning of year, as restated	1,667,062	1,667,062	-	748,194
Fund balance (deficit) at end of year	<u>\$ (56,979)</u>	<u>\$ 2,292,937</u>	<u>\$ 2,349,916</u>	<u>\$ 1,667,062</u>

HORRY COUNTY, SOUTH CAROLINA  
HOSPITALITY 1.5% FEE SPECIAL REVENUE FUND  
BALANCE SHEET

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Cash and cash equivalents	\$ 3,055,070	\$ 2,950,317
Equity in pooled cash and investments	94,976	44,997
Receivables, net:		
Accounts	3,357,683	3,239,242
Total assets	\$ 6,507,729	\$ 6,234,556
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Due to other funds	\$ 5,596,570	\$ 5,295,329
Total liabilities	5,596,570	5,295,329
Fund balance:		
Unreserved, undesignated	911,159	939,227
Total fund balance	911,159	939,227
Total liabilities and fund balance	\$ 6,507,729	\$ 6,234,556

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Fees and fines	\$ 24,376,168	\$ 24,759,413	\$ 383,245	\$ 23,063,395
Interest	45,600	13,734	(31,866)	18,546
Total revenues	<u>24,421,768</u>	<u>24,773,147</u>	<u>351,379</u>	<u>23,081,941</u>
Excess of revenues over expenditures	<u>24,421,768</u>	<u>24,773,147</u>	<u>351,379</u>	<u>23,081,941</u>
<b>Other Financing Source (Uses)</b>				
Transfers out - RIDE Debt Service	(25,137,606)	(24,567,596)	570,010	(22,382,488)
Transfers out - General Fund	(243,762)	(233,619)	10,143	(230,618)
Total other financing source (uses)	<u>(25,381,368)</u>	<u>(24,801,215)</u>	<u>580,153</u>	<u>(22,613,106)</u>
Net change in fund balance	(959,600)	(28,068)	931,532	468,835
Fund balance at beginning of year	939,227	939,227	-	470,392
Fund balance (deficit) at end of year	<u>\$ (20,373)</u>	<u>\$ 911,159</u>	<u>\$ 931,532</u>	<u>\$ 939,227</u>

HORRY COUNTY, SOUTH CAROLINA

## CAPITAL PROJECTS FUND

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

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

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND  
BALANCE SHEET

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 22,154,784	\$ 11,560,568
Funds held in escrow	295,390	3,050,667
Accounts receivable other	47,763	8,329
Accrued interest receivable	17,476	35,366
Due from component unit	73,615	-
Total assets	<u>\$ 22,589,028</u>	<u>\$ 14,654,930</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 737,959	\$ 460,208
Construction and retainage payable	262,077	1,531,677
Other accrued liabilities	230,145	227,292
Total liabilities	<u>1,230,181</u>	<u>2,219,177</u>
Fund balance:		
Reserved for general construction	7,102,845	7,275,844
Reserved for encumbrances	5,434,031	4,969,443
Reserved for Horry-Georgetown TECH	3,000,000	-
Reserved for Fire Special Revenue Fund	5,821,971	190,466
Total fund balance	<u>21,358,847</u>	<u>12,435,753</u>
Total liabilities and fund balance	<u>\$ 22,589,028</u>	<u>\$ 14,654,930</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Disposal fee	\$ 678,912	\$ 731,025	\$ 52,113	\$ -
Interest	-	182,313	182,313	339,827
Other	-	150,000	150,000	35,000
Total revenues	<u>678,912</u>	<u>1,063,338</u>	<u>384,426</u>	<u>374,827</u>
<b>Expenditures</b>				
Capital Outlay:				
Construction contracts	13,803,051	5,337,444	8,465,607	12,247,606
Capital outlay	11,509,926	3,441,634	8,068,292	2,913,633
Other	277,427	1,079	276,348	-
Total Capital Outlay	<u>25,590,404</u>	<u>8,780,157</u>	<u>16,810,247</u>	<u>15,161,239</u>
Total expenditures	<u>25,590,404</u>	<u>8,780,157</u>	<u>16,810,247</u>	<u>15,161,239</u>
Excess (deficiency) of revenues over expenditures	(24,911,492)	(7,716,819)	17,194,673	(14,786,412)
<b>Other Financing Sources (Uses)</b>				
Capital lease obligation	-	1,031,518	1,031,518	984,569
Bond proceeds	11,000,000	14,000,000	3,000,000	-
Bond issue premium	-	47,395	47,395	-
Transfers in	1,561,000	1,561,000	-	-
Total other financing sources (uses)	<u>12,561,000</u>	<u>16,639,913</u>	<u>4,078,913</u>	<u>984,569</u>
Net change in fund balance	(12,350,492)	8,923,094	21,273,586	(13,801,843)
Fund balance at beginning of year	12,435,753	12,435,753	-	26,237,596
Fund balance at end of year	<u>\$ 85,261</u>	<u>\$ 21,358,847</u>	<u>\$ 21,273,586</u>	<u>\$ 12,435,753</u>

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

DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2004

	Non-Major Funds				Major Fund		Total Debt Service Funds
	General Debt	Higher Education	Horry Georgetown TECH	Special Obligation Debt	Non-Major Funds	RIDE Program	
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,220,750	\$ 2,220,750	\$ -	\$ 2,220,750
Equity in pooled cash and investments	4,022,259	72,172	106,542	-	4,200,973	-	4,200,973
Receivables, net:							
Property taxes	33,145	3,780	10,167	-	47,092	-	47,092
Due from other governments	440	-	-	-	440	-	440
Due from other funds	-	-	-	-	-	5,590,547	5,590,547
Restricted assets	-	-	-	-	-	12,046,363	12,046,363
<b>Total assets</b>	<b>\$ 4,055,844</b>	<b>\$ 75,952</b>	<b>\$ 116,709</b>	<b>\$ 2,220,750</b>	<b>\$ 6,469,255</b>	<b>\$ 17,636,910</b>	<b>\$ 24,106,165</b>
<b>Liabilities and Fund Balances</b>							
Reserved for debt service	\$ 4,055,844	\$ 75,952	\$ 116,709	\$ 2,220,750	\$ 6,469,255	\$ -	\$ 6,469,255
Reserved for RIDE program	-	-	-	-	-	17,636,910	17,636,910
<b>Total fund balances</b>	<b>\$ 4,055,844</b>	<b>\$ 75,952</b>	<b>\$ 116,709</b>	<b>\$ 2,220,750</b>	<b>\$ 6,469,255</b>	<b>\$ 17,636,910</b>	<b>\$ 24,106,165</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,055,844</b>	<b>\$ 75,952</b>	<b>\$ 116,709</b>	<b>\$ 2,220,750</b>	<b>\$ 6,469,255</b>	<b>\$ 17,636,910</b>	<b>\$ 24,106,165</b>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004

	Non-Major Funds				Major Fund		Total Debt Service Funds
	General Debt	Higher Education	Horry Georgetown TECH	Special Obligation Debt	Non-Major Funds	RIDE Program	
<b>Revenues</b>							
Property taxes	\$ 7,238,331	\$ 815,077	\$ 2,196,948	\$ -	\$ 10,250,356	\$ -	\$ 10,250,356
Intergovernmental	106,932	10,638	13,881	-	131,451	-	131,451
Interest	-	-	574	185,177	185,751	644,385	830,136
Other	52,913	3,057	8,296	-	64,266	-	64,266
Total revenues	7,398,176	828,772	2,219,699	185,177	10,631,824	644,385	11,276,209
<b>Expenditures</b>							
Debt service:							
Principal	5,577,090	370,000	200,000	1,100,000	7,247,090	23,144,051	30,391,141
Interest	3,566,103	164,563	13,000	926,823	4,670,489	-	4,670,489
Agents fees	4,949	425	444	3,148	8,966	-	8,966
Indirect cost allocation	-	-	-	-	-	-	-
Total debt service	9,148,142	534,988	213,444	2,029,971	11,926,545	23,144,051	35,070,596
Current:							
Horry Georgetown TECH	-	-	1,950,000	-	1,950,000	-	1,950,000
Higher Education Commission	-	290,000	-	-	290,000	-	290,000
Total current	-	290,000	1,950,000	-	2,240,000	-	2,240,000
Total expenditures	9,148,142	824,988	2,163,444	2,029,971	14,166,545	23,144,051	37,310,596
Excess (deficiency) of revenues over expenditures	(1,749,966)	3,784	56,255	(1,844,794)	(3,534,721)	(22,499,666)	(26,034,387)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004

- CONTINUED -

	Non-Major Funds				Major Fund		Total Debt Service Funds
	General Debt	Higher Education	Horry Georgetown TECH	Special Obligation Debt	RIDE Program	Total Non-Major Funds	
Other Financing Sources (Uses)							
Transfers in	1,507,312	540	1,001	1,866,292	24,648,460	3,375,145	28,023,605
Total other financing sources (uses)	1,507,312	540	1,001	1,866,292	24,648,460	3,375,145	28,023,605
Net change in fund balance	(242,654)	4,324	57,256	21,498	2,148,794	(159,576)	1,989,218
Fund balances at beginning of year	4,298,498	71,628	59,453	2,199,252	15,488,116	6,628,831	22,116,947
Fund balances at end of year	\$ 4,055,844	\$ 75,952	\$ 116,709	\$ 2,220,750	\$ 17,636,910	\$ 6,469,255	\$ 24,106,165

HORRY COUNTY, SOUTH CAROLINA

GENERAL DEBT SERVICE FUND  
BALANCE SHEET

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 4,022,259	\$ 4,213,934
Receivables, (net):		
Property taxes	33,145	79,291
Due from other governments	440	5,273
Total assets	<u>\$ 4,055,844</u>	<u>\$ 4,298,498</u>
<b>Liabilities and Fund Balance</b>		
Fund balance:		
Reserved for debt service	<u>\$ 4,055,844</u>	<u>\$ 4,298,498</u>
Total fund balance	<u>4,055,844</u>	<u>4,298,498</u>
Total liabilities and fund balance	<u>\$ 4,055,844</u>	<u>\$ 4,298,498</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Property taxes	\$ 7,043,331	\$ 7,238,331	\$ 195,000	\$ 7,859,193
Intergovernmental	106,933	106,932	(1)	129,280
Interest	22,000	-	(22,000)	-
Other	25,350	52,913	27,563	4,320
Total revenues	<u>7,197,614</u>	<u>7,398,176</u>	<u>200,562</u>	<u>7,992,793</u>
<b>Expenditures</b>				
Debt service:				
Principal	5,546,618	5,577,090	(30,472)	5,319,515
Interest	4,080,436	3,566,103	514,333	3,829,816
Agents fees	4,085	4,949	(864)	4,318
Total debt service	<u>9,631,139</u>	<u>9,148,142</u>	<u>482,997</u>	<u>9,153,649</u>
Total expenditures	<u>9,631,139</u>	<u>9,148,142</u>	<u>482,997</u>	<u>9,153,649</u>
Excess (deficiency) of revenues over expenditures	<u>(2,433,525)</u>	<u>(1,749,966)</u>	<u>683,559</u>	<u>(1,160,856)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>1,990,600</u>	<u>1,507,312</u>	<u>(483,288)</u>	<u>1,667,059</u>
Total other financing sources (uses)	<u>1,990,600</u>	<u>1,507,312</u>	<u>(483,288)</u>	<u>1,667,059</u>
Net change in fund balance	(442,925)	(242,654)	200,271	506,203
Fund balance at beginning of year	<u>4,298,498</u>	<u>4,298,498</u>	-	<u>3,792,295</u>
Fund balance at end of year	<u>\$ 3,855,573</u>	<u>\$ 4,055,844</u>	<u>\$ 200,271</u>	<u>\$ 4,298,498</u>

