

**HORRY COUNTY, SOUTH CAROLINA**

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**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**PREPARED BY THE FINANCE DEPARTMENT**

HORRY COUNTY, SOUTH CAROLINA

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COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

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YEAR ENDED JUNE 30, 2011

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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  
NOVEMBER 23, 2011**

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the County of Horry (the "County") for the fiscal year ended June 30, 2011. This report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials and other interested parties. The financial statements contain all disclosures necessary to enable the reader to gain an understanding of the County's financial activities.

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

The County financial statements have been audited by Elliott Davis LLC. The independent auditors' report is presented as the first component of the Financial Section of the CAFR. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for fiscal year ended June 30, 2011, are fairly stated in accordance with GAAP. The independent audit involved examining, on a test basis, evidence to support the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County financial statements for the fiscal year ended June 30, 2011 are fairly presented in conformity with GAAP. .

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

## **Profile of the Government**

Horry County is the northeastern most county in the State of South Carolina. Encompassing 1,134 square miles, it is also the largest. The County was incorporated in 1801 with a population of 550. The county was named after Peter Horry who was a descendent of Huguenot settlers and whose family owned several large plantations in the area. He served as a member of the South Carolina General Assembly and as a Brigadier General of Militia 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, the County stood off the edge of South Carolina, both literally and figuratively.

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

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

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

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

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the County's financial planning and control. All department heads present a departmental budget to the Department of Budget and Revenue Management, which is reviewed and a balanced financial plan is presented to the Administrator. Once the Administrator is satisfied with the recommended budget, it is forwarded to County Council. Council must, according to state law, have three readings of the financial plan ordinance and a public hearing before it can be passed and become law. The Administrator is authorized to transfer budgeted funds within a department and between departments, within the same fund. Budget transfers between funds require amendments to the original ordinance. Formal budgetary integration is employed as a management control device during the year. No department funded by the County shall spend or obligate funds in excess of the amount budgeted in total for each fund under any circumstance.

## Factors Affecting Financial Condition

Stabilizing economic trends, continued growth in population, enhancing our constituent services, heightened focus on economic development, and development of needed infrastructure for the future are the characteristics that define our fiscal year. With the 2010 Census, the County's population exceeded 269,000 reflecting a 37% growth rate over the prior ten years and places the County in the top three counties in South Carolina.

The information following in this letter and presented in the financial statements will give greater details of these accomplishments and is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

### Local Economy

Most of the County's sixty (60) miles of beaches stretching from Little River to Pawley's Island have been developed residentially or commercially while at least 32% of the remainder of the County is yet to be developed. This stretch of the beach is known as the "Grand Strand". The County leads the state's tourism industry with 31.8 percent of the total domestic traveler spending in 2010. Forty percent of the state's second homes are also located within the County.



The Grand Strand is a major U.S. tourist center. According to a Tourism Economic Impact report produced by the Travel Industry Association of America, 2008 domestic visitor expenditures in the County exceeded \$3.1 billion, accounting for approximately 31.0% of the \$9.9 billion of domestic visitor expenditures in the State of South Carolina. The County leads all counties of the State in visitor spending, lodging rentals, employment and tax revenues resulting from travel and tourism. The natural assets of the Grand Strand are the Atlantic Ocean and the mild climate. Average temperature for both air and sea water range from 80 degrees during the summer to about 50 degrees during the winter.

Over the past five years, the Grand Strand area has received numerous accolades from regional and national publications. Myrtle Beach ranked as one of the "Top 100 Small Places for Business and Careers" in a *Forbes* magazine Survey (2009). TopRetirements.com ranked Myrtle Beach 25 out of 100 on its "2011: Best Places to Retire" listing.

*Southern Living* magazine has routinely placed Myrtle Beach in its "Favorites" lists since instituting the lists in 1995. Recent honors include "Favorite Beach" (2009), "Favorite Family Destination" (2009), "Favorite Weekend Getaway" (2009), "Favorite Beach Towns" (2007) and "Favorite Family Vacations" (2007). Myrtle Beach was listed among AOL.com's "Top Ten Most Searched Domestic Travel Destination" (2009), The Weather Channel's "Top Ten Family-Friendly Destinations" (2010), ASK.com's "Top Ten Family Destinations" (2008), ReserveAmerica's "Top 25 Park Beaches" (2009), and The Travel Channel's "Top Ten U.S. Beaches" (2011). Myrtle Beach was also included in David and Joan Vokac's "The Great Towns of America" (2009).

*Golf Digest* magazine named four Myrtle Beach area golf courses to its 2009-2010 list of "America's Top 100 Great Public Golf Courses." *Golf Digest* also named Myrtle Beach as a "Best Value for the Money Destination" in its 2008 Travel and Destination Survey. A number of specific golf courses, hotels and attractions have been cited for superlative ratings by magazines and agencies including *Travel and Leisure* magazine, Travelocity, *Restaurant Business Magazine* and EscapeHomes.com.

In 2010, Myrtle Beach opened the 1.2 mile Oceanfront Boardwalk, which was recognized as the nation's number three boardwalk by *National Geographic* magazine and one of the best U.S. boardwalks by *Travel & Leisure* magazine.

In its 50<sup>th</sup> Anniversary year (2004), *Sports Illustrated* named Myrtle Beach a "Sportstown USA" noting that "its leaders recognize that sports are a tremendous force for good in the community."

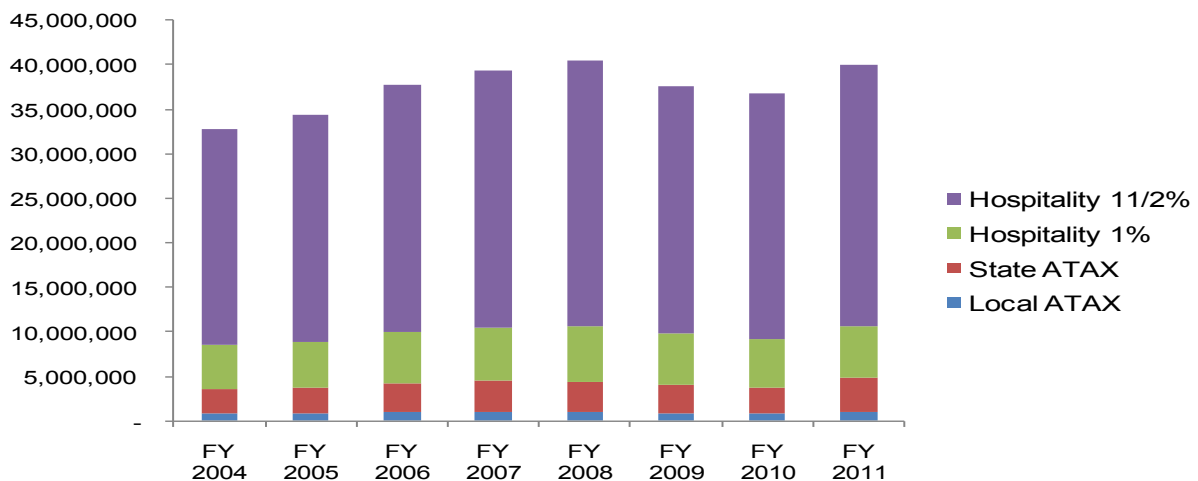
According to the Myrtle Beach Area Chamber of Commerce (the "Chamber"), the Grand Strand currently has 102 eighteen-hole championship golf courses hosting more than 3.1 million paid rounds in 2009.

Based upon an estimate of annual visitors to the Myrtle Beach area conducted for the Chamber by D. K. Shifflet & Associates, Ltd., approximately 13.7 million people visited the area in 2009. Based upon the Chamber's 2009 conversion study, 16% of the area's visitors came from North Carolina, and 34% from New York, Pennsylvania, Ohio and Virginia. Georgia, Tennessee, Kentucky, Maryland and West Virginia round out the top ten states, outside of South Carolina, whose residents visit the area. In 2009, the Chamber received nearly 13,000 inquiries from foreign countries. About 95% of those came from Canada, with most of the remaining 5% coming from England, Germany, France and Japan.

According to the Chamber's 2009 In-Market Visitor Profile Study, the destination continues to attract adults traveling with children in an average party size of five members. Of all travel party types, 62% are families, 28% are couples, 7% are groups of three or more adults, 2% are single adults and 1% are single adults with children. The average length of stay in 2009 was five days for leisure travelers and three days for business travelers. Grand Strand leisure travelers spent an average of \$108 per person per day and group business travelers an average of \$183 per person per day. Most Grand Strand visitors (88%) used their own cars as their primary means of transportation. A majority (51%) of them stayed in hotels, while 30% stayed in condominiums or villas.

Average hotel and motel occupancy rates on the Grand Strand was 47.7% in 2010 and the average daily rate was \$82.57. Gross retail sales in the County were \$8.24 billion in 2010.

The following graph shows that the County's revenues which are heavily reliant upon the tourism industry have stabilized through these tough economic times and are returning to historic highs. The graph reports actual revenues from State and Local Accommodations Tax (ATAX) as well as Hospitality Fees for FY 2004 – FY 2011.



The following table shows the improving trends, since the economic slow-down in 2008, in retail sales for businesses located in the County for the years shown.

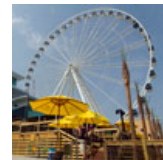
<u>Year</u>	<u>Total Retail Sales</u>
2007	\$9,260,406,709
2008	8,699,758,612
2009	7,648,817,325
2010	7,857,998,090
2011	8,285,930,919

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

**Commercial and Residential Development**

The County’s economy has reflected stabilization in most of its market segments. However, the real estate market will require more time to fully recover. Fortunately, a fast paced development environment in prior years has generated substantial growth in the County’s assessable tax base which is providing a reliable source of revenue to fund the general government activities.

Adjacent to the 1.2 mile Oceanfront Boardwalk opened in Myrtle Beach in 2010, developers have completed a 200-foot tall SkyWheel along with a Jimmy Buffet’s LandShark Bar & Grill. These new attractions, opened in May 2011, are expected to reinvigorate the downtown Myrtle Beach area and create an additional 150 jobs.



WonderWorks, the upside-down science attraction, opened in April of 2011 at Broadway at the Beach. The attraction, one of only four in the country, has four floors of interactive exhibits as well as activities such as laser tag, indoor ropes course, and café and created more than 100 new jobs for the Grand Strand.



The County’s largest development, Carolina Forest, was opened by International Paper in 2000. Carolina Forest is approximately 17 square miles, or 10,850 acres. To compare, the City of Myrtle Beach is also approximately 17 square miles or 10,700 acres. In thirty years, 50,000 to 60,000 people could live in Carolina Forest, with it possibly growing into an incorporated town. There will be 37 subdivisions, eight to 10 golf courses, and five million square feet of commercial space. The County’s goal has been 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”. 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. In the last Census Carolina Forest experienced a population growth of 506 percent over the prior ten years and the adjacent community of Forestbrook grew 125 percent.

As of the spring of 2010, two fire stations have been completed in the Carolina Forest area. Two elementary schools, a middle school, a high school, and an academy for the arts, sciences and technology have been constructed in the Carolina Forest area by the Horry County School District. An additional elementary school is currently under construction and the County will complete its Recreation Center and Library projects next year.