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

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Equity in pooled cash and investments	\$ 72,172	\$ 63,523
Receivables, (net):		
Property taxes	3,780	8,105
Total assets	\$ 75,952	\$ 71,628
 <b>Liabilities and Fund Balance</b>		
Fund balance:		
Reserved for debt service	\$ 75,952	\$ 71,628
Total fund balance	75,952	71,628
Total liabilities and fund balance	\$ 75,952	\$ 71,628

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Property taxes	\$ 824,803	\$ 815,077	\$ (9,726)	\$ 796,849
Intergovernmental	10,638	10,638	-	10,638
Other	288	3,057	2,769	287
Total revenues	<u>835,729</u>	<u>828,772</u>	<u>(6,957)</u>	<u>807,774</u>
<b>Expenditures</b>				
Debt service:				
Principal	370,000	370,000	-	350,000
Interest	164,563	164,563	-	176,313
Agents fees	800	425	375	400
Indirect cost allocation	6,490	-	6,490	6,490
Total debt service	<u>541,853</u>	<u>534,988</u>	<u>6,865</u>	<u>533,203</u>
Current:				
Higher Education Commission	293,876	290,000	3,876	270,000
Total expenditures	<u>835,729</u>	<u>824,988</u>	<u>10,741</u>	<u>803,203</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>3,784</u>	<u>3,784</u>	<u>4,571</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	540	540	-
Total other financing sources (uses)	<u>-</u>	<u>540</u>	<u>540</u>	<u>-</u>
Net change in fund balance	-	4,324	4,324	4,571
Fund balance at beginning of year	71,628	71,628	-	67,057
Fund balance at end of year	<u>\$ 71,628</u>	<u>\$ 75,952</u>	<u>\$ 4,324</u>	<u>\$ 71,628</u>

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

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Equity in pooled cash and investments	\$ 106,542	\$ 37,725
Receivables, (net):		
Property taxes	10,167	21,728
Total assets	\$ 116,709	\$ 59,453
 <b>Liabilities and Fund Balance</b>		
Fund balance:		
Reserved for debt service	\$ 116,709	\$ 59,453
Total fund balance	116,709	59,453
Total liabilities and fund balance	\$ 116,709	\$ 59,453

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Property taxes	\$ 2,188,300	\$ 2,196,948	\$ 8,648	\$ 2,137,589
Intergovernmental	13,881	13,881	-	13,881
Interest	-	574	574	-
Other	777	8,296	7,519	778
Total revenues	<u>2,202,958</u>	<u>2,219,699</u>	<u>16,741</u>	<u>2,152,248</u>
<b>Expenditures</b>				
Debt service:				
Principal	200,000	200,000	-	185,000
Interest	13,000	13,000	-	25,025
Agents fees	840	444	396	838
Indirect cost allocation	12,007	-	12,007	12,007
Total debt service	<u>225,847</u>	<u>213,444</u>	<u>12,403</u>	<u>222,870</u>
Current:				
Horry Georgetown Tech	1,977,111	1,950,000	27,111	1,950,000
Total expenditures	<u>2,202,958</u>	<u>2,163,444</u>	<u>39,514</u>	<u>2,172,870</u>
Excess (deficiency) of revenues over expenditures	-	56,255	56,255	(20,622)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	1,001	1,001	-
Total other financing sources (uses)	-	1,001	1,001	-
Net change in fund balance	-	57,256	57,256	(20,622)
Fund balance at beginning of year	59,453	59,453	-	80,075
Fund balance at end of year	<u>\$ 59,453</u>	<u>\$ 116,709</u>	<u>\$ 57,256</u>	<u>\$ 59,453</u>

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

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Cash and cash equivalents	\$ 2,220,750	\$ 2,199,252
Total assets	\$ 2,220,750	\$ 2,199,252
 <b>Liabilities and Fund Balance</b>		
Fund balance:		
Reserved for debt service	\$ 2,220,750	\$ 2,199,252
Total fund balance	2,220,750	2,199,252
Total liabilities and fund balance	\$ 2,220,750	\$ 2,199,252

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Interest	\$ 175,000	\$ 185,177	\$ 10,177	\$ 183,381
Total revenues	<u>175,000</u>	<u>185,177</u>	<u>10,177</u>	<u>183,381</u>
<b>Expenditures</b>				
Debt service:				
Principal	1,100,000	1,100,000	-	1,050,000
Interest	926,823	926,823	-	979,323
Agency fees	40	3,148	(3,108)	3,050
Total debt service	<u>2,026,863</u>	<u>2,029,971</u>	<u>(3,108)</u>	<u>2,032,373</u>
Excess (deficiency) revenues over expenditures	<u>(1,851,863)</u>	<u>(1,844,794)</u>	<u>7,069</u>	<u>(1,848,992)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in - Hospitality Fund	1,851,863	1,866,292	14,429	1,849,501
Total other financing sources (uses)	<u>1,851,863</u>	<u>1,866,292</u>	<u>14,429</u>	<u>1,849,501</u>
Net change in fund balance	-	21,498	21,498	509
Fund balance at beginning of year	<u>2,199,252</u>	<u>2,199,252</u>	-	<u>2,198,743</u>
Fund balance at end of year	<u>\$ 2,199,252</u>	<u>\$ 2,220,750</u>	<u>\$ 21,498</u>	<u>\$ 2,199,252</u>

HORRY COUNTY, SOUTH CAROLINA  
RIDE PROGRAM DEBT SERVICE FUND  
BALANCE SHEET

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Funds held in trust (restricted):		
Loan Reserve Account	\$ 12,046,363	\$ 10,199,183
Due from other funds	5,590,547	5,288,933
Total assets	\$ 17,636,910	\$ 15,488,116
 <b>Liabilities and Fund balance</b>		
Fund balance:		
Reserved for RIDE Program	\$ 17,636,910	\$ 15,488,116
Total fund balance	17,636,910	15,488,116
Total liabilities and fund balance	\$ 17,636,910	\$ 15,488,116

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
 (with comparative actual amounts year ended June 30, 2003)

	2004		Variance Positive (Negative)	2003
	Budget	Actual		Actual
<b>Revenues</b>				
Interest on investments	\$ 713,756	\$ 644,385	\$ (69,371)	\$ 740,227
Total revenues	<u>713,756</u>	<u>644,385</u>	<u>(69,371)</u>	<u>740,227</u>
<b>Expenditures</b>				
Debt service:				
Principal:				
Insured	20,000,000	16,343,373	3,656,627	20,449,098
Uninsured	6,584,435	6,800,678	(216,243)	4,679,655
Total debt service	<u>26,584,435</u>	<u>23,144,051</u>	<u>3,440,384</u>	<u>25,128,753</u>
Excess (deficiency) of revenues over expenditures	<u>(25,870,679)</u>	<u>(22,499,666)</u>	<u>3,371,013</u>	<u>(24,388,526)</u>
Other Financing Sources (Uses)				
Transfers in	25,217,606	24,648,460	(569,146)	22,457,381
Total other financing sources (uses)	<u>25,217,606</u>	<u>24,648,460</u>	<u>(569,146)</u>	<u>22,457,381</u>
Net change in fund balance	(653,073)	2,148,794	2,801,867	(1,931,145)
Fund balance at beginning of year	15,488,116	15,488,116	-	17,419,261
Fund balance at end of year	<u>\$ 14,835,043</u>	<u>\$ 17,636,910</u>	<u>\$ 2,801,867</u>	<u>\$ 15,488,116</u>

## PROPRIETARY (ENTERPRISE) FUNDS

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA  
DEPARTMENT OF AIRPORTS ENTERPRISE FUND  
BALANCE SHEET

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 16,291,061	\$ 8,508,513
Investments	9,742,408	15,261,325
Accounts receivable (net of allowance of \$256,706 in 2004 and \$257,631 in 2003)	999,501	636,290
Accrued interest on investments	196,682	168,210
Due from other governments	1,234,364	508,982
Inventories	218,818	179,716
Prepaid expenses	225,180	162,303
Total current assets	28,908,014	25,425,339
Non-current assets:		
Restricted assets:		
Cash and cash equivalents	5,470,421	5,534,317
Investments	14,812,225	13,347,131
Receivables - PFC's and CFC's	666,772	636,475
Total restricted assets	20,949,418	19,517,923
Capital assets:		
Land, easements and infrastructure	29,755,899	29,755,899
Depreciable buildings, runways, taxiways, aprons, machinery and equipment, net	60,375,331	60,129,761
Construction-in-progress	6,734,539	2,840,247
Total capital assets, net	96,865,769	92,725,907
Bond issuance costs, net	793,768	858,058
Other non-current assets	30,000	32,722
Total assets	\$ 147,546,969	\$ 138,559,949

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND  
BALANCE SHEET

- CONTINUED -

	<u>2004</u>	<u>2003</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 222,197	\$ 165,795
Construction accounts and retainage payable	807,041	667,341
Accrued salaries, wages and compensated absences	320,366	191,300
Other accrued expenses	127,597	87,053
Unearned revenue	117,018	179,289
Due to Horry County - General Fund	1,847,582	1,634,953
Capital leases payable - current portion	18,214	17,243
Amounts due to airlines and car rentals	443,970	499,012
Total current liabilities	<u>3,903,985</u>	<u>3,441,986</u>
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	1,590,000	1,500,000
Accrued interest payable	886,505	931,021
Total current liabilities payable from restricted assets	<u>2,476,505</u>	<u>2,431,021</u>
Non-current liabilities:		
Revenue bonds payable	27,105,547	28,663,290
Compensated absences - long term	313,766	178,117
Capital leases	30,011	49,836
Total non-current liabilities	<u>27,449,324</u>	<u>28,891,243</u>
Total liabilities	<u>33,829,814</u>	<u>34,764,250</u>
Net assets:		
Investment in capital assets, net of related debt	68,915,765	63,353,598
Restricted for:		
Debt service	20,162,567	17,362,144
Unrestricted	24,638,823	23,079,957
Total net assets	<u>113,717,155</u>	<u>103,795,699</u>
Total liabilities and net assets	<u>\$ 147,546,969</u>	<u>\$ 138,559,949</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative amounts year ended June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Operating Revenues</b>		
Landing fees	\$ 2,094,482	\$ 1,638,138
Airline terminal rents	3,541,526	3,176,099
Concessions and rentals	4,722,195	4,091,130
Security fees	263,584	249,477
Leases	708,506	920,418
Fuel sales - FBO	2,478,776	1,827,691
Other FBO services	981,371	567,721
FAA Security Operations Grant	-	142,727
Other	490,974	452,778
Total operating revenues	<u>15,281,414</u>	<u>13,066,179</u>
Less, signatory airline contract operating rebate	<u>(197,000)</u>	<u>(2,042)</u>
Net operating revenues	<u>15,084,414</u>	<u>13,064,137</u>
<b>Operating Expenses</b>		
Salaries and benefits	4,508,837	4,219,300
Utilities	667,723	645,919
Outside and professional services	731,211	821,994
Maintenance and supplies	476,366	419,107
Fuel cost of sales	1,517,630	1,080,081
Vehicle and equipment (non-capital) expense	293,948	237,775
Insurance	226,744	206,256
Business and travel related	87,149	64,840
Office supplies	24,656	20,639
Horry County administrative costs	265,986	389,759
Depreciation and amortization	4,168,259	3,900,272
Bad debt expense	4,075	12,399
Total operating expenses	<u>12,972,584</u>	<u>12,018,341</u>
Operating income	<u>2,111,830</u>	<u>1,045,796</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	<u>2004</u>	<u>2003</u>
<b>Non-Operating Revenues (Expenses)</b>		
Passenger Facility Charges (PFC's)	3,189,848	2,584,265
Contract Facility Charges (CFC's)	1,313,382	1,070,207
Intergov't revenue City of Myrtle Beach	-	2,869,300
Interest income	571,017	691,221
Interest expense	(1,808,480)	(1,898,499)
Miscellaneous income	34,345	-
Net non-operating revenues (expenses)	<u>3,300,112</u>	<u>5,316,494</u>
Income before special item and capital contributions	5,411,942	6,362,290
<b>Special Item:</b>		
Compensated absences accrual	(190,285)	-
Lease buyback	-	(1,914,322)
Income before capital contributions	<u>5,221,657</u>	<u>4,447,968</u>
<b>Capital Contributions</b>		
State grants - Airport Improvement	412,860	16,125
Federal grants - Airport Improvement Program (AIP)	<u>4,286,939</u>	<u>2,919,954</u>
Net change in net assets	<u>9,921,456</u>	<u>7,384,047</u>
Net assets, beginning of year	<u>103,795,699</u>	<u>96,411,652</u>
Net assets, end of year	<u>\$ 113,717,155</u>	<u>\$ 103,795,699</u>

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2004  
(with comparative amounts year ended June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Cash flows from operating activities</b>		
Cash received for:		
Landing fees, terminal rents, concessions leases and other fees	\$ 11,080,469	\$ 10,221,437
FBO sales and services	3,020,874	2,338,191
FAA security operations grant	142,727	-
Other	502,544	423,871
Cash paid for:		
Salaries and benefits	(4,379,771)	(4,219,715)
Maintenance, supplies, fuel, utilities and equipment	(4,083,812)	(3,686,021)
Net cash provided by operating activities	<u>6,283,031</u>	<u>5,077,763</u>
<b>Cash flows from non-capital financing activities</b>		
Proceeds from miscellaneous receipts and change in compensation	(20,292)	-
Lease buyback	-	(1,914,322)
Insurance proceeds	-	699,750
Net cash provided by non-capital financing activities	<u>(20,292)</u>	<u>(1,214,572)</u>
<b>Cash flows from capital and related financing activities</b>		
Receipt of passenger and contract facility charges	4,472,932	3,471,130
Acquisition and construction of fixed assets	(8,073,225)	(2,420,840)
Principal payments on bonds and notes	(1,500,000)	(1,420,000)
Interest paid on bonds and notes	(1,852,996)	(1,940,091)
Principal payments on capital lease obligation	(18,854)	(17,848)
Receipt from city of Myrtle beach trust fund	-	2,869,300
Proceeds from AIP and TSA grants	3,831,689	2,587,492
Net cash provided by (used in) capital and related financing activities	<u>(3,140,454)</u>	<u>3,129,143</u>
<b>Cash flows from investing activities</b>		
Investment purchases	(24,554,633)	(28,608,446)
Investment sales	28,608,456	20,356,612
Interest on investments	542,544	658,446
Net cash used in investing activities	<u>4,596,367</u>	<u>(7,593,388)</u>
Net decrease in cash and cash equivalents	7,718,652	(601,054)
Cash and cash equivalents, beginning of year		
Unrestricted	8,508,513	7,894,009
Restricted	5,534,317	6,749,875
	<u>14,042,830</u>	<u>14,643,884</u>
Cash and cash equivalents, end of year		
Unrestricted	16,291,061	8,508,513
Restricted	5,470,421	5,534,317
	<u>\$ 21,761,482</u>	<u>\$ 14,042,830</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND  
STATEMENT OF CASH FLOWS

- CONTINUED -

	<u>2004</u>	<u>2003</u>
<b>Reconciliation of operating income to cash flows from operating activities</b>		
Operating income	\$ 2,111,830	\$ 1,045,796
Adjustments to reconcile operating income to net cash provided by:		
Depreciation and amortization	4,168,259	3,900,272
Bad debt expense	4,075	12,399
(Increase) decrease in certain assets:		
Accounts receivable	(363,210)	244,766
Accounts receivable - FAA grant	142,727	(142,727)
Prepaid expenses	(62,876)	(54,917)
Inventories	(39,102)	(199)
(Increase) decrease in certain liabilities:		
Accounts payable	56,402	(27,146)
Accrued salaries, wages and compensated absences	129,066	(415)
Other accrued expenses	40,546	275,524
Due to Horry County - General Fund	212,629	7,087
Unearned Revenue	(62,271)	-
Amounts due to airlines	(55,044)	(182,677)
Net cash provided by operating activities	<u>\$ 6,283,031</u>	<u>\$ 5,077,763</u>
<b>Supplemental information-noncash investing, capital and financing activities</b>		
Restricted accounts receivable	<u>\$ 666,772</u>	<u>\$ 636,475</u>
Construction accounts and retainage payable	<u>\$ 807,041</u>	<u>\$ 667,341</u>
Capital lease obligation	<u>\$ 51,490</u>	<u>\$ 73,557</u>

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM ENTERPRISE FUND  
BALANCE SHEET

JUNE 30, 2004

(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Restricted assets:		
Cash and cash equivalents - County's Payment Sub-account	\$ 276,461	\$ 271,232
Due from Hospitality Fund for renewal and replacement	-	38,414
Total restricted assets	<u>276,461</u>	<u>309,646</u>
Non-current assets:		
Capital assets:		
Land and improvements	2,693,320	2,691,429
Buildings and improvements	3,356,135	3,356,135
Equipment	<u>326,892</u>	<u>326,892</u>
Total non-current capital assets	6,376,347	6,374,456
Less, accumulated depreciation	<u>(1,033,811)</u>	<u>(843,451)</u>
Net capital assets	<u>5,342,536</u>	<u>5,531,005</u>
Total assets	<u>\$ 5,618,997</u>	<u>\$ 5,840,651</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Due to other governments	<u>\$ 46,128</u>	<u>\$ 48,383</u>
Total current liabilities	<u>46,128</u>	<u>48,383</u>
Current liabilities payable from restricted assets:		
Certificates of Participation - current portion	123,000	117,000
Accrued interest payable	<u>60,043</u>	<u>62,412</u>
Total current liabilities payable from restricted assets	<u>183,043</u>	<u>179,412</u>
Non-current liabilities:		
Certificates of Participation	<u>2,422,500</u>	<u>2,545,500</u>
Total liabilities	<u>2,651,671</u>	<u>2,773,295</u>
Net assets:		
Invested in capital assets, net of related debt	2,736,993	2,806,093
Restricted for debt service, renewals and replacements	276,461	271,232
Unrestricted	<u>(46,128)</u>	<u>(9,969)</u>
Total net assets	<u>2,967,326</u>	<u>3,067,356</u>
Total liabilities and net assets	<u>\$ 5,618,997</u>	<u>\$ 5,840,651</u>

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

YEAR ENDED JUNE 30, 2004  
 (with comparative amounts year ended June 30, 2003)

	2004	2003
<b>Operating Revenues</b>		
Concessions and rentals	\$ 7,204	\$ 7,757
Other	2,189	2,335
Total operating revenues	9,393	10,092
<b>Operating Expenses</b>		
Equipment rental	-	409
Management fee	-	2,310
Maintenance and supplies	21,343	12,786
Insurance	28,379	28,379
Depreciation	190,360	198,395
Other	4,953	4,622
Total operating expenses	245,035	246,901
Operating loss	(235,642)	(236,809)
<b>Non-operating Revenues (Expenses)</b>		
Interest income	4,463	2,833
Interest expense	(120,086)	(124,825)
Net non-operating revenues (expenses)	(115,623)	(121,992)
Loss before transfers	(351,265)	(358,801)
<b>Transfers</b>		
Operating transfers in - Hospitality Fund	251,235	309,090
Net change in net assets	(100,030)	(49,711)
Net assets at beginning of year	3,067,356	3,117,067
Net assets at end of year	\$ 2,967,326	\$ 3,067,356