The Market Common opened April 3, 2008 in Myrtle Beach, on the site of the former Myrtle Beach Air Force Base, combining housing with about 40 national and local retail stores and restaurants. The Market Common is an upscale, master-planned urban village, located just 1 mile from the ocean and minutes from all Myrtle Beach attractions. Residents can walk to the exceptional shopping and dining options in this area.



In 1999 the Grande Dunes Resort project was begun as 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, provides numerous upscale amenities to include golf and tennis facilities, an ocean club, and private marina. Accommodations, upscale ships and restaurants are all part of the Marina Village section of the development, which is open to the public. On September 16, 2008 Grande Dunes Marketplace celebrated its grand opening. This property, located across Highway 17 from the Marina Inn at Grande Dunes and anchored by a 49,000 square-foot Lowes Foods and CVS Drugstore, offers more than 91,000 square-feet of retail space with room for 19 tenants as well as future out parcel spaces. The Grande Dunes Marketplace provides an array of fine retailers and restaurants for Myrtle Beach visitors and residents.

Coastal Grand Mall on US 501 and US 17 Bypass opened in March of 2004 and houses anchor stores such as Belk, Sears, Dillards, JC Penney, Dick's Sporting Goods, and Bed Bath & Beyond. In addition to the mall, space is available for up to 20 out parcels for free standing businesses. Shopping opportunities continue to be bountiful by improvements to the Grand Strand – from the Tanger Outlet Stores on US 501 to the Tanger Outlet Center located in the northernmost section of Myrtle Beach on US 17. Myrtle Beach Mall (formerly known as Colonial Mall), Barefoot Landing and Broadway on the Beach continue to make enhancements to the shopping arena by adding specialty shops, the Pavilion Nostalgia Park and increasing the number of new restaurants.

Rapid expansions are underway and completing during 2011 in our Healthcare industry in response to the needs of our growing population. Grand Strand Regional Medical Center is completing a \$54 million construction program including a new emergency room, a new two-story wing, and 50 additional hospital beds. Loris Healthcare System (the "System") completed a 51,408 square feet addition, including a new emergency department, intensive care unit and pharmacy. In July 2011, the System began providing inpatient care at its 50-bed hospital, Seacoast Medical Center. The inpatient expansion includes 32 medical/surgical beds, a 10-bed progressive care unit and 8-bed intensive care unit.

## **Foreclosures**

As with many areas of the country, the Grand Strand is experiencing a high volume of foreclosures. Tom Maeser, a real estate analyst for the Coastal Carolinas Association of Realtors, indicates that areas with more investor properties, such as Myrtle Beach, tend to have a higher number of foreclosures because as values drop below the mortgage amounts and the owners aren't making enough rental income, the owners will let the property go into foreclosure. Revenue



in the Master in Equity office reached a high of \$2.8 million in fiscal year 2010 and declined to \$2.7 million in fiscal year 2011.

### Property Assessed Value and Reassessment

While general economic trends softened, fiscal year 2011 was a reassessment year for the County. The reassessment process resulted in a total assessed value for the County that was slightly above the tax year 2009 assessed value, resulting in a minimal amount of millage roll-back. State law has a specific calculation requirement regarding rolling-back millage in a reassessment year so that the government does not generate more revenue as a result of reassessment. This methodology is so conservative that in actuality, the County generates less revenue in a reassessment year than in the prior year. The County is required to roll-back millage to generate the amount of revenue that was actually collected in the prior year, not what was billed. By rolling the millage back to the actual prior year collected amount, the reassessment year revenue drops from the prior year as a result of taxes that are billed that are not collected in that year. The 2011 revenue budget and actual results reflect this reduction in revenue.

#### Horry County's Assessed Values for Real and Personal Property

<u>Tax Year</u>	<u>Real<sup>(1)</sup></u>	<u>Personal<sup>(1)</sup></u>	<u>Total<sup>(1)(2)</sup></u>
2006	\$1,312,131,000	\$294,434,000	\$1,606,565,000
2007	1,466,803,000	302,173,000	1,768,976,000
2008	1,663,986,000	306,600,000	1,970,586,000
2009	1,703,167,000	303,012,000	2,006,179,000
2010	1,753,786,000	275,204,000	2,028,990,000

<sup>(1)</sup> Numbers Rounded

<sup>(2)</sup> Does not include Merchant's Inventory of \$10,571,700

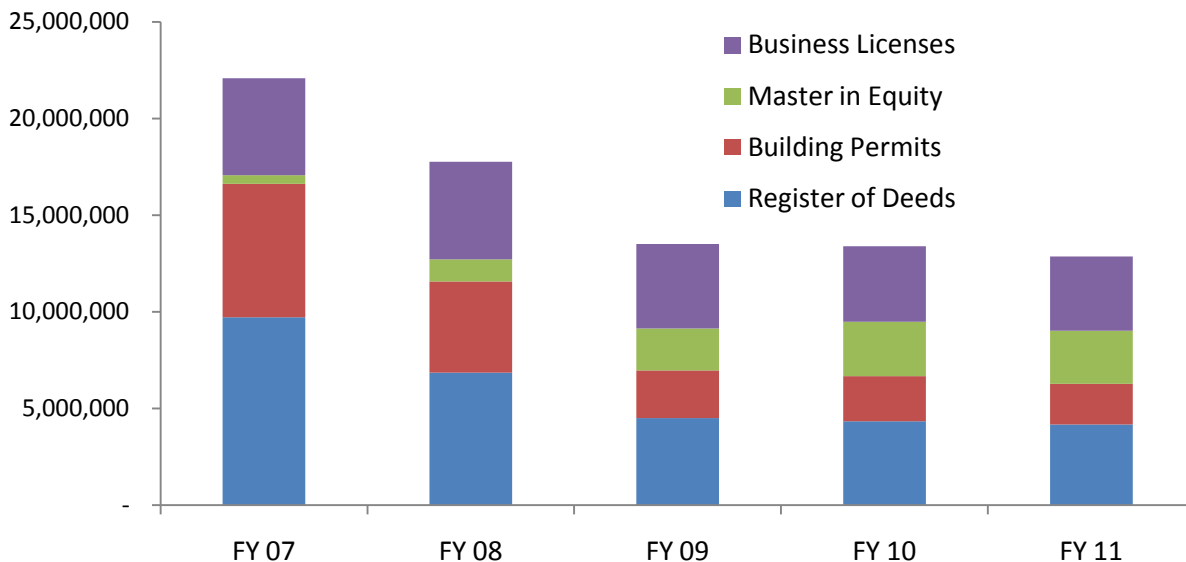
The South Carolina General Assembly, in its 2011 session, modified the annual operating millage limits and roll-back limitations on increases in assessed value through reassessment on a prospective basis. This amendment modifies the roll-back calculation to use taxes billed vs. taxes collected in the previous year and increases the millage cap to include the current year population and CPI percentage increases plus any allowable but not imposed increases for the preceding three years. The 2011 Amendments further provided for an exemption from the increase in assessed value as of the date of an assessable transfer equal to 25% of the assessed value of certain real property subject to a 6% assessment ratio (generally, commercial property).

### Building Permits Issued

The following table shows that the unincorporated area of the County declined from its peak in construction during fiscal years 2006 and 2007. As the housing and construction markets began to slow-down during fiscal year 2007, along with the impact of the challenges in the banking industry during fiscal year 2008, building permits issued dropped to a five year low of 6,679 in fiscal year 2009. Although an increase in the volume of permits occurred in fiscal years 2010 and 2011, the value of the improvements/construction is lower, therefore generating less revenue.

<u>Fiscal Year</u>	<u>Number of Building Permits Issued</u>	<u>Revenue</u>
2007	9,909	\$6,905,055
2008	8,459	\$4,726,984
2009	6,679	\$2,460,389
2010	7,397	\$2,338,830
2011	7,258	\$2,106,250

Revenue sources that increased as the commercial and residential development flourished include business license fees, building permit fees, and Register of Deeds recording fees and documentary stamps. As the economy made a downward turn during fiscal years 2007 and 2008, revenues from these sources began to decline, but revenues from the Master in Equity's Office, who handles foreclosures, began to increase. Revenues from these economically sensitive areas appear to have stabilized. The FY 2012 budget anticipates revenue levels from these sources to be comparable to FY 2011 actual revenues.



### Long-term Financial Planning

Fund balance in the General Fund as of June 30, 2011 (19.1% of the fiscal year 2011 General Fund expenditure budget) continues to fall within the policy guidelines set by County Council for budgetary and planning purposes (15% of the next year's General Fund operating budget).

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

## Major Initiatives

### Economic Development

A strong commitment to building and diversifying our economy is evident through our emphasis on economic development. The County is currently developing an International Technology and Aeronautical Park (the "ITAP") on 467 acres located on the County-owned Myrtle Beach International Airport property. Infrastructure improvements for the ITAP were recently added as a project to the Myrtle Beach Air Base Redevelopment and Financing Plan which is providing \$2.5 million of funding towards the public infrastructure of ITAP. The County has increased its funding commitment to the Myrtle Beach Regional Economic Development Corporation to \$1.8 million annually including operating, product development, and deal closing funds. Additionally, the

County allocated Fee in Lieu of Tax revenue on two new agreements, Metglas and Coca Cola, to be committed to economic development needs.

The County currently operates three (3) industrial parks, and is in the planning stages of two additional parks, which are industry specific. 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 two of these parks. Through these contributions, the County has funded the construction of a shell building within the County’s “Certified Park” known as Cool Spring Business Park. Another industrial park project being pursued in conjunction with Grand Strand Water & Sewer is a Marine Park in Bucksport.

## **Airport**

The Myrtle Beach International Airport (the “Airport”), located in the City of Myrtle Beach (the “City”) one mile from the Atlantic Ocean, serves as the scheduled commercial service airport for the County and the Grand Strand region. The Airport is owned by the County and operated by its Department of Airports, an Enterprise Fund of the County. The Airport is equipped to handle aircraft of all sizes, including wide-body type aircraft.



Enplanements and deplanements were consistent with the general increases in tourism in the area for calendar year 2010 over 2009. In 2009, the Airport reported 742,187 enplanements and 743,206 deplanements for decreases of 5.25% and 4.96%, respectively, when compared to the prior year. However, in 2010, that trend reversed itself with record breaking enplanements totaling 867,106 and deplanements totaling 869,032; increases of 16.8% and 16.9%, respectively. The Airport is served by Allegiant, Continental, Delta, Direct Air, Myrtle Beach Aviation, Northwest Airlines, Spirit, Porter, US Airways and United Express, offering daily, nonstop flights to and from 28 destinations and connections through hubs in Atlanta, Charlotte, Chicago, New York and Newark, among others.

The Airport, as directed by County Council, is currently in the midst of a \$113 million, 210,000 square-foot expansion project that will expand the current commercial terminal from seven gates to thirteen and will include new parking facilities, a new, separate car rental building, and updates to the current passenger terminal. Concurrently, the Airport has expanding Taxiway “A” and is constructing the extension of Harrelson Boulevard, the major traffic artery to and from the Airport, to span the distance between US Highway 17 on the west side of the City and Highway 17 Business running parallel to the coast on the City’s east side.