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM ENTERPRISE FUND  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2004  
(with comparative amounts year ended June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Cash flows from operating activities</b>		
Cash paid for (received from):		
Baseball stadium operations	\$ (9,123)	\$ 17,414
Net cash provided (used in) operating activities	<u>(9,123)</u>	<u>17,414</u>
 <b>Cash flows from non-capital financing activities</b>		
Transfers in - Hospitality Fund	<u>251,235</u>	<u>309,090</u>
Net cash flows provided by non-capital financing activities	<u>251,235</u>	<u>309,090</u>
 <b>Cash flows from capital and related financing activities</b>		
Acquisition and construction of capital assets	(1,891)	-
Principal payments on Certificates of Participation	(117,000)	(112,500)
Interest paid on Certificates of Participation	<u>(122,455)</u>	<u>(127,075)</u>
Net cash used in capital and related financing activities	<u>(241,346)</u>	<u>(239,575)</u>
 <b>Cash flows from investing activities</b>		
Interest on investment	<u>4,463</u>	<u>2,833</u>
Net cash provided by investing activities	<u>4,463</u>	<u>2,833</u>
 Net decrease in cash and cash equivalents	<u>5,229</u>	<u>89,762</u>
Cash and cash equivalents at beginning of year	<u>271,232</u>	<u>181,470</u>
Cash and cash equivalents at end of year	<u>\$ 276,461</u>	<u>\$ 271,232</u>
 <b>Reconciliation of operating loss to net cash provided by operating activities</b>		
Operating loss	\$ (235,642)	\$ (236,809)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	190,360	198,395
Decrease in interfund borrowing	38,414	51,586
Increase (decrease) in due to other governments	(2,255)	4,242
Net cash provided by operating activities	<u>\$ (9,123)</u>	<u>\$ 17,414</u>

HORRY COUNTY, SOUTH CAROLINA  
INDUSTRIAL PARKS ENTERPRISE FUND  
BALANCE SHEET

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	2004	2003
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,362,948	\$ 876,432
Receivables:		
Accounts receivable	13,001	-
Total current assets	2,375,949	876,432
Non-current assets:		
Capital assets:		
Land	445,955	702,762
Building and improvements	2,712,975	2,789,159
Total non-current capital assets	3,158,930	3,491,921
Less, accumulated depreciation	(934,748)	(883,371)
Net capital assets	2,224,182	2,608,550
Land held for investment	1,276,426	1,515,032
Total assets	\$ 5,876,557	\$ 5,000,014
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 4,806	\$ 3,267
Due to other funds	329,446	343,617
Total current liabilities	334,252	346,884
Total liabilities	334,252	346,884
Net assets:		
Invested in capital assets, net of related debt	2,224,182	2,608,550
Restricted for infrastructure development	516,000	516,000
Unrestricted	2,802,123	1,528,580
Total net assets	5,542,305	4,653,130
Total liabilities and net assets	\$ 5,876,557	\$ 5,000,014

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative amounts year ended June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Operating Revenues</b>		
Rents	\$ 173,803	\$ 277,480
Fees-in-lieu of taxes	20,016	28,187
Other	45,855	276,020
Total operating revenues	<u>239,674</u>	<u>581,687</u>
<b>Operating Expenses</b>		
Depreciation	76,771	71,003
Contractual services	508,747	455,967
Other-cost allocation	27,058	50,000
Total operating expenses	<u>612,576</u>	<u>576,970</u>
Operating income (loss)	<u>(372,902)</u>	<u>4,717</u>
<b>Non-operating revenues</b>		
Gain on sale of property	1,261,136	-
Interest Income	15,132	12,536
Net non-operating revenues	<u>1,276,268</u>	<u>12,536</u>
Income before transfers	<u>903,366</u>	<u>17,253</u>
<b>Transfers</b>		
Operating transfer out - debt service	-	(185,156)
Operating transfer out	(14,191)	-
Net change in net assets	<u>889,175</u>	<u>(167,903)</u>
Net assets at beginning of year	4,653,130	4,821,033
Net assets at end of year	<u>\$ 5,542,305</u>	<u>\$ 4,653,130</u>

HORRY COUNTY, SOUTH CAROLINA

INDUSTRIAL PARKS ENTERPRISE FUND  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2004  
(with comparative amounts year ended June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Cash flows from operating activities</b>		
Cash received from:		
Rent	\$ 173,803	\$ 293,643
Service and miscellaneous charges	52,870	304,207
Cash paid for:		
Industrial park operations	(507,208)	(456,062)
Other supplies and miscellaneous costs	(27,058)	(50,000)
Net cash provided by (used in) operating activities	<u>(307,593)</u>	<u>91,788</u>
<b>Cash flows from non-capital financing activities</b>		
Transfers out	(14,191)	(29,993)
Operating transfer out-debt service fund	-	(185,156)
Net cash flows used in non-capital financing	<u>(14,191)</u>	<u>(215,149)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sales of investments	1,793,168	-
Interest received	15,132	12,536
Net cash provided by investing activities	<u>1,808,300</u>	<u>12,536</u>
Net increase (decrease) in cash	1,486,516	(110,825)
Cash and cash equivalents at beginning of year	876,432	987,257
Cash and cash equivalents at end of year	<u>\$ 2,362,948</u>	<u>\$ 876,432</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating income (loss)	\$ (372,902)	\$ 4,717
Adjustments to reconcile operating income to net provided by operating activities:		
Depreciation	76,771	71,003
Change in certain assets and liabilities:		
Increase (decrease) in accounts receivable	(13,001)	16,164
Increase (decrease) in accounts payable	1,539	(96)
Net cash provided by operating activities	<u>\$ (307,593)</u>	<u>\$ 91,788</u>

HORRY COUNTY, SOUTH CAROLINA

## INTERNAL SERVICE FUND

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

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

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

JUNE 30, 2004  
(with comparative amounts June 30, 2003)

	2004	Restated 2003
<b>Assets</b>		
Current assets:		
Equity in pooled cash and investments	\$ 4,736,886	\$ 4,006,307
Accounts receivable	-	20,413
Inventory	246,414	228,321
Total current assets	4,983,300	4,255,041
Non-current assets:		
Capital assets:		
Machinery and equipment	9,360,783	8,856,766
Less, accumulated depreciation	(6,351,043)	(5,778,342)
Net capital assets	3,009,740	3,078,424
Total assets	\$ 7,993,040	\$ 7,333,465
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 56,776	\$ 52,551
Accrued salaries, wages and compensated absences	5,441	25,283
Total current liabilities	62,217	77,834
Net Assets:		
Invested in capital assets	3,009,740	3,078,424
Unrestricted	4,921,083	4,177,207
Total net assets	7,930,823	7,255,631
Total liabilities and net assets	\$ 7,993,040	\$ 7,333,465

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004  
(with comparative amounts year end June 30, 2003)

	<u>2004</u>	<u>Restated 2003</u>
<b>Operating Revenues</b>		
Charges for service	\$ 3,742,491	\$ 3,502,851
Other	-	21,332
Total operating revenues	<u>3,742,491</u>	<u>3,524,183</u>
<b>Operating Expenses</b>		
Personal services	749,871	715,968
Contractual services	1,148,616	1,082,019
Supplies and materials	29,938	36,654
Business and travel	40,796	34,097
Depreciation	1,293,082	1,269,516
Total operating expenses	<u>3,262,303</u>	<u>3,138,254</u>
Operating income	<u>480,188</u>	<u>385,929</u>
<b>Non-operating revenues (expenses)</b>		
Gain (loss) on disposal of assets	(60,000)	3,055
Interest income	49,059	57,018
Net non-operating revenue (expenses)	<u>(10,941)</u>	<u>60,073</u>
Income before transfers	<u>469,247</u>	<u>446,002</u>
<b>Transfers</b>		
Transfers in	<u>205,945</u>	<u>-</u>
Net change in net assets	<u>675,192</u>	<u>446,002</u>
Net assets, beginning of year, as restated	<u>7,255,631</u>	<u>6,809,629</u>
Net assets, end of year	<u>\$ 7,930,823</u>	<u>\$ 7,255,631</u>

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2004  
(with comparative amounts year ended June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Cash flows from operating activities</b>		
Cash received from:		
Services	\$ 3,742,491	\$ 3,502,851
Miscellaneous charges	-	21,332
Cash paid for:		
Fleet maintenance	(1,962,135)	(1,862,599)
Other supplies and miscellaneous costs	(40,796)	(34,097)
Net cash provided by operating activities	<u>1,739,560</u>	<u>1,627,487</u>
<b>Cash flows from non-capital and related financing activities</b>		
Transfers in	<u>205,945</u>	-
Net cash provided by non-capital and related financing activities	<u>205,945</u>	-
<b>Cash flows from capital and related financing activities</b>		
Contributed capital - General Fund	-	39,769
Purchase of fixed assets	(1,200,930)	(1,431,591)
Proceeds from disposition of property and equipment	(63,055)	18,084
Net cash used in capital and related financing activities	<u>(1,263,985)</u>	<u>(1,373,738)</u>
<b>Cash flows from investing activities</b>		
Interest income	<u>49,059</u>	57,018
Net cash provided by investing activities	<u>49,059</u>	<u>57,018</u>
Net increase in cash and cash equivalents	730,579	310,767
Cash and cash equivalents at beginning of year	4,006,307	3,695,540
Cash and cash equivalents at end of year	<u>\$ 4,736,886</u>	<u>\$ 4,006,307</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating income	\$ 480,188	\$ 385,929
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	1,293,082	1,269,516
(Increase) decrease in assets:		
Inventories	(18,093)	(29,903)
Increase (decrease) in liabilities:		
Accounts payable	4,225	20,141
Due to other governments	-	(453)
Accrued salaries, wages and compensated absences	(19,842)	(17,743)
Net cash provided by operating activities	<u>\$ 1,739,560</u>	<u>\$ 1,627,487</u>

## 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, 2004

	<b>Balance June 30, 2003</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2004</b>
<b>Totals-Agency Funds</b>				
Assets:				
Cash	\$ 20,323,024	\$ 2,206,317	\$ 21,021,174	\$ 1,508,167
Equity in pooled cash and investments	69,687,674	309,716,309	310,668,007	68,735,976
Due from agency	3,847	-	3,847	-
Total assets	<u>\$ 90,014,545</u>	<u>\$ 311,922,626</u>	<u>\$ 331,693,028</u>	<u>\$ 70,244,143</u>
Liabilities:				
Due to agency	\$ 90,010,698	\$ 311,922,626	\$ 331,689,181	\$ 70,244,143
Due to general fund	3,847	-	3,847	-
Total liabilities	<u>\$ 90,014,545</u>	<u>\$ 311,922,626</u>	<u>\$ 331,693,028</u>	<u>\$ 70,244,143</u>

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	<b>Balance June 30, 2003</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2004</b>
<b><u>City of Conway</u></b>				
Assets:				
Equity in pooled cash and investments	\$ 48,210	\$ 3,163,892	\$ 3,156,050	\$ 56,052
Liabilities:				
Due to agency	\$ 48,210	\$ 3,163,892	\$ 3,156,050	\$ 56,052
<b><u>City of Myrtle Beach</u></b>				
Assets:				
Equity in pooled cash and investments	\$ 118,858	\$ 16,509,088	\$ 16,486,407	\$ 141,539
Liabilities:				
Due to agency	\$ 118,858	\$ 16,509,088	\$ 16,486,407	\$ 141,539
<b><u>Town of Loris</u></b>				
Assets:				
Equity in pooled cash and investments	\$ 9,137	\$ 643,570	\$ 641,642	\$ 11,065
Liabilities:				
Due to agency	\$ 9,137	\$ 643,570	\$ 641,642	\$ 11,065
<b><u>City of North Myrtle Beach</u></b>				
Assets:				
Equity in pooled cash and investments	\$ 75,887	\$ 7,653,781	\$ 7,594,841	\$ 134,827
Liabilities:				
Due to agency	\$ 75,887	\$ 7,653,781	\$ 7,594,841	\$ 134,827
<b><u>Town of Surfside</u></b>				
Assets:				
Equity in pooled cash and investments	\$ 20,490	\$ 1,916,103	\$ 1,906,485	\$ 30,108
Liabilities:				
Due to agency	\$ 20,490	\$ 1,916,103	\$ 1,906,485	\$ 30,108

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	<b>Balance June 30, 2003</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2004</b>
<b><u>Town of Atlantic Beach</u></b>				
Assets:				
Equity in pooled cash and investments	\$ 3,938	\$ 152,799	\$ 150,841	\$ 5,896
Liabilities:				
Due to agency	\$ 3,938	\$ 152,799	\$ 150,841	\$ 5,896
<b><u>Town of Aynor</u></b>				
Assets:				
Equity in pooled cash and investments	\$ 1,456	\$ 121,263	\$ 119,669	\$ 3,050
Liabilities:				
Due to agency	\$ 1,456	\$ 121,263	\$ 119,669	\$ 3,050
<b><u>Town of Briarcliff</u></b>				
Assets:				
Equity in pooled cash and investments	\$ 1,805	\$ 222,367	\$ 219,608	\$ 4,564
Liabilities:				
Due to agency	\$ 1,805	\$ 222,367	\$ 219,608	\$ 4,564
<b><u>Horry County School District</u></b>				
<b><u>Operations/Debt</u></b>				
Assets:				
Cash	\$ 19,193,236	\$ 134,816	\$ 19,193,236	\$ 134,816
Equity in pooled cash and investments	69,357,863	278,281,781	279,373,538	68,266,106
Total assets	<u>\$ 88,551,099</u>	<u>\$ 278,416,597</u>	<u>\$ 298,566,774</u>	<u>\$ 68,400,922</u>
Liabilities:				
Due to agency	<u>\$ 88,551,099</u>	<u>\$ 278,416,597</u>	<u>\$ 298,566,774</u>	<u>\$ 68,400,922</u>

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	<u>Balance June 30, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2004</u>
<b><u>Murrells Inlet-Garden City</u></b>				
<b><u>Operation/Debt Fire District</u></b>				
Assets:				
Equity in pooled cash and investments	\$ 39,315	\$ 1,011,883	\$ 981,819	\$ 69,379
Liabilities:				
Due to agency	\$ 39,315	\$ 1,011,883	\$ 981,819	\$ 69,379
<b><u>Grand Strand Water and Sewer</u></b>				
Assets:				
Equity in pooled cash and investments	\$ 411	\$ 37,505	\$ 36,939	\$ 977
Liabilities:				
Due to agency	\$ 411	\$ 37,505	\$ 36,939	\$ 977
<b><u>Fireman's Fund</u></b>				
Assets:				
Cash	\$ 210,070	\$ 699,035	\$ 596,836	\$ 312,269
Liabilities:				
Due to agency	\$ 210,070	\$ 699,035	\$ 596,836	\$ 312,269
<b><u>Police Asset Forfeiture Fund</u></b>				
Assets:				
Cash	\$ 142,582	\$ 149,139	\$ 159,556	\$ 132,165
Liabilities:				
Due to agency	\$ 142,582	\$ 149,139	\$ 159,556	\$ 132,165
<b><u>Police Fund</u></b>				
Assets:				
Cash	\$ 23,451	\$ 66,214	\$ 70,298	\$ 19,367
Liabilities:				
Due to agency	\$ 23,451	\$ 66,214	\$ 70,298	\$ 19,367

HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	<u>Balance June 30, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2004</u>
<b><u>Police Federal Forfeiture Fund</u></b>				
Assets:				
Cash	\$ 102,202	\$ 16,054	\$ 17,902	\$ 100,354
Liabilities:				
Due to agency	\$ 102,202	\$ 16,054	\$ 17,902	\$ 100,354
<b><u>Environmental Services</u></b>				
Assets:				
Cash	\$ 41,658	\$ 1,813	\$ 1,399	\$ 42,072
Liabilities:				
Due to agency	\$ 41,658	\$ 1,813	\$ 1,399	\$ 42,072
<b><u>Library Endowment</u></b>				
Assets:				
Cash	\$ 3,203	\$ 22,360	\$ 18,307	\$ 7,256
Equity in pooled cash and investments	10,304	2,277	168	12,413
Total assets	\$ 13,507	\$ 24,637	\$ 18,475	\$ 19,669
Liabilities:				
Due to agency	\$ 13,507	\$ 24,637	\$ 18,475	\$ 19,669
<b><u>Inmate Trust</u></b>				
Assets:				
Cash	\$ 27,601	\$ 524,302	\$ 530,628	\$ 21,275
Liabilities:				
Due to agency	\$ 27,601	\$ 524,302	\$ 530,628	\$ 21,275

ALL AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	<u>Balance June 30, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2004</u>
<b><u>B&amp;C MCBP - Infrastructure</u></b>				
Assets:				
Cash	\$ 579,021	\$ 592,584	\$ 433,012	\$ 738,593
Due from agency	3,847	-	3,847	-
Total assets	<u>\$ 582,868</u>	<u>\$ 592,584</u>	<u>\$ 436,859</u>	<u>\$ 738,593</u>
Liabilities:				
Due to general fund	\$ 3,847	\$ -	\$ 3,847	\$ -
Due to agency	579,021	592,584	433,012	738,593
Total liabilities	<u>\$ 582,868</u>	<u>\$ 592,584</u>	<u>\$ 436,859</u>	<u>\$ 738,593</u>

HORRY COUNTY, SOUTH CAROLINA

## 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

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

JUNE 30, 2004

(with comparative amounts June 30, 2003)

	<u>2004</u>	<u>2003</u>
<b>Governmental funds - capital assets</b>		
Land	\$ 13,163,496	\$ 13,957,218
Buildings	99,858,551	89,408,214
Furniture and equipment	38,333,922	35,674,776
Vehicles	3,569,401	4,371,253
Construction-in-progress	1,065,370	6,021,620
Infrastructure	333,972,649	322,524,067
Total governmental funds capital assets	<u>\$ 489,963,389</u>	<u>\$ 471,957,148</u>
 <b>Investment in governmental funds capital assets by source</b>		
General obligations bonds	\$ 89,774,314	\$ 93,469,199
General fund revenue	44,527,728	34,058,468
Special revenue fund revenue	11,638,395	11,879,197
Certificates of participation	10,050,303	10,026,217
Capital projects fund	333,972,649	322,524,067
Total investment in governmental funds capital assets	<u>\$ 489,963,389</u>	<u>\$ 471,957,148</u>

HORRY COUNTY, SOUTH CAROLINA

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

JUNE 30, 2004

	Land	Buildings	Furniture And Equipment	Vehicles	Construction In Progress	Infrastructure	Totals
<b>Functions and Activity:</b>							
General government	\$ 7,338,409	\$ 52,876,713	\$ 19,523,823	\$ 356,477	\$ -	\$ -	\$ 80,095,422
Public safety	1,544,494	37,139,458	5,611,077	2,667,042	-	-	46,962,071
Infrastructure and regulation	652,230	4,182,753	10,470,264	504,105	-	333,972,649	349,782,001
Health and social services	-	2,406,752	-	-	-	-	2,406,752
Cultural and recreation	3,628,363	2,155,411	2,728,758	27,983	-	-	8,540,515
Economic development	-	1,097,464	-	13,794	-	-	1,111,258
Construction-in-progress	-	-	-	-	1,065,370	-	1,065,370
Total governmental funds capital assets	<u>\$ 13,163,496</u>	<u>\$ 99,858,551</u>	<u>\$ 38,333,922</u>	<u>\$ 3,569,401</u>	<u>\$ 1,065,370</u>	<u>\$ 333,972,649</u>	<u>\$ 489,963,389</u>

HORRY COUNTY, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2004

	<b>Balances</b>			<b>Balances</b>
	<b>June 30, 2003</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2004</b>
<b>Functions and Activity:</b>				
General government	\$ 70,261,463	\$ 11,379,594	\$ (1,545,635)	\$ 80,095,422
Public Safety	45,876,260	2,045,913	(960,102)	46,962,071
Infrastructure and Regulation	337,962,168	12,319,331	(499,498)	349,782,001
Health and Social Services	2,420,086	-	(13,334)	2,406,752
Cultural and Recreation	8,304,293	311,788	(75,566)	8,540,515
Economic Development	1,111,258	-	-	1,111,258
Construction-in-progress	6,021,620	5,888,380	(10,844,630)	1,065,370
<b>Total governmental funds capital assets</b>	<b>\$ 471,957,148</b>	<b>\$ 31,945,006</b>	<b>\$ (13,938,765)</b>	<b>\$ 489,963,389</b>
<b>Class:</b>				
Land	\$ 13,957,219	\$ 214,777	\$ (1,008,500)	\$ 13,163,496
Buildings	89,408,214	10,876,265	(425,928)	99,858,551
Furniture and equipment	35,674,775	3,066,191	(407,044)	38,333,922
Vehicles	4,371,253	450,811	(1,252,663)	3,569,401
Construction-in-progress	6,021,620	5,888,380	(10,844,630)	1,065,370
Infrastructure	322,524,067	11,448,582	-	333,972,649
<b>Total governmental funds capital assets</b>	<b>\$ 471,957,148</b>	<b>\$ 31,945,006</b>	<b>\$ (13,938,765)</b>	<b>\$ 489,963,389</b>