In addition to the commercial airline facilities, complete services are available at the Airport for all size general aviation, corporate and charter aircraft, including helicopters. Several air cargo companies also have flight operations from the Airport. The Airport’s General Aviation Terminal (“GAT”) annually accommodates over 45,000 passengers arriving in private aircraft. The Airport recently completed and opened for business a new \$4 million GAT facility with 11,000 square feet of space on a single level. The new facility incorporates many state-of-the-art systems to ensure a sustainable “green” design. The old facility is slated for demolition.

The County also owns and operates general aviation airports in North Myrtle Beach, Conway and Loris. Both the Grand Strand Airport located in North Myrtle Beach and the Conway-Horry County Airport located in Conway serve private and corporate aircraft with parking, refueling and maintenance. Currently, there are no services available on the Loris Airport. In February

2006, the South Carolina Department of Commerce, Division of Aeronautics released an economic impact study of the County's airports. That study, prepared by Wilbur Smith Assoc., estimates the direct and indirect economic impact of the four county airports is over \$776.3 million annually.

### **Road Improvement and Development Effort (RIDE)**

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

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

Pursuant to the Horry County Road Improvement and Development Effort Program (the "RIDE Program"), the County entered into various long-term loan agreements with the South Carolina Transportation Infrastructure Bank (the "SIB") to provide funding for various road construction projects in the County. The State Infrastructure Bank has made available financial assistance, in the form of both loans and grants, to the County under several intergovernmental agreements (IGA). The following three loans were made under these agreements: IGA Loan #1 - \$300,000,000, IGA Loan #2 - \$247,577,000 and IGA Loan #3 - \$2,279,950 for a total of \$549,856,950. The County is required to make payments from its Hospitality 1.5% Special Revenue Fund to repay loans #1 and #2. Loan #3 has been repaid from Admissions Tax revenue. The County is not obligated to make payments from any other source of funds and the County's full faith, credit and taxing power are not pledged in connection with the loans from the State Infrastructure Bank. The current and long-term portion of outstanding debt service related to the RIDE project as of June 30, 2011 is \$276.8 million. Future debt service payments for the RIDE project are expected to be \$322.3 million.

In June of 2007, the County entered into an Intergovernmental Agreement with the State Infrastructure Bank in which the County received a funding commitment for the extension of the Carolina Bays Parkway and the widening of Highway 707 of \$150 million from the State Infrastructure Bank. A portion of the revenue from the Capital Local Option Sales Tax initiative passed by the voters in 2006, (\$93.6 million) serves as the local match for the SIB funds. Additionally, in November of 2007 the State Infrastructure Bank approved additional funding of \$85 million, without a local match requirement, for the extension of the Carolina Bays Parkway due to increased costs.

### **Road Projects**

On November 7, 2006, the voters of the County passed a one-cent Capital Projects Sales Tax that went into effect May 2007, and by state law, will end seven years later. The County is slated to receive \$425.3 million over this seven-year period to fund the below listed projects.



<b>Estimated Cost as presented in referendum</b>	<b>Prioritized Road Projects and status as of July 1, 2011</b>
1. \$ 19,600,000	Pave 20 miles of County dirt roads – completed at a cost of approximately \$11.7 million
2. \$ 915,000	Resurface 12 miles of County roads – completed at a cost of \$923,401
3. \$ 49,500,000	Construct grade separated interchange at the intersection of U.S. Hwy 17 Bypass and SC Hwy. 707 at the back gate of the Myrtle Beach Air Base – design complete; right-of-way acquisition in progress; current estimate of project cost is \$115-\$120 million; construction began in spring 2011. A Federal TIGER Grant of \$15 million was awarded to this project in fiscal year 2011.
4. \$132,250,000	Widen SC Hwy. 707 from Enterprise Road to the County line including intersection improvements at SC Hwy 544 – design and right-of-way acquisition in progress; current estimate of project cost is \$85-\$95 million; construction began in spring 2011
5. \$ 25,750,000	Pave 25 miles of County dirt roads – current estimate of project cost at \$10.6 million; completion began in spring 2011.
6. \$ 990,000	Resurface 12 miles of County roads – completed at a cost of \$923,401
7. \$ 46,000,000	Construct Aynor overpass – construction begin in fall 2010; current estimate of total project cost is \$15 -\$20 million
8. \$ 1,035,000	Resurface 12 miles of County roads; construction began in spring 2011
9. \$ 76,000,000	Widen Glens Bay Road to 3 lanes and construct a grade separated interchange at US Hwy. 17 Bypass – design and right-of-way acquisition in progress; current estimate of project cost is \$75-\$80 million; construction began in spring 2011
10. \$ 1,080,000	Resurface 12 miles of County roads
11. \$27,750,000	Pave 25 miles of County dirt roads
12. \$ 1,125,000	Resurface 12 miles of County roads
13. \$ 6,500,000	Pave 2 lanes of International Drive from Carolina Forest to SC Hwy. 90 – design and right-of-way acquisition underway; construction estimate of project cost at \$6.5 -\$15 million
14. \$ 682,500	Resurface 7 miles of County roads
15. \$36,100,000	Pave 30 miles of County dirt roads

With this funding source approved, the County entered into an Intergovernmental Agreement with the State of South Carolina Department of Transportation (SCDOT) to manage the improvements to the four SCDOT facilities, i.e. the Backgate Interchange at Highway 17 & Highway 707; widening Highway 707 to five lanes; construct an Aynor Overpass; and to widen Glens Bay Road including an interchange at Highway 17 and Glens Bay Road.

As of June 30, 2011, the capital project sales tax had generated \$246.6 million in revenue. Spending totaled \$63.7 million through year end which results in \$182.9 million balance on hand at year end for use in construction on the above projects.

County Council, understanding the need to address road connector/capacity/safety improvements within the County, tasked staff to develop a list of unimproved connector roads. Following staff's presentation and recommendations at the 2006 budget retreat, County Council approved the following priority list of projects and allocated funding to begin the process of making the needed improvements to six of the eleven projects on the priority list. An additional \$1.3 million phase for interchange improvements on Carolina Forest Boulevard is scheduled to begin in 2012.

1. Postal Way (1.40 miles) - completed at a cost of \$1,729,327	7. Hwy 501-90 connector road through Atlantic Center (0.65)
2. River Oaks Blvd. (5.10 miles) - 1st phase completed at a cost of \$2,066,755.	8. Scipio Lane (1.80 miles)
3. Carolina Forest Boulevard (5.70 mi)- 1st phase completed at a cost of \$1,897,500	9. Tournament Blvd. (1.50 miles)
4. Hwy. 17 Frontage Rd @ Indigo Creek (0.24mi) - completed at a cost of \$115,124	10. Hwy. 707 to Hwy. 17 and Hwy. 17 to Farrow Blvd. within the old Air Base (4.50 mi)
5. Glenss Bay Rd widening & interchge(0.43 mi) - funded by RIDE II	11. Fries Bay Road (3.40 miles)
6. International Drive (4.70 miles) - funded by RIDE II	

A recognized need for the County is direct Interstate Highway access. The National I-73 /I-74/I-75 Association is active promoting the need of I-73 to enhance the economic success and quality of life to our region. Actual construction has begun on the initial phase of the connection of I-95 to our area. Environmental work is complete on both the northern and southern sections and the Federal Highway Administration has signed the Record of Decision for each. South Carolina Department of Transportation (the "SCDOT") has completed the right-of-way plans for the southern section, and right-of-ways acquisition is underway for the corridor from I-95 to US 501 (approximately 5 miles). TIGER (Transportation Investment Generating Economic Recovery) funds in the amount of \$10 million were received by SCDOT in February 2010 and these funds were used to let a project in August 2011 in Dillon County for a bridge replacement on Catfish Church Road (S-17-63) over I-95 and widening on US 501 and US 301 near Latta. This work is a portion of the overall I-73 project. In April 2011, the SCDOT Commission approved a bond package for projects statewide, including \$105 million for construction of an approximate 5.7 mile length of I-73 from I-95 to US 501 in Dillon County, including partial interchanges at I-95 and US 501. Approval of the bond package by the Joint Bond Review Committee and the State Budget and Control Board is needed. SCDOT continues to coordinate with the US Army Corps of Engineers on permit review and approval of the entire I-73 corridor. There is currently no firm timetable for any additional work on the northern section. The total estimated cost of the entire segment in South Carolina is approximately \$2.4 billion.

**Capital Projects Completed and Projects under Construction**

The J. Reuben Long Detention Center expansion completed and opened during fiscal year 2011. The project consists of a 536 bed four-story detention building, an administration building that houses courts, video visitation and administrative offices, a food service facility, and renovations to the existing building. The County had planned for the need to expand the J. Reuben Long Detention Center, which was a state of the art facility when it first opened in 1989. The J. Reuben Long Detention Center has a rated capacity of 1,027 beds and intake holding capacity for 140.



In the FY 2008 budget, County Council approved a plan to build three recreation centers throughout the County at North Strand Park, Carolina Forest, and the South Strand complex. Each of these three community centers is approximately 20,000 square feet. The sites themselves range in size from 20 to 38 acres. The buildings have been constructed of masonry and steel with a useful life of 30-50 years. The North Strand Park Recreation Center completed construction and opened in fiscal year 2010. The South Strand and Carolina Forest Recreation Centers are nearing completion, which is expected December 2011. The interiors of the centers were designed for athletic and fitness programs, special events, and educational programs. Each center includes a gymnasium featuring full size courts for seating of up to 500 spectators. Additional features include aerobics/exercise rooms, climbing walls, indoor walking track, locker rooms and reception areas.

In the FY 2008 budget, County Council approved funding of \$12 million for library facilities, and prioritized its use for libraries in Carolina Forest, North Myrtle Beach, Surfside Beach, Aynor, and Bucksport. The North Myrtle Beach and Surfside Beach facilities opened in May and October 2011, respectively. Carolina Forest is under construction with completion and opening scheduled in 2012. Renovation construction is scheduled to complete in December 2011 at Aynor. Interior improvements are being planned for the Bucksport library.

The Horry County Museum project to renovate the Burroughs School continued during fiscal year 2011 with completion of the renovations to external and internal foundations and structural systems. The final renovation phase is underway to complete the internal finishes, mechanical and environmental systems, and exhibits. The project is scheduled to be completed in 2012.



### **Information Technology Projects**

An additional strategic initiative for our Public Safety Division is an upgrade in its communication and data systems to a digital platform. Additional fiber connectivity and digital systems were installed in 2011 and planning was completed for the E911 upgrade scheduled for 2012. Implementation continues with our Assessor's valuation software Manatron and Code Enforcement and Planning software Energov.

### **Funding**

The County's Capital Improvement Plan focuses on on-going projects that are to be funded primarily with pay-as-you go funding, or grants. During 2011, the County issued \$60.6 million in Revenue Bonds to provide the local share of the \$113 million airport expansion. Additionally, the County initiated \$2.1 million of new capital leases for the acquisition or construction of various technology improvements.