## VICTIMS' RIGHTS

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

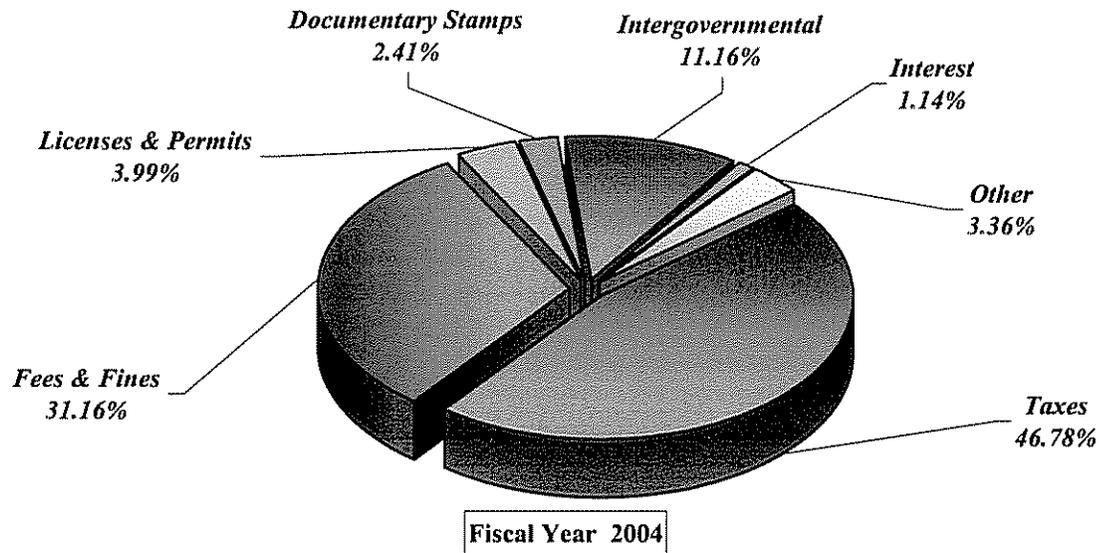
YEAR ENDED JUNE 30, 2004

	<u>2004</u>
<b>Court Fines and Assessments</b>	
Court fines and assessments collected	\$ 1,255,706
Court fines and assessments remitted to State Treasurer	<u>1,119,607</u>
Total court fines and assessments retained	<u>\$ 136,099</u>
<b>Surcharges and Assessments Retained by County</b>	
Total surcharges collected	\$ 105,108
Total assessments	<u>168,632</u>
Total surcharges and assessments	<u>\$ 273,740</u>
<b>Funds Allocated to Victims Service</b>	
Carryover funds from prior year	\$ 304,437
Surcharges and assessments retained	409,838
Interest earned	2,696
Expenditures for victims service	<u>551,419</u>
Total unexpended victims rights assistance funds	<u>\$ 165,552</u>

STATISTICAL SECTION

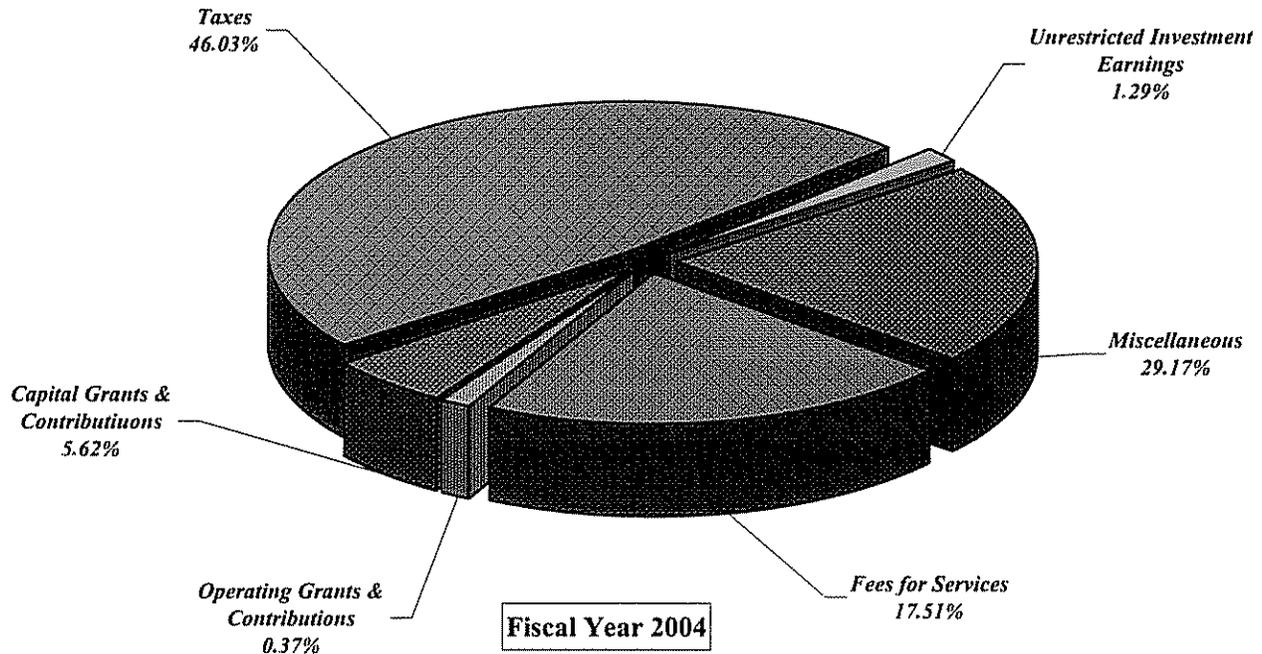
HORRY COUNTY, SOUTH CAROLINA

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



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

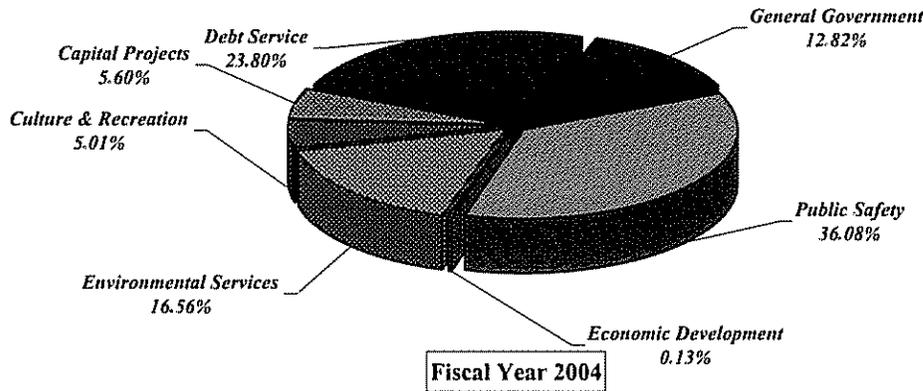
**HORRY COUNTY, SOUTH CAROLINA  
GOVERNMENT-WIDE REVENUES**  
Fiscal Year 2002 thru 2004  
*(expressed in thousands)*



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

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

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



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

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

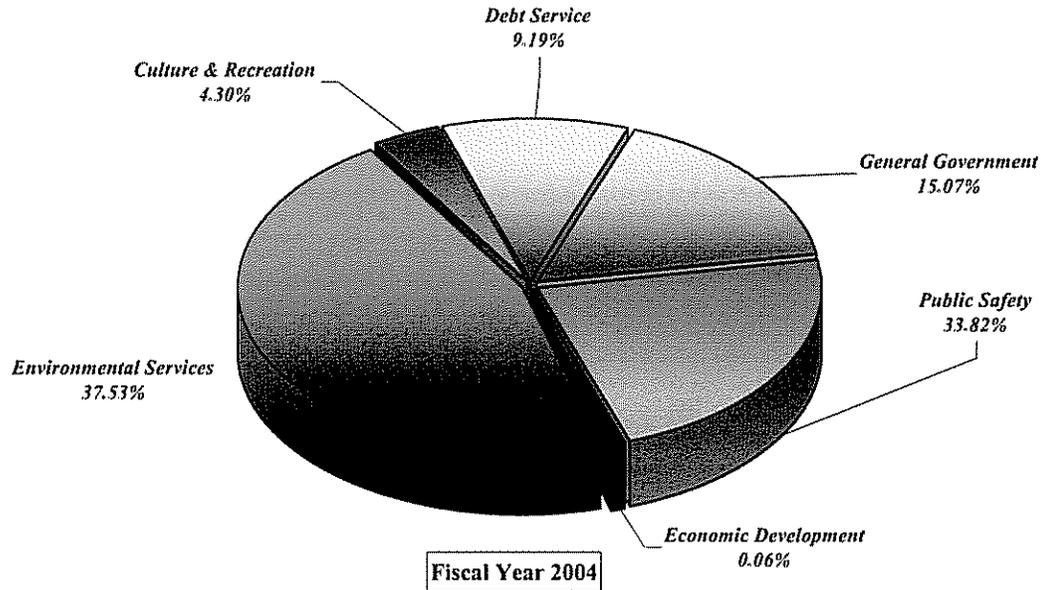
- 1) Public Works, Health & Social Services, and Conservation & Natural Resources.
- 2) Culture & Recreation and Other.

3) Capital Outlay.

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

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

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



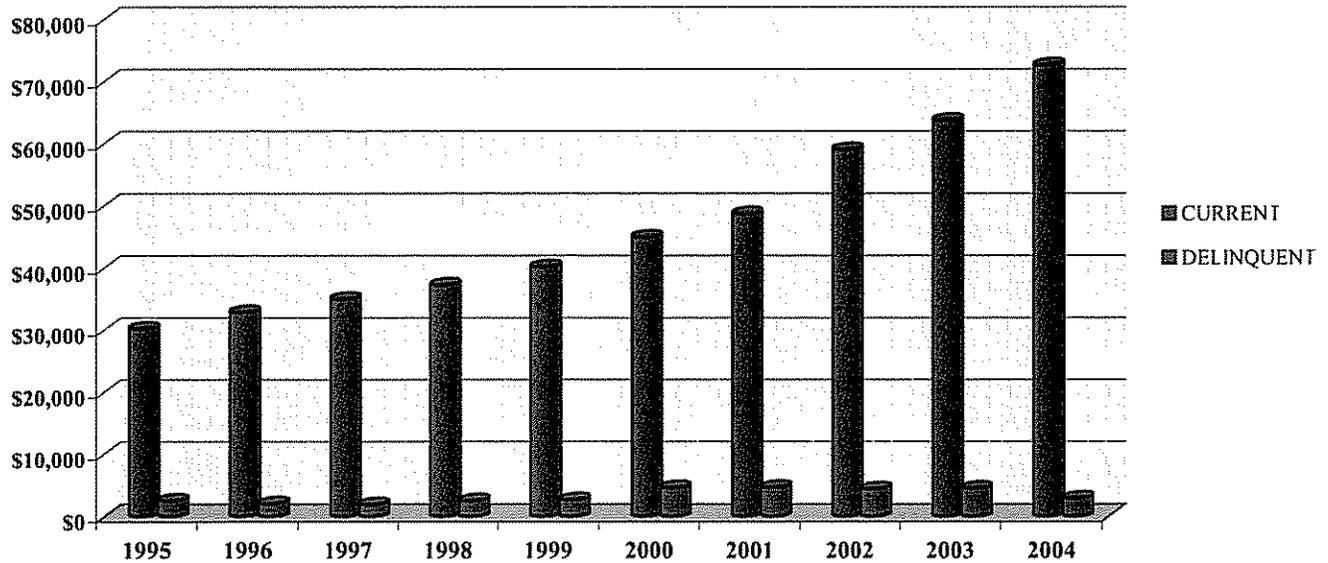
YEAR	GENERAL GOVERNMENT	PUBLIC SAFETY	ECONOMIC DEVELOPMENT	(1)	(2)	(3)	TOTAL
				ENVIRONMENTAL PROTECTION & CONTROL	CULTURE RECREATION AND TOURISM	DEBT SERVICE	
2002	\$31,070	\$46,827	\$1,584	\$23,090	\$11,668	\$9,282	\$123,521
% of total	25.15%	37.91%	1.28%	18.69%	9.45%	7.51%	100.00%
2003	\$32,590	\$44,667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