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Horry County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. This was the twenty-fourth 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 comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, Horry County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2010 for fiscal year ended June 30, 2011. This was the twenty-second consecutive year that Horry County has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report could not be accomplished without the efficient and dedicated services of the staff of the entire Finance Department. A special acknowledgement goes to Ms. Laura Showe, Assistant Director of Finance, and Julie Bilderback, Financial and Reporting Analyst, for their leadership in this effort. I appreciate the efforts of the staff of Elliott Davis, LLC who provide technical guidance and assistance. I also express my gratitude to the many County employees from other departments who cooperate with and support the efforts of the Finance Department in the preparation of this report. Special appreciation goes to the Horry County Council; the County Administrator; the Assistant County Administrators, and the Budget Director for their leadership and support in planning and conducting the financial operations of the County in a fiscally responsible and progressive manner.

Respectfully submitted,



Barry R Spivey, CPA  
Finance Director



# 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, 2010

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 stylized handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

# Horry County

## County Council Districts



H. Tom Rice  
Chairman



Jody Prince  
District 10



W. Paul Prince  
District 9



Harold Worley  
District 1  
Vice-Chair



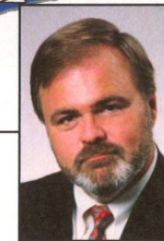
Al Allen  
District 11



Brent Schulz  
District 2



James R. Frazier  
District 7



Marion Foxworth  
District 3



Carl Schwartzkopf  
District 8



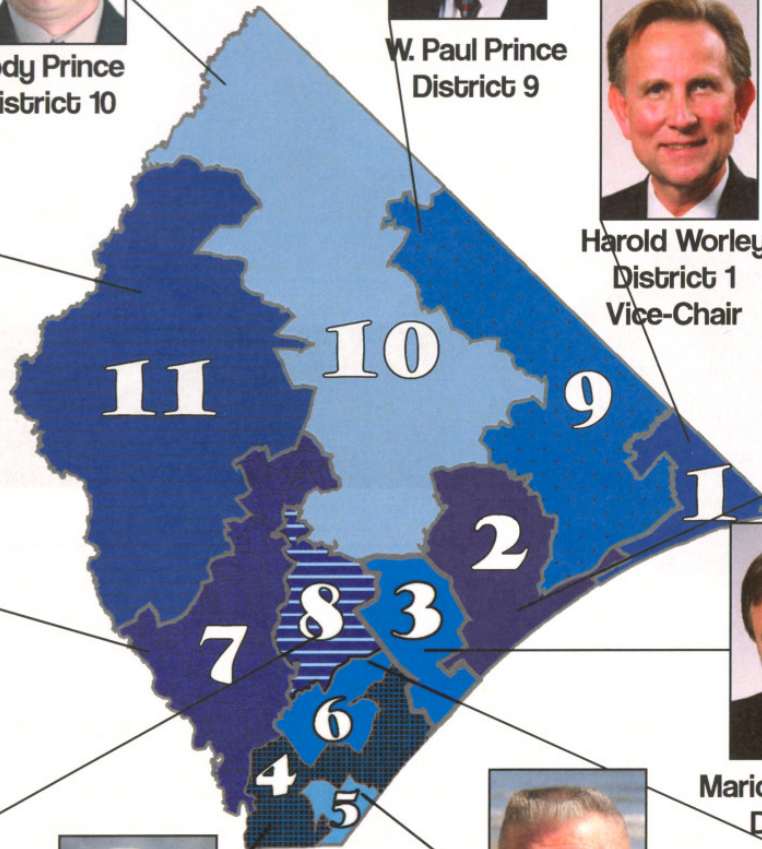
Gary Loftus  
District 4



Paul D. Price Jr.  
District 5



Bob Grabowski  
District 6



## MEMBERS OF COUNTY COUNCIL

Tom Rice	Chairman
Harold G. Worley	Member, District 1 and Vice Chairman
Brent J. Schulz	Member, District 2
Marion D. Foxworth	Member, District 3
Gary Loftus	Member, District 4
Paul D. Price, Jr.	Member, District 5
Robert P. Grabowski	Member, District 6
James R. Frazier	Member, District 7
Carl H. Schwartzkopf	Member, District 8
W. Paul Prince	Member, District 9
Jody Prince	Member, District 10
Al Allen	Member, District 11

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## ELECTED OFFICIALS

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

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## ADMINISTRATIVE OFFICIALS

Steve Gosnell	Interim County Administrator
Anne Wright	Assistant County Administrator Administration
Paul Whitten	Assistant County Administrator Public Safety
Steve Gosnell	Assistant County Administrator Infrastructure and Regulation
Arrigo Carotti	County Attorney

**Citizens of Horry County**

**County Council**

**County Administrator**



Property Manager

**Assistant County Administrator**  
*(Administration)*

- Assessor
- Community Development
- MIAP
- Finance
- Human Resources
- Mailroom
- Library
- Museum
- Procurement

**Assistant County Administrator**  
*(Public Safety)*

- Animal Care Center
- Communications
- E-911
- Emergency Management
- Fire/Rescue
- Information Technology
- Records
- Police

**Assistant County Administrator**  
*(Infrastructure & Regulation)*

- Code Enforcement
- Engineering
- Fleet
- Maintenance
- Parks & Recreation
- Planning & Zoning
- Public Works
- Stormwater

**Elected/Appointed Officials:**

- Auditor
- Master-in-Equity
- Register of Deeds
- Treasurer
- Hospitality/Business License
- Delinquent Tax
- Delegation
- Probate
- Registration & Elections

**Boards & Commissions:**

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

**Supplemental Funded Agencies**

- Coastal Carolina College
- Horry-Georgetown Technical College

**Elected/Appointed Officials:**

- Clerk of Court
- Courts *(except Probate)*
- Coroner
- Magistrates
- Public Defender
- Solicitor
- Veteran's Affairs
- Sheriff
- Detention
- Juvenile Detention

**Boards & Commissions:**

- Shoreline Behavioral Health Services
- Council on Aging

**Supplemental Funded Agencies:**

- S. C. Dept. of Health
- S.C. Dept. of Probation & Parole
- S.C. Dept. of Social Services

**Elected/Appointed Officials:**

None

**Boards & Commissions:**

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

**Supplemental Funded Agencies:**

- MB Regional Economic Development Corp.
- Solid Waste Authority

## FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT  
AND  
MANAGEMENT'S DISCUSSION AND ANALYSIS



## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Horry County as of and for the year ended June 30, 2011 which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Horry County Department of Airports (enterprise fund), Shoreline Behavioral Health Services, or the Horry County Solid Waste Authority (both discretely presented component units). The Horry County Department of Airports' financial statements represent 100 percent of the assets, net assets, and revenues of the business-type activities. The Shoreline Behavioral Health Services' and the Horry County Solid Waste Authority's financial statements represent 100 percent of the assets, net assets, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for the discretely presented component units, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, the business-type activities, each major fund and the aggregate remaining fund information of Horry County as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 22, 2011 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with government auditing standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Horry County, South Carolina. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison nonmajor fund financial statements, fines and assessments, capital project sales tax budgetary schedules and statistical tables as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison nonmajor fund financial statements, fines and assessments, and capital project sales tax and general improvements capital project budgetary schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Myrtle Beach, South Carolina  
November 22, 2011

*Elliott Davis, LLC*



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## Management's Discussion and Analysis

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Management's Discussion and Analysis provides a narrative overview and analysis of the County's financial activities for fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the basic financial statements and additional information furnished in our Letter of Transmittal, which can be found on the pages prior to this report.

### FINANCIAL HIGHLIGHTS

- The Statement of Net Assets reflects total assets of \$1.37 billion. This represents an increase of \$99.3 million from fiscal year 2010. Capital assets increased \$32.2 million due primarily to spending for new construction of \$25.6 million for the expansion of the airport, \$8.2 million in construction of recreation centers, \$7.5 million in construction of libraries, and \$3.7 million to complete the expansion of the Detention Center.
- Total liabilities increased a modest \$16.1 million from fiscal year 2010. During fiscal year 2011, an additional \$60.6 million in revenue bonds were issued to support the construction of the airport expansion. Payments on existing County bond obligations totaled \$47.6 million including \$23.4 million for RIDE debt with the State Infrastructure Bank, \$10.6 million toward General Obligation debt, and \$10.1 million toward airport revenue bonds. Current liabilities declined \$5.7 million as governmental activities reflected reduced escrows for amounts held for delinquent tax sales.
- Total Net Assets of the County totaled \$805.9 million at June 30, 2011 and grew by \$83.1 million from fiscal year 2010. Restricted Net Assets increased \$48.1 million due primarily to growth in Capital Projects Sales Tax Revenue accumulating for future construction expenditures. Governmental activities represent \$604.1 million of net assets and the business-type activities represent \$201.8 million.
- At June 30, 2011, fund balance for the General Fund was \$37.1 million or 30.7 percent of total General Fund expenditures, compared to \$36.8 million or 31.8 percent for the previous year. The fiscal year 2011 budget anticipated using \$8.7 million of fund balance. Actual results reflect a \$301,000 increase in fund balance due to an \$8.0 million expenditure savings and \$1.1 million extraordinary non-recurring revenue item.
- Property tax revenue for the General Fund for fiscal year 2011 was \$72.8 million compared to \$74.6 million for fiscal year 2010, a decrease of 2.4% that was anticipated in the fiscal year 2011 budget due to reassessment and subsequent associated millage rollback.
- Tourism related revenues, primarily used to fund infrastructure and related debt service, reflected positive growth in fiscal year 2011 as Capital Project Sales Tax increased 5.87 percent to \$61.8 million and 1.5% Hospitality Fee increased 6.85 percent to \$29.5 million. July 2010 reflected the highest individual month in the history of the 1.5% Hospitality Fee.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The County's financial statements focus on the County as a whole, and on major individual funds. "Funds" are self-balancing sets of accounts that account for specific financial activities that may be regulated, restricted or limited in various ways. This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components - 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required and non-required supplementary information in addition to the basic financial statements themselves.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. These statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns, which present a total for the primary government.

The statement of net assets includes all of the County's assets and liabilities, with the difference between the two reported as net assets. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long term obligations. Net Assets are the difference between the County's assets and its 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. Therefore, this statement includes some items that will impact cash flows in future fiscal periods, such as collections of delinquent taxes and the use of earned leave time. This statement is focused on both the gross and net cost of various functions (including governmental, business-type, and component units), which are supported by the government's general tax and other revenues. This statement presents information showing how the government's net assets changed during the most recent fiscal year.

These two government-wide statements report the County's net assets and how they have changed. Net Assets, the difference between the County's assets and liabilities, measure the County's financial position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

- Governmental activities are functions that are principally supported by taxes and intergovernmental revenues. Most of the County's basic services are included here, such as police, fire, public works, parks and recreation, and general administration. Property taxes and state and federal grants finance most of these activities.
- Business-type activities are functions that are intended to recover all or a significant portion of the costs through user fees and charges. The County's Department of Airports is reported here.
- Component units are separate legal entities for which the County is financially accountable. Shoreline Behavioral Health Services and the Horry County Solid Waste Authority are component units of the County.

The government-wide financial statements can be found on pages 18 through 21 of this report.

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required by State law and by bond covenants. The County uses other funds to control and manage money for particular purposes or to demonstrate compliance with the use restrictions associated with certain taxes and grants.

All of the County's funds are grouped in the following three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, which report total financial position, the governmental fund financial statements focus only on near-term inflows and outflows of spendable resources, as well as presenting spendable resources available at the end of the fiscal year. This information is useful in determining a government's near-term financing requirements.