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

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

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

**CURRENT AND DELINQUENT TAX COLLECTIONS**



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

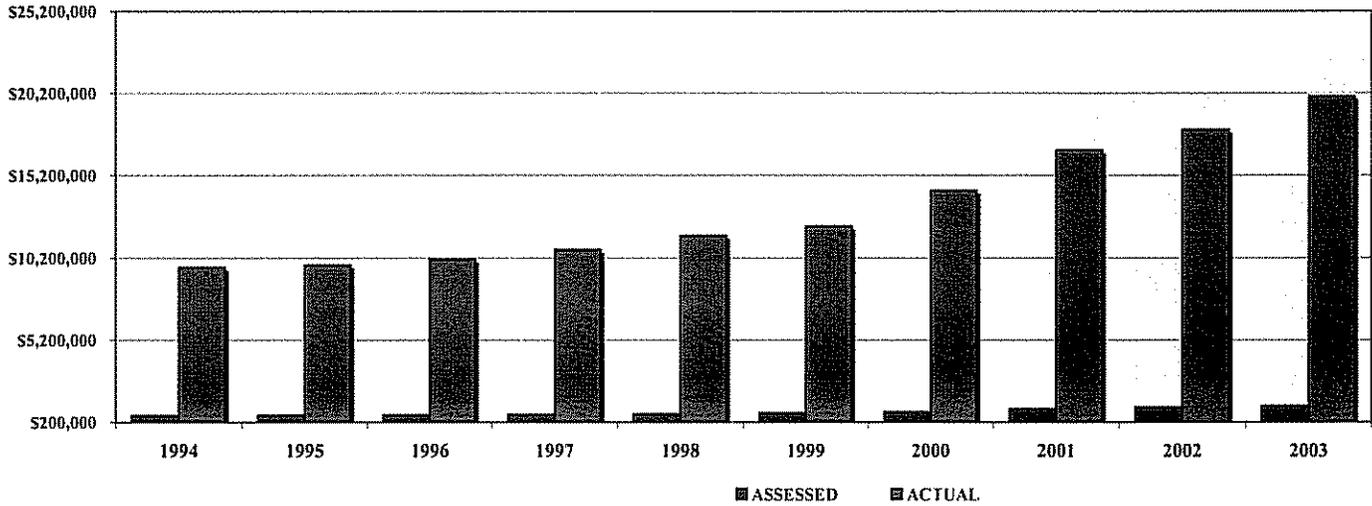
**HORRY COUNTY, SOUTH CAROLINA  
PROPERTY TAX RATES PER \$1000 ASSESSED VALUE  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

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

**Note: Above amounts are expressed in Mills.**

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

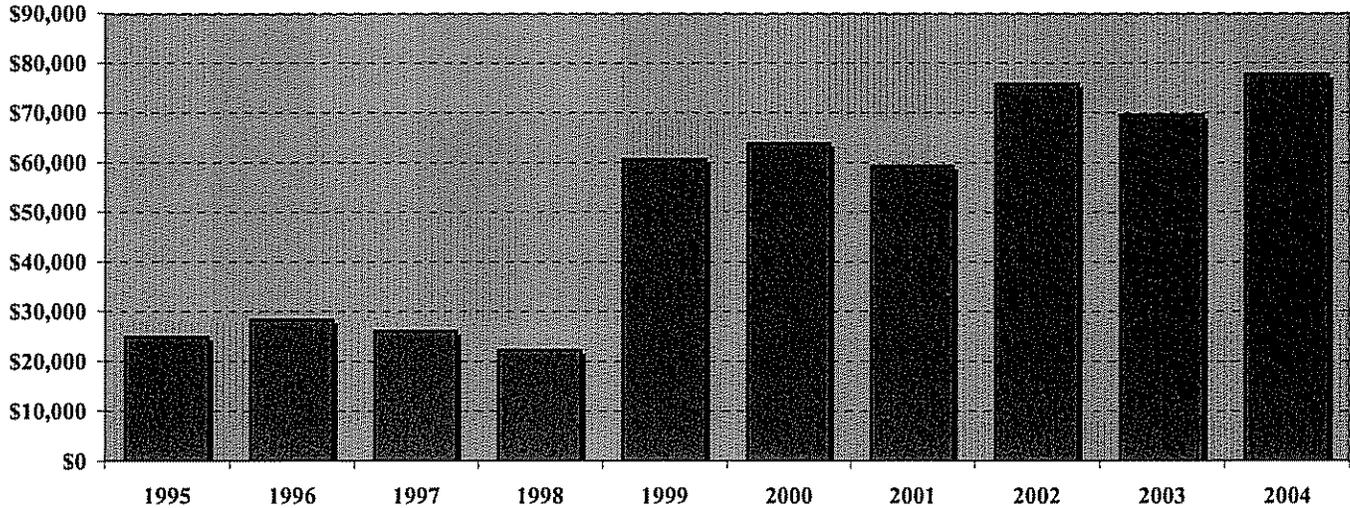
*COMPARISON OF ASSESSED AND ACTUAL PROPERTY VALUE*



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

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

**NET BONDED DEBT**



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

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

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

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

Debt Limit

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

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

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

Note: Total expenditures above represent total Governmental Fund expenditures.

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

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

Note:

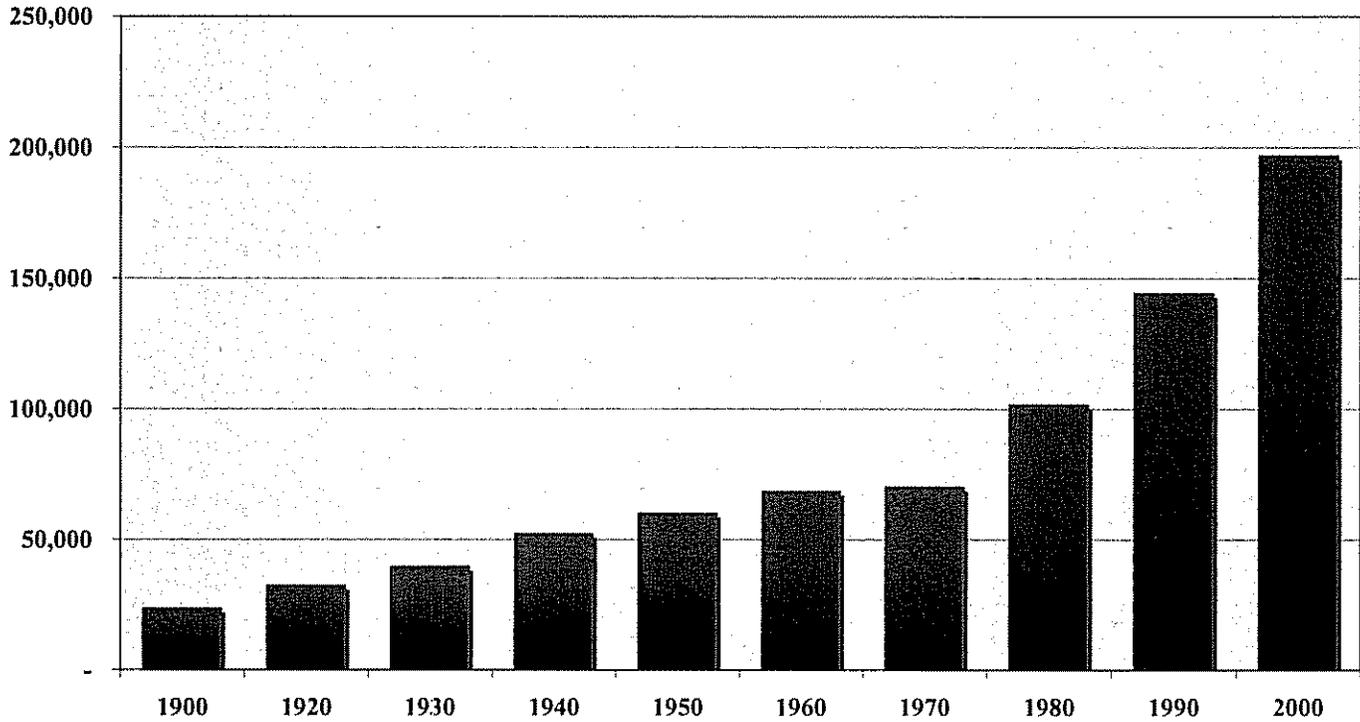
- 1) Includes only PFC applied by the County on payment of debt service, less other Airport revenues.
- 2) Total expenses exclude depreciation and debt service.

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

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

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

**HORRY COUNTY, SOUTH CAROLINA  
POPULATION**



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

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

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

**Note:**

1) Source: S.C. Statistical Abstract

2) Estimated figures in all years but 2000 ( U.S. Census Bureau)

3) S.C. Employment Security Commission,  
Labor Market Research Division

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

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

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

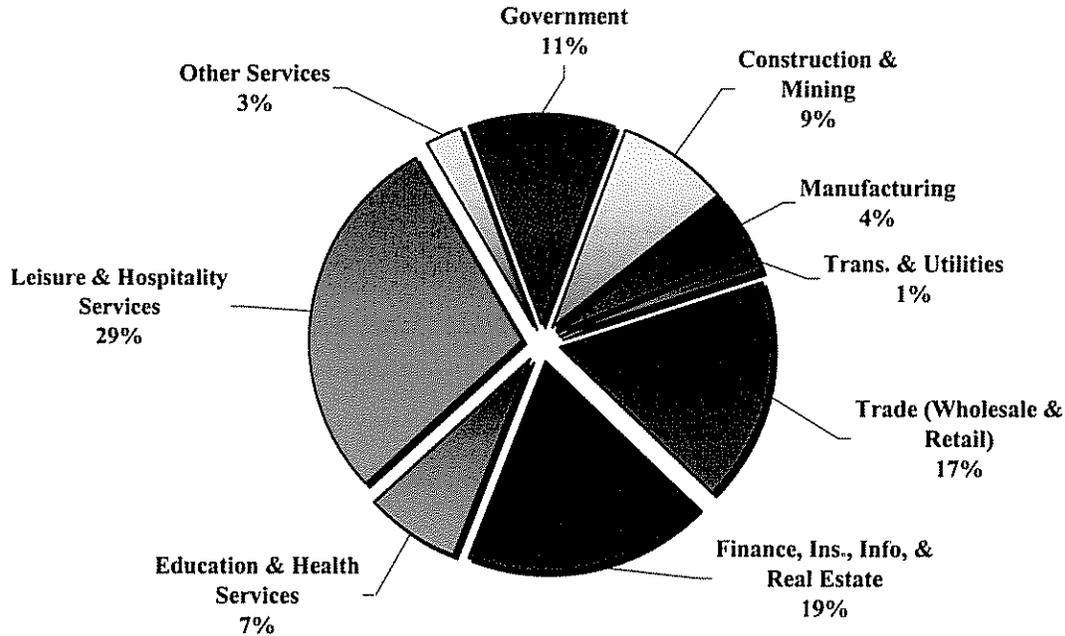
FISCAL YEAR	PROPERTY VALUE <i>(expressed in thousands)</i>			CONSTRUCTION		BANK (2) DEPOSITS <i>(in millions)</i>
	REAL	PERSONAL	TOTAL	PERMITS <i>(1)</i>	VALUE <i>(in thousands)</i>	
1995	\$8,513,132	\$1,593,276	\$10,106,408	5,821	\$268,739	\$1,393,995
1996	\$8,826,732	\$1,871,859	\$10,698,591	6,494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

**Note:**

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

2) Source: FDIC

**HORRY COUNTY, SOUTH CAROLINA  
NONAGRICULTURAL EMPLOYMENT**



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

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

TEN LARGEST INDUSTRIES, COMMERCIAL ENTITIES, AND GOVERNMENTAL UNITS

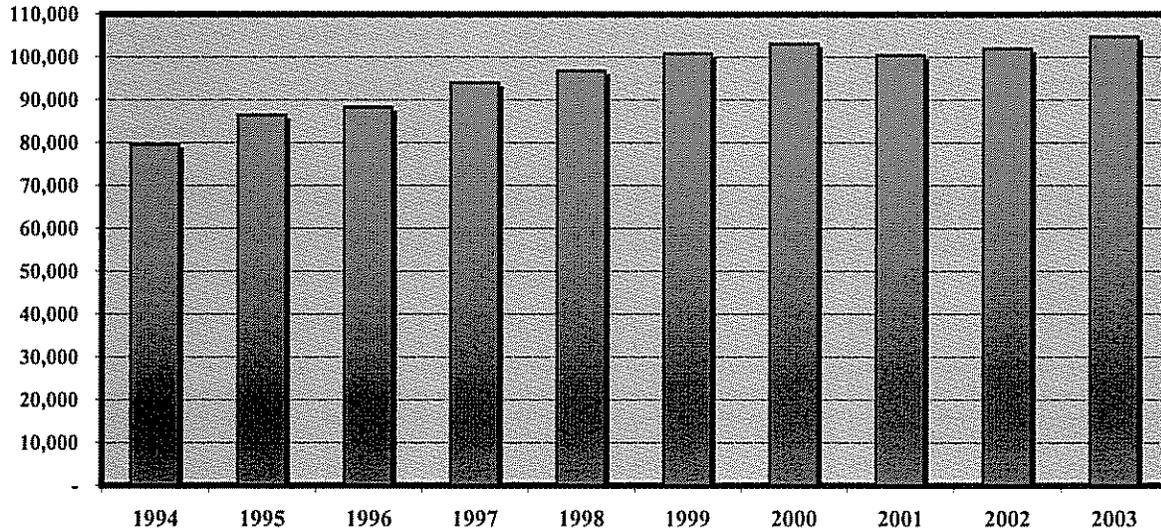
Name	Product	Employees
1. Horry County School District	Public Education and Administration	4,000
2. Wal-mart Associates Inc.	Retail	1,885
3. Burroughs & Chapin	Real Estate/Tourism Industries	1,824
4. Horry County Government	Administration of County Government	1,606
5. AVX Corporation	Electronic components,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

LARGEST MANUFACTURING EMPLOYERS

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

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

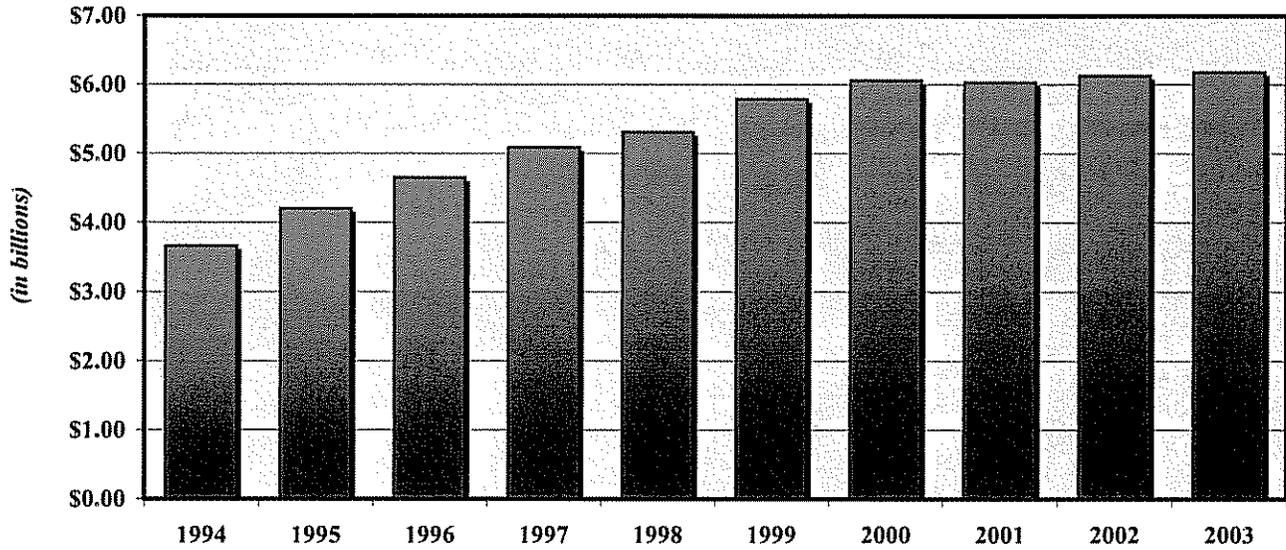
NUMBER OF INDIVIDUALS EMPLOYED



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

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

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



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

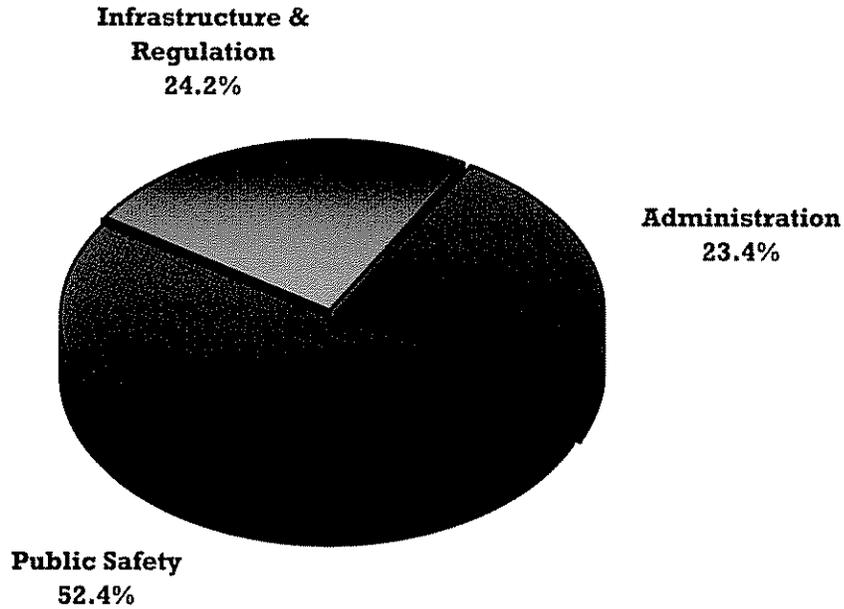
**HORRY COUNTY, SOUTH CAROLINA  
BUDGETED EMPLOYEE POSITIONS BY DEPARTMENT  
FIVE YEAR COMPARISON FY00 - FY04**

<b>DEPT. #</b>	<b>DEPARTMENT</b>	<b>FY00</b>	<b>FY01</b>	<b>FY02</b>	<b>FY03</b>	<b>FY04</b>
401	County Council	15	15	15	15	15
402	Administrator	10	11	6	5	5
403	Division Director of Administration	2	2	2	2	2
405	Finance	16	15	17	20	20
406	Human Resources/Risk Management	9	10	10	10	10
407	Procurement	6	6	6	6	6
408	Internal Audit	3	3	3	3	3
409	Information Technology	19	14	14	14	14
410	Assessor	57	56	56	56	55
412	Register of Deeds	21	21	21	21	21
413	Geographical Information Systems	0	5	5	5	5
414	Maintenance	65	65	69	69	72
415	Registration/Election Commission	6	6	6	5	5
416	Public Information Officer	2	1	1	4	4
417	Division Director of Finance	2	0	0	0	0
418	Budget and Revenue Management	0	2	2	2	2
422	Family Court Judge	1	1	1	0	0
423	Records Retention	4	4	4	4	4
425	Treasurer and Delinquent Tax	25	26	27	27	28
426	Auditor	21	21	22	22	23
427	Clerk of Court (Circuit, DSS, Family)	33	33	33	34	36
430	Circuit Judge	1	1	1	1	0
431	Probate Judge	15	15	15	15	16
432	Solicitor	58	60	59	59	61
433	Master in Equity	3	3	3	3	3
434	Magistrates (#434-35,437-41,443-45)	31	31	31	31	31
436	Attorney	0	0	5	5	4
442	Central Summary Court	10	10	9	9	9
446	Central Jury Court	0	0	1	1	1
447	Division Director of Public Safety	1	2	2	2	2
448	Pretrial Intervention	9	9	9	9	8
449	Central Processing - DSS	1	1	1	1	1
450	Sheriff	34	34	48	49	49
451	Police	172	208	210	213	215
453	Victim's Bill of Rights	6	6	5	5	5
454	Emergency Preparedness	2	2	1	1	1
455	Division Director of Human Services	1	0	0	0	0
456	Communications	43	43	44	44	44
457	Coroner	3	3	3	3	3
458	Detention	136	152	152	156	156
460	Emergency Medical Service	140	142	158	154	154
461	Code Enforcement	35	36	37	37	39

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

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

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



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

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

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