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 funds with similar 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 Fund, General Improvement Capital Projects Fund, Capital Project Sales Tax Fund, and RIDE Program Debt Service Fund, which are considered to be the major funds. Data for the other twenty-nine (29) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

During fiscal year 2011, the County implemented Government Accounting Standards Board (GASB) Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions. A new classification hierarchy is established by this Statement based primarily on the extent to which a government is bound to observe constraints imposed upon the use of its resources reported in government funds. Prior classification of fund balance as Reserved and Unreserved are replaced with classifications of Nonspendable, Restricted, Committed, Assigned, and Unassigned. Note 1 to the Financial Statements provides the County's accounting policy for determining fund balance classification assignment. Additionally, this Statement provides guidance for governmental fund type definitions. Implemented within these financial statements is a consolidation of several special revenue funds (Hospitality 1.5%, Hospitality 1%, and Local Accommodations) with the fund primarily utilizing those revenues for enhanced clarity in the source and uses of those financial resources.

The County adopts an annual appropriated budget for its general fund, certain special revenue funds, debt service funds and the general improvement capital projects fund. Additionally, budgetary controls are maintained for certain proprietary fund types.

**Proprietary funds** provide the same type of information as the government-wide financial statements, only in more detail. 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 will 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. The Enterprise Fund reports the activities of the Department of Airports.

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 County's Internal Service Fund reports the activities of Fleet Services, which accounts for the maintenance and replacement of all county vehicles including heavy equipment and light equipment. Because these services predominantly benefit governmental rather than business-type functions, the activities of the Fleet Services Fund have been included within governmental activities in the government-wide financial statements.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35 through 93 of this report.

## OTHER INFORMATION

In addition to the basic financial statement notes, this report also contains certain required supplementary information. This information includes a budgetary comparison schedule for the General Fund, information relating to the condition rating and actual rating and actual maintenance/preservation of the County's road infrastructure and the Department of Airport's infrastructure as well as the funding status of the County's post employment benefit obligation.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial condition and position. In the case of the County, as reflected in the primary government funds, assets exceeded liabilities by \$805.9 million at the close of the fiscal year ended June 30, 2011.

At the end of fiscal year 2011, the County reported the following Net Assets:

	<b>Horry County's Net Assets</b>					
	<i>(amounts expressed in thousands)</i>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Current and Other Assets	\$ 419,829	\$ 415,032	\$ 139,874	\$ 78,682	\$ 559,703	\$ 493,714
Capital Assets, net	674,213	661,009	135,071	115,012	809,284	776,021
<b>Total Assets</b>	<b>1,094,042</b>	<b>1,076,041</b>	<b>274,945</b>	<b>193,694</b>	<b>1,368,987</b>	<b>1,269,735</b>
Current Liabilities	76,841	89,710	11,072	6,064	87,913	95,774
Long-term						
Liabilities Outstanding	413,150	440,473	62,043	10,720	475,193	451,193
<b>Total Liabilities</b>	<b>489,991</b>	<b>530,183</b>	<b>73,115</b>	<b>16,784</b>	<b>563,106</b>	<b>546,967</b>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	551,832	540,396	116,287	104,452	668,119	644,848
Restricted	309,063	272,917	42,404	30,469	351,467	303,386
Unassigned (deficit)	(256,844)	(267,456)	43,140	41,989	(213,704)	(225,467)
<b>Total Net Assets</b>	<b>\$ 604,051</b>	<b>\$ 545,858</b>	<b>\$ 201,830</b>	<b>\$ 176,910</b>	<b>\$ 805,881</b>	<b>\$ 722,768</b>

Net Assets of the County's governmental activities increased 10.7 percent from \$545.9 million to \$604.1 million. Invested in Capital Assets and Restricted Net Assets of the County's governmental activities increased 5.9 percent to \$860.9 million at year end as a result of capital spending and excess Capital Project Sales Tax Revenues over current year expenditures. However, all of those net assets are restricted as to the purpose for which they can be used or are invested in capital assets (buildings, roads, bridges, and so on).

Unassigned Net Assets showed a \$256.8 million deficit at the end of this year. This deficit is primarily the result of the County's long term debt payable for new roads which are not recorded as County assets because they are State roads, not County roads. In 1996, the County partnered with the State of South Carolina in the RIDE (Road Improvement and Development Effort) program which pairs funding provided at the local level with funding provided by the State of South Carolina in order to facilitate transportation improvements within the County. The RIDE program debt is repaid from a 1.5% county-wide Hospitality Fee enacted locally in 1997. The decrease in the deficit in Unrestricted Net Assets from June 30, 2010 to June 30, 2011 of \$10.6 million is primarily attributed to the reduction in the RIDE loans payable of \$20.5 million reduced with the use of funds set aside for capital projects of \$5.4 million and increase in long term liability for employee benefits of \$4.8 million. Net assets do not represent the County's position regarding spending, which is presented in the governmental fund statements.

The Net Assets of our business-type activities increased 14.1 percent from \$176.9 million in 2010 to \$201.8 million in 2011. This increase resulted from positive operating income, higher non-operating revenues and increased federal and state restricted capital project grant revenues.

The total fund balances for governmental funds was \$344.6 million at the end of fiscal year 2011. Capital assets are not reported in these funds because they are not financial resources, and are not available to pay for current period expenditures. Capital assets as of June 30, 2011, which are not included in this fund balance totaled \$674.2 million. Long-term liabilities of \$413.2 million 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, \$254.4 million, is the long-term portion due on the RIDE Intergovernmental Agreements. Under these agreements, the County partnered with the State in receiving \$550 million in loans for road construction in order to meet the infrastructure needs of the County. The County agreed to deposit all receipts of the 1.5% portion of its county-wide Hospitality Fee into a Loan Servicing Account at the State Transportation Infrastructure Bank. The State Transportation Infrastructure Bank has provided the funding for various road construction projects in the County through these loans, which the County is repaying with the 1.5% Hospitality Fee. The constructed roads are State roads and are therefore not reflected in capital assets of the 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 the County have benefited from the construction of these roads that otherwise would not have been possible without the enactment of the Hospitality Fee in January 1997. As of June 30, 2011, the County has remitted to the State Transportation Infrastructure Bank approximately \$37.3 million of 1.5% Hospitality Fees collected in excess of the amount required to meet the scheduled debt service payments. This amount is held in an interest-bearing reserve account by the State Transportation Infrastructure Bank and equates to over one year's debt service requirement.

## Governmental activities

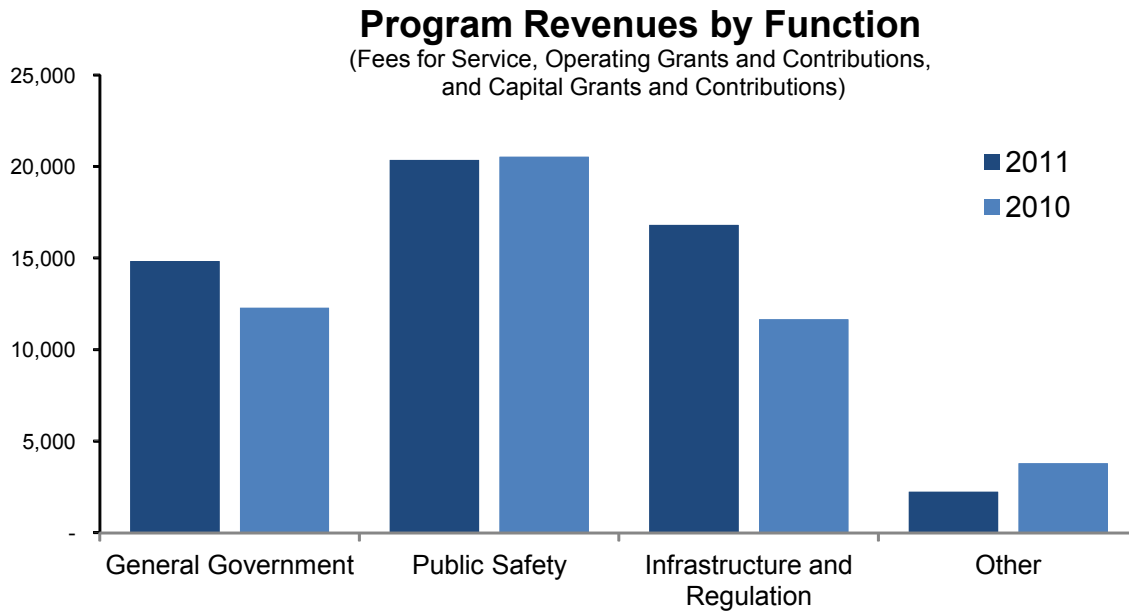
Governmental activities increased the County's Net Assets during the year by \$58.2 million. This increase was primarily attributable to revenues from Capital Projects Sales Tax and 1.5% Hospitality Fee used in capital projects and debt reduction, along with stable revenues. Key elements of this increase are as shown below.

### Horry County's Changes in Net Assets

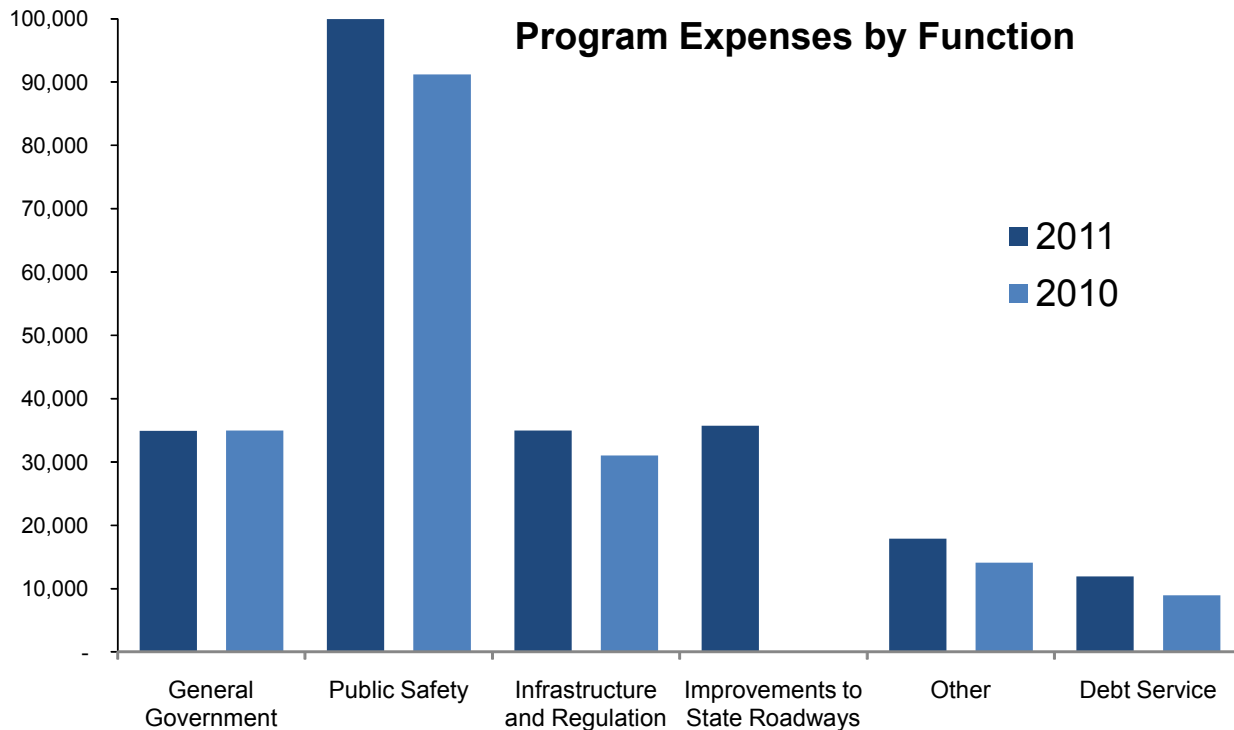
(amounts expressed in thousands)

	Governmental		Business-Type		Total	
	Activities	Activities	Activities	Activities	2011	2010
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Fees for services	\$ 42,659	\$ 41,618	\$ 24,661	\$ 18,902	\$ 67,320	\$ 60,520
Operating Grants and Contributions	2,769	4,800	7,191	3,217	9,960	8,017
Capital Grants and Contributions	10,702	1,908	12,115	12,486	22,817	14,394
General Revenues: Property Taxes,						
Shared Rev and Unallocated Intergovt	190,776	189,044	-	-	190,776	189,044
Other	47,413	49,445	652	285	48,065	49,730
Total Revenues	294,319	286,815	44,619	34,890	338,938	321,705
Expenses:						
General Government	34,962	34,971	-	-	34,962	34,971
Public Safety	101,668	91,214	-	-	101,668	91,214
Infrastructure and Regulation	34,998	31,037	-	-	34,998	31,037
Improvements to state roadways	35,731	-	-	-	35,731	-
Health and Social Services	2,504	2,354	-	-	2,504	2,354
Culture, recreation and tourism	9,307	4,629	-	-	9,307	4,629
Economic Development	1,366	2,019	-	-	1,366	2,019
TECH and Higher Education Com.	4,740	5,113	-	-	4,740	5,113
Debt Service	11,970	8,964	-	-	11,970	8,964
Airports	-	-	19,818	17,264	19,818	17,264
Total Expenses	237,246	180,301	19,818	17,264	257,064	197,565
Increase in Net Assets Before						
Extraordinary Item & Transfers	57,073	106,514	24,801	17,626	81,874	124,140
Extraordinary Item & Transfers	1,120	-	119	-	1,239	-
Increase in Net Assets	58,193	106,514	24,920	17,626	83,113	124,140
Net Assets – July 1	545,858	439,344	176,910	159,284	722,768	598,628
Net Assets – June 30	\$ 604,051	\$ 545,858	\$ 201,830	\$ 176,910	\$ 805,881	\$ 722,768

**Program Revenues and Expenses – Governmental Activities**

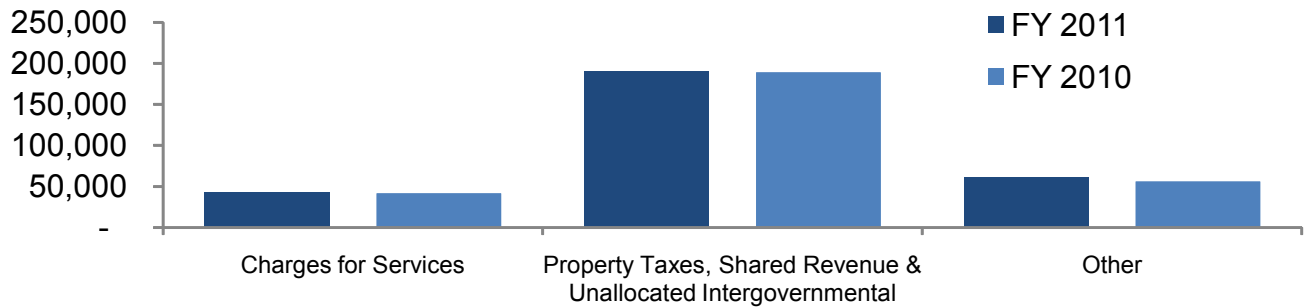


Program revenues in governmental activities remained stable in fiscal year 2011 with a 2.5 percent increase from the prior year. Increases were reflected in Cable TV, Casino Boat, and Probate Court fees which were offset by small declines in Building Inspection Permits, and Business Licenses. Grants and Contributions increased 100 percent due in large part to increased contributions of infrastructure.



Program expenses in governmental activities increased \$56.9 million due primarily to \$35.7 million in funding through the Capital Project Sales Tax for improvements to state roadways coupled with cost increases with the opening of the expanded Detention Center, new initiatives for public safety communications upgrades, additional project costs for roadways and recreation projects.

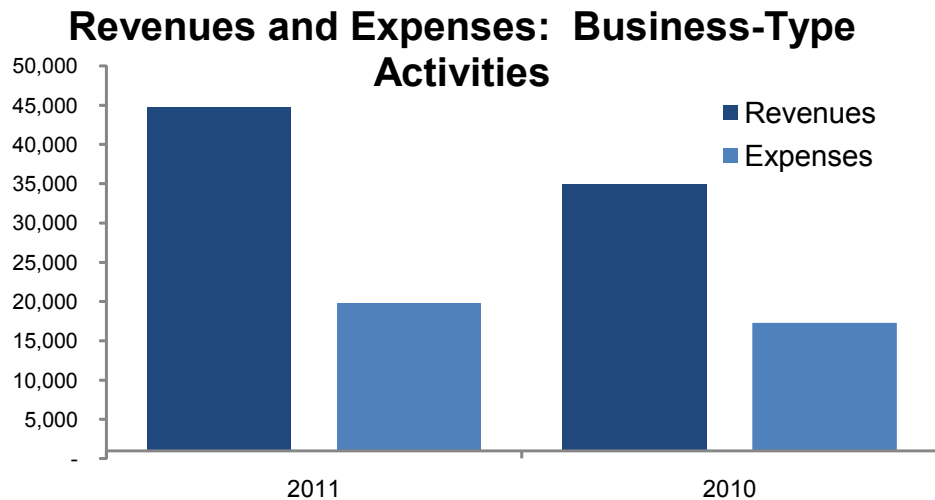
## Revenues by Source - Governmental Activities



Revenues in the governmental activities increased \$8.6 million primarily in Capital Grants. Fees for services and our core tax revenues reflected a stable growth.

### Business-type activities

Business-type activities increased the County's net assets by \$24.9 million, primarily the result of positive operating income, higher operating grant revenues and other non-operating revenues.



## 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, as well as the restrictions on the use of certain revenues.

### 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, committed and unassigned 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 2011, the County's governmental funds reported combined ending fund balances of \$344.6 million, an increase of \$10.8 million in comparison with the prior year. Unassigned Fund Balance which is undesignated in the governmental funds of \$8.6 million is available for spending at the County's discretion. The remainder of the Fund Balance is restricted, unspendable, committed or assigned to indicate that it is not available for new spending because it has already been dedicated or identified for a specific purpose.

**Horry County's Governmental Funds Ending Fund Balance**

*(amounts expressed in thousands)*

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
Nonspendable			
Inventory and prepaid	\$ 2,388	\$ 2,864	\$ (476)
Restricted			
Debt service	61,227	58,347	2,880
Capital	194,627	176,923	17,704
Other	35,294	40,602	(5,308)
Committed			
Stabilization	18,745	19,050	(305)
Future general fund budget	6,648	8,375	(1,727)
Economic development	2,428	3,354	(926)
Capital	12,957	18,398	(5,441)
Other	1,334	778	556
Assigned			
OPEB	343	343	-
Unassigned	8,598	4,739	3,859
Total	<u>\$ 344,589</u>	<u>\$ 333,773</u>	<u>\$ 10,816</u>

The General Fund, 1.5% Hospitality Fund, General Improvements Capital Projects Fund, Capital Projects Sales Tax Fund, and the RIDE Program Debt Service Fund are reported as major funds.

**General Fund**

The General Fund is the chief operating fund of the County. At the end of fiscal year 2011, total Fund Balance reached \$37.1 million. Council committed \$25.4 million of fund balance for a fiscal stabilization reserve (\$18.7 million) and use in the fiscal year 2012 budget (\$6.6 million). An additional \$343,000 is assigned resulting in an Unassigned Fund Balance of \$9.8 million. As a measure of the General Fund's liquidity, it may be useful to compare both Unrestricted Fund Balance and total Fund Balance to total fund expenditures. Unrestricted Fund Balance represents 29.5 percent of the total General Fund expenditures, while total fund balance represents 30.7 percent of that same amount.

The Fund Balance of the General Fund increased by \$301,000 during the current fiscal year. This increase is a result of a minimal revenue shortfall to budget of \$200,000 coupled with positive expenditure savings to budget of \$8.1 million. Due to these deliberate measures to restrict spending, the expected use of \$8.7 million from Fund Balance, as anticipated in the budget, was not needed to fund FY 2011 operations.

**Net change in fund balance**

*(amounts expressed in thousands)*

Planned use of fund balance	\$ (8,663)
Revenues under budget	\$ (200)
Expenditures under budget	8,062
Other Financing Sources (Uses) over budget	(18)
Extraordinary Item	1,120
Net budget savings from the General Fund	<u>\$ 8,964</u>
<b>Net change in Fund Balance from FY 2010</b>	<b><u>\$ 301</u></b>

The following chart shows the increases and decreases in revenue, expenditures and other financing sources (uses) for fiscal year 2011 when compared to the revenue, expenditure and other financing sources (uses) reported for fiscal year 2010. The revenue, expenditure and other financing sources (uses) activity for fiscal year 2011 generated an increase in Fund Balance of \$301,000 in the General Fund.



## Comparison of FY 2011 General Fund Results to FY 2010

*(amounts expressed in thousands)*

Decrease in Property Taxes, primarily as a result of reassessment	\$ (1,763)
Decrease in Intergovernmental Revenue, primarily from a decrease in State-shared revenue	(810)
Increase in Fees and Fines, primarily from an increase in Hospitality fees and Local Accommodations taxes moved from special revenue funds with implementation of GASB 54	2,761
Decrease in Register of Deeds Documentary Stamps	(164)
Decrease in Licenses and Permits, primarily due to decreases in building inspection permits and business licenses	(300)
Decrease in Interest on Investments, due to lower interest rates	(285)
Decrease in Cost Allocations, from General Fund to other funds	(23)
Decrease in Other Revenues, primarily from a reduction in the casino boat fee	(125)
Increase in net Other Financing Sources (Uses), primarily due to an increase in Public Works transfers for Heavy Equipment	(927)
Increase in Extraordinary Item	1,120
Increase in Expenditures, primarily due to increased operational cost at the expanded Detention Center, new cost for the communications upgrade, and heavy equipment cost recovery	<u>(5,124)</u>
<b>Net increase in General Fund results compared to FY 2010 results</b>	<b>(5,638)</b>
<b>Net increase in fund balance from FY 2010 General Fund results</b>	<b>5,939</b>
<b>Net increase in the fund balance of the General Fund from FY 2011 results</b>	<b><u>\$ 301</u></b>

### RIDE Program Debt Service Fund

The County receives a 1.5% Hospitality Fee assessed county-wide on accommodations, prepared foods, beverages and admissions. The proceeds of this fee, after payment of an administrative fee to the General Fund, are pledged to repay the RIDE debt owed to the State Infrastructure Bank. These fees are recorded as revenue in the RIDE Program Debt Service Fund and used to fund the debt service payments. Due to the growth in tourism from the 2004 time frame, the County has remitted approximately \$37.3 million to the State Infrastructure Bank above the amount required for the scheduled debt. That amount, plus the amount collected but not yet remitted at year end for Hospitality Fee collections on sales that occurred during the month of June 2011, make up the fund balance in this fund.

### Horry County's RIDE Program Debt Service Fund

*(amounts expressed in thousands)*

Fund Balance, July 1, 2010	\$ 42,441
Revenues	31,069
Expenditures	(29,344)
Other Financing Sources (Uses)	<u>-</u>
Net change in Fund Balance FY 2011	<u>1,726</u>
Fund Balance, June 30, 2011	<u>\$ 44,167</u>

### General Improvement Capital Projects Fund and the Capital Project Sales Tax Fund

The General Improvement Capital Projects Fund reflects the funding sources and the expenditures for the County's general government capital improvements, excluding those reported in the Capital Projects Sales Tax and the Grants Fund. Primary funding sources are debt proceeds, transfers in as pay-as-you go funding, and interest earnings. During fiscal year 2011, \$1.0 million in lease financing was initiated to fund various equipment needs. The fund balance of \$23.0 million at June 30, 2011 reflects the resources available to complete the capital projects currently in process.

**Horry County's General Improvement  
Capital Project Fund**  
*(amounts expressed in thousands)*

Fund Balance, July 1, 2010	\$ 43,816
Revenues	2,040
Expenditures	(27,718)
Other Financing Sources (Uses)	<u>4,814</u>
Net change in Fund Balance FY 2011	<u>(20,864)</u>
 Fund Balance, June 30, 2011	 <u>\$ 22,953</u>

The Capital Projects Sales Tax Fund reports the revenue from a one cent sales tax which County businesses began collecting in May 2007, as well as the related expenditures for the road projects that were approved by referendum in November 2007. Sales tax revenue increased \$3.4 million or 5.5 percent in fiscal year 2011 to a total of \$61.5 million. Total receipts life to date of the program are \$246.6 million. The program places a cap of \$425.0 million on total receipts which are estimated to fully fund the approved infrastructure. The County has chosen a pay-as-you-go basis for expenditures and maintains in fund balance the excess of revenues over expenditures to date for the projects.

**Horry County's Capital Project Sales  
Tax Fund**  
*(amounts expressed in thousands)*

Fund Balance, July 1, 2010	\$ 149,867
Revenues	61,913
Expenditures	(28,866)
Other Financing Sources (Uses)	<u>-</u>
Net change in Fund Balance FY 2011	<u>33,047</u>
 Fund Balance, June 30, 2011	 <u>\$ 182,914</u>

**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. Net Assets of proprietary funds at the end of the year amounted to \$227.7 million.

**Horry County's Proprietary Funds Net Assets**  
*(amounts expressed in thousands)*

	Department of Airports		Internal Service Fund		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Invested in capital assets, net of related debt	\$ 116,287	\$ 104,452	\$ 10,779	\$ 5,139	\$ 127,066	\$ 109,591
Restricted for:						
Debt Service	14,670	4,509	-	-	14,670	4,509
Capital <sup>1</sup>	27,733	25,960	15,105	9,233	42,838	35,193
Unrestricted	<u>43,140</u>	<u>41,989</u>	<u>-</u>	<u>-</u>	<u>43,140</u>	<u>41,989</u>
Total net assets	<u>\$ 201,830</u>	<u>\$ 176,910</u>	<u>\$ 25,884</u>	<u>\$ 14,372</u>	<u>\$ 227,714</u>	<u>\$ 191,282</u>

<sup>1</sup> Internal service fund reclassified as restricted for 2010.

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

## General Fund Budgetary Highlights

The final budgeted revenues have been adjusted for budget amendments that netted to an increase of \$2.0 million from the original budget. These increases were made to reflect \$1.1 million in new lease financing transactions, to move certain revenues from 1% Hospitality and Local Accommodations special source revenue funds to revenue of the General Fund, and transfer a portion of prior fund balances related to those same funds.

The final budgeted expenditures were increased by \$3.5 million over the original budget. The primary reason for these expenditure budget adjustments was \$1.1 million in new equipment acquired through lease financing transactions, the roll-forward of certain prior year budgets of \$1.2 million, and the increase of \$1.2 million in contingency.

Considering these budget amendments, General Fund revenues were less than the final budget by \$200,000 and expenditures were less than the final budget by \$8.1 million.

The major differences between the final budget and the actual amounts for both revenue and expenditures are summarized as follows:

- Property taxes exceeded the budget by \$11,000. Real property exceeded the budget by \$717,000 as the initial year collection rate improved and real property assessed values increased by 3.0 percent. Personal property taxes declined by \$571,000 and Vehicle taxes declined by \$135,000, primarily due to declining assessed values and adoption of an ordinance in fiscal year 2011 transferring certain fee-in-lieu-of-tax revenues to the industrial park special revenue fund for use in economic development.
- Intergovernmental revenues were greater than the budget by \$.4 million, primarily due to an increase during the year by the state funding from the Local Government Fund.
- Fees and fines were over budget by \$.9 million, primarily due to Master in Equity fees being \$.6 million above budget, coupled with higher Probate, Clerk of Court, and Hospitality Fees.
- RMC Documentary Stamps were under budget by \$.3 million, due to lower values of real estate transactions.
- Licenses and permits were under budget by \$.3 million, due to a reduction in inspection permits.
- Interest on investments was under budget by \$.5 million, due to declining interest rates.
- Other revenue was under budget by \$.4 million due to lower Casino Boat fees and lower funding for pre-trial intervention programs.
- Included in the fiscal year 2011 revenue is an extraordinary item of \$1.1 million for the County's portion of a joint negotiated settlement agreement with dozens of discount hotel travel websites.
- Various departmental spending was reduced below budgeted amounts as a result of management restrictions on hiring and spending coupled with savings from unused contingencies budgeted in the departmental overhead department. The largest departmental savings are detailed in the table below:

### Horry County's General Fund Budget to Actual Variance

*(amounts expressed in thousands)*

	Final Budget	Actual	Favorable Variance
County Council	\$ 2,001	\$ 1,398	\$ (603)
Department Overhead	5,012	3,311	(1,701)
Library	3,623	3,211	(412)
Legal	746	535	(211)
Grant Administration	351	89	(262)
EMS	14,031	13,679	(352)
Maintenance	4,487	4,038	(449)
Code Enforcement	2,807	2,460	(347)
Police	18,897	18,283	(614)
Detention Center	20,228	19,611	(617)
Public Works	8,118	7,185	(933)
Total of above			(6,501)
Various other departments over (under) budget			(1,561)
Total expenditures under budget			<u>\$ (8,062)</u>

## Capital Assets and Debt Administration

### Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2011 amounts to \$809.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements (other than buildings), leasehold improvements, equipment, intangible assets, infrastructure, and construction in progress. The total increase of \$33.3 million in the County's investment in capital assets (net of accumulated depreciation) for the current fiscal year was a 4.3 percent change from the prior year (a 2.0 percent increase for governmental activities and a 17.4 percent increase for business-type activities).

Most of this increase for the governmental activities was in Public Safety, Library, and Recreation. Some of the significant capital events that occurred during the current fiscal year which increased capital assets were \$25.6 million for the expansion of the airport, \$8.2 million in construction of recreation centers, \$7.5 million in construction of libraries, and \$3.7 million to complete the expansion of the Detention Center.

#### Horry County's Capital Assets

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land, Easements, and Improvements	\$ 25,321	\$ 22,927	\$ 30,396	\$ 26,963	\$ 55,717	\$ 49,890
Intangible Assets	407	20	-	-	407	20
Infrastructure	446,605	419,807	9,182	9,182	455,787	428,989
Construction-in-Progress	22,401	90,815	30,662	21,644	53,063	112,459
Buildings and Improvements	151,754	98,063	28,967	29,082	180,721	127,145
Office Furniture	1,804	3,519	-	-	1,804	3,519
Vehicles	2,630	4,231	-	-	2,630	4,231
Machinery and Equipment	14,094	20,871	5,986	6,281	20,080	27,152
Heavy Equipment <sup>1</sup>	7,649	-	-	-	7,649	-
Runways and Taxiways	-	-	29,878	21,860	29,878	21,860
Other	1,548	756	-	-	1,548	756
<b>Total</b>	<b>\$ 674,213</b>	<b>\$ 661,009</b>	<b>\$ 135,071</b>	<b>\$ 115,012</b>	<b>\$ 809,283</b>	<b>\$ 776,021</b>

<sup>1</sup> Previously reported in Machinery and Equipment.

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

### Modified Approach for Infrastructure

The County has adopted the modified approach for reporting its road infrastructure. Using 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.

The County's road system consists of approximately 51.0 percent paved roads and 49.0 percent unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. The County implemented a new pavement management system (MicroPAVER) on July 1, 2010 in an effort to better assess the paved road network within the County. The pavement management system uses a measurement scale that is based on a condition index ranging from 1 for

failed pavement to 5 for a pavement in perfect condition. The condition index is used to classify roads in good or better condition (rating 4 or 5), fair condition (rating 3), and substandard condition (rating 1 or 2). It is the County's goal to maintain at least 70.0 percent of its street system at fair or better condition level. No more than 30.0 percent should be in a substandard condition. Condition assessments are determined every year. The implementation of this new evaluation system resulted in a more thorough and accurate assessment of condition of the road infrastructure and resulted in an increase in the percentage of fair and better condition roads. The following assessment for fiscal year 2011 shows that the County is in compliance with the target condition levels that have been established. The prior year is presented to show the change in measurement through this new pavement management system.

<b>Percentage of Miles in Fair or Better Condition</b>		
	<u><b>2011</b></u>	<u><b>2010</b></u>
Arterial	81.1%	57.1%
Collector	72.8%	61.1%
Access	<u>85.7%</u>	<u>61.7%</u>
Overall system	<u>84.4%</u>	<u>60.0%</u>

The County created a long-term road improvement program that had been paving at least 16 miles of dirt roads per year from fiscal year 2004 through 2008. In fiscal year 2009, as a result of an expected revenue shortfall, this was decreased to 14.5 miles and in fiscal year 2010 it was further reduced to 9.7 miles per year. In fiscal year 2011, due to continued revenue shortfalls, it has been further reduced to 8.9 miles per year. As these roads are paved, they become part of the County's pavement management system.

In November 2006, a one-cent Capital Projects Sales Tax was passed by voter referendum and is dedicated to specific road projects, including resurfacing 67 miles of County maintained roads over a seven year period. During fiscal year 2009, County Council increased the road maintenance fee by \$10.00 and dedicated it to the resurfacing program.

Included in the one-cent Capital Project Sales Tax program are various projects to improve existing state roadways. The County is managing the construction and funding the expenditures through the collections of sales tax. The cost of these roadway improvements is included in the statement of activities when the expense is incurred. The table below reflects the cost incurred to date for these projects:

**Horry County's Improvements to State Roadways**

*(amounts expressed in thousands)*

Backgate interchange	\$ 26,929
Widen 707	6,029
Widen Glenss Bay	2,438
International	<u>335</u>
Total	<u>\$ 35,731</u>

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

**Debt Administration**

At June 30, 2011, the County had total bonded debt outstanding of \$192.0 million. This represents an increase from the prior year of \$40.1 million which is a combination of a \$20.6 million reduction from normal amortization of prior balances and \$60.6 million of new bonds issued to fund the Airport expansion project. Of the total bonded debt outstanding, \$126.0 million 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, such as the 1% Hospitality Fee pledged to repay the

Special Obligation Bonds, and the Airport revenues pledged to repay the Revenue Bonds. Under agreements with the City of Myrtle Beach, the County has also pledged a portion of the 1% Hospitality Fee to repay 30 percent of the Certificates of Participation issued by the City of Myrtle Beach for a baseball stadium. The RIDE – Intergovernmental Loan Agreements with the State of South Carolina Transportation Infrastructure Bank are being repaid by the county-wide 1.5% Hospitality Fee.

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

The County's bonds with outstanding balances as of June 30, 2011 are presented in the following table.

**Horry County's General Obligation and Revenue Bonds Outstanding**  
(amounts expressed in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General Obligation Bonds	\$ 125,967	\$ 134,670	\$ -	\$ -	\$ 125,967	\$ 134,670
Special Obligation Bonds	5,410	7,105	-	-	5,410	7,105
Revenue Bonds	-	-	60,590	10,075	60,590	10,075
Baseball Stadium COPS	1,405	1,570	-	-	1,405	1,570
RIDE IGA Loans	<u>276,765</u>	<u>297,308</u>	-	-	<u>276,765</u>	<u>297,308</u>
Total	<u>\$ 409,547</u>	<u>\$ 440,653</u>	<u>\$ 60,590</u>	<u>\$ 10,075</u>	<u>\$ 470,137</u>	<u>\$ 450,728</u>

The above chart summarizes the outstanding principal balances on the debt issues, and does not include unamortized premium and issuance costs which are included in the government-wide statement of net assets.

The County maintains various reserves from which to pay future debt service. At June 30, 2011, amounts reserved for debt service totaled \$75.6 million. This represents an \$11.5 million increase from the prior year due primarily to the increase of \$10.2 million for the new revenue bonds for the Airport expansion. Additionally, favorable increases in the 1.5% Hospitality Fees exceeded annual debt service and increased the accumulated excess dedicated to the repayment of the RIDE IGA loans. The table below reflects the County's reserve amounts by category of obligation. These amounts are reflected as restricted net assets and fund balance within the financial statements.

**Horry County's Debt Service Reserves**  
(amounts expressed in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General Debt	\$ 14,696	\$ 15,307	\$ -	\$ -	\$ 14,696	\$ 15,307
Special Obligation	2,364	2,116	-	-	2,364	2,116
Revenue Bonds	-	-	14,670	4,509	14,670	4,509
RIDE IGA Loans	<u>44,167</u>	<u>42,441</u>	-	-	<u>44,167</u>	<u>42,441</u>
Total	<u>\$ 61,227</u>	<u>\$ 59,864</u>	<u>\$ 14,670</u>	<u>\$ 4,509</u>	<u>\$ 75,897</u>	<u>\$ 64,373</u>

Additional information on the County's debt can be found in Note 8 of the Notes to the Basic Financial Statements.

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

The following summarizes some economic factors:

- As of June 2011, the unemployment rate for the County was 10.5%, down from 10.6% at June 2010. This rate ranked the County as the 10<sup>th</sup> lowest unemployment rate of the forty-six counties in the state. The range of unemployment rates for South Carolina counties in June 2011 was a low of 8.8% to a high of 20.1%. The unemployment rate for the state of South Carolina as of June 2011 was 10.5%. Median family income in 2010 was \$53,200 in the County, compared to the state of South Carolina's median family income of \$55,700 according to the U.S. Department of Urban Development.
- The fiscal year 2012 County base tax millage is 45.2 mills, equivalent to a tax rate of .0452% of assessed value. This was the lowest county base tax rate in South Carolina.

The fiscal year ended June 30, 2011 indicated growth in the tourism market which provided overall financial stability. Economic factors continue to affect the area's real estate market, as well as having an adverse effect in general on personal and business incomes, and impacted the preparation of the fiscal year 2012 budget compared to fiscal year 2011 as follows:

- stable revenue with exception of .3 mill increase to partially fund transportation;
- stable expenditures overall, recurring expenses lowered by \$1.3 million to fund increased economic development initiative of \$1.8 million
- lower transfers out as capital funding is reduced.

All of these factors were considered in preparing the County's budget for the 2012 fiscal year. The County applications in process for grant funding will result in budget amendments upon notification of grant award.

During fiscal year 2011, unassigned fund balance in the General Fund increased from \$6.2 million to \$9.8 million. Unrestricted fund balance in the General Fund increased from \$33.9 million to \$35.5 million. Projections at this time indicate that at the end of fiscal year 2012, the unreserved fund balance for the General Fund will remain above the 15% of total General Fund expenditures requirement set by the Financial Policy Ordinance.

## **Requests for Information**

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

HORRY COUNTY, SOUTH CAROLINA



AUDITED BASIC FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF NET ASSETS

JUNE 30, 2011

(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	\$ 2,871	\$ 39,611	\$ 42,482	\$ 226	\$ 11,287
Pooled Cash	211,072	-	211,072	-	-
Investments	110,004	5,783	115,787	-	21,465
Funds held in trust	305	-	305	-	-
Receivables, net:					
Property taxes	6,274	-	6,274	-	-
Accounts and other	5,746	1,050	6,796	432	1,151
Fees	4,562	-	4,562	-	-
Interest receivable	558	177	735	-	-
Due from primary government	-	-	-	102	868
Due from other governments	34,444	6,080	40,524	302	-
Internal balances	771	(771)	-	-	-
Prepaid items	2,353	99	2,452	-	91
Inventories	395	364	759	-	66
Restricted - funds held in trust	38,014	-	38,014	-	-
Total current assets	<u>417,369</u>	<u>52,393</u>	<u>469,762</u>	<u>1,062</u>	<u>34,928</u>
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	-	45,230	45,230	-	-
Investments	-	40,436	40,436	-	-
Accounts receivable	-	830	830	-	-
Total restricted assets	<u>-</u>	<u>86,496</u>	<u>86,496</u>	<u>-</u>	<u>-</u>
Capital assets:					
Land, easements, intangible assets and infrastructure	468,408	32,502	500,910	138	7,831
Depreciable capital assets, net	183,404	71,907	255,311	907	27,602
Construction-in-progress	22,401	30,662	53,063	-	644
Total capital assets, net	<u>674,213</u>	<u>135,071</u>	<u>809,284</u>	<u>1,045</u>	<u>36,077</u>
Deferred charges, net					
Bond issuance cost, net	2,460	985	3,445	7	-
Total non-current assets	<u>676,673</u>	<u>222,552</u>	<u>899,225</u>	<u>1,052</u>	<u>36,077</u>
Total assets	<u>1,094,042</u>	<u>274,945</u>	<u>1,368,987</u>	<u>2,114</u>	<u>71,005</u>

- 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	12,815	226	13,041	24	814
Accounts payable - other	1,378	-	1,378	-	-
Accrued salaries, related taxes and compensated absences	3,154	460	3,614	106	377
Accrued expenses	-	701	701	-	-
Due to other governments	2,068	-	2,068	-	-
Due to component units	970	-	970	-	-
Construction and retainage payable	827	6,645	7,472	-	-
Other liabilities	15,042	-	15,042	25	-
Deferred revenue	2,586	239	2,825	-	-
Accrued interest payable	1,921	-	1,921	-	-
General and special obligation bonds payable - current portion	10,920	-	10,920	111	-
IGA #1 payable - current portion	12,504	-	12,504	-	-
IGA #2 payable - current portion	9,875	-	9,875	-	-
Capital lease obligations - current portion	2,781	43	2,824	-	-
Amounts due to tenants	-	838	838	-	-
Total current liabilities	<u>76,841</u>	<u>9,152</u>	<u>85,993</u>	<u>266</u>	<u>1,191</u>
Current liabilities payable from restricted assets:					
Accrued interest payable	-	1,920	1,920	-	-
Total current liabilities payable from restricted assets	<u>-</u>	<u>1,920</u>	<u>1,920</u>	<u>-</u>	<u>-</u>
Non-current (long-term) liabilities:					
General and special obligation bonds payable	124,162	-	124,162	-	-
Revenue bonds payable	-	60,383	60,383	116	-
IGA loans payable	254,386	-	254,386	-	-
Loans payable	-	-	-	10	-
Land, easements, intangible assets and infrastructure	-	50	50	-	-
Capital lease obligations	2,470	180	2,650	-	-
Compensation for future absences	13,034	855	13,889	45	70
Net post employment benefit obligation	19,098	575	19,673	226	862
Landfill closures costs	-	-	-	-	12,069
Landfill post closure care costs	-	-	-	-	6,216
Total long-term liabilities	<u>413,150</u>	<u>62,043</u>	<u>475,193</u>	<u>397</u>	<u>19,217</u>
Total liabilities	<u>489,991</u>	<u>73,115</u>	<u>563,106</u>	<u>663</u>	<u>20,408</u>

- 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	551,832	116,287	668,119	824	36,077
Restricted for capital	16,432	27,733	44,165	-	-
Restricted for public safety	7,524	-	7,524	-	-
Restricted for culture, recreation and tourism	7,599	-	7,599	-	-
Restricted for infrastructure and regulation	218,205	-	218,205	-	-
Restricted for economic development	1,550	-	1,550	-	-
Restricted for health and social services	71	-	71	836	-
Restricted for debt service	57,682	14,670	72,352	-	-
Unrestricted (deficit)	(256,844)	43,140	(213,704)	(209)	14,520
Total net assets	<u>604,051</u>	<u>201,830</u>	<u>805,881</u>	<u>1,451</u>	<u>50,597</u>
Total liabilities and net assets	<u>\$ 1,094,042</u>	<u>\$ 274,945</u>	<u>\$ 1,368,987</u>	<u>\$ 2,114</u>	<u>\$ 71,005</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

(amounts expressed in thousands)

Functions and Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets				
		Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental			Component Units	
					Governmental Activities	Business -type Activities	Totals	Shoreline Behavior	Solid Waste Authority
<b>Primary government</b>									
<u>Governmental activities:</u>									
General government	\$ (34,962)	\$ 12,346	\$ 460	\$ 2,114	\$ (20,042)	\$ -	\$ (20,042)	\$ -	\$ -
Public safety	(101,668)	17,988	2,243	1,001	(80,436)	-	(80,436)	-	-
Health and social services	(2,504)	69	-	-	(2,435)	-	(2,435)	-	-
Infrastructure and regulation	(34,998)	12,165	-	6,518	(16,315)	-	(16,315)	-	-
Improvements to state roadways	(35,731)	-	-	-	(35,731)	-	(35,731)	-	-
Culture, recreation and tourism	(9,307)	91	45	809	(8,362)	-	(8,362)	-	-
Economic development	(1,366)	-	21	260	(1,085)	-	(1,085)	-	-
Debt service	(11,970)	-	-	-	(11,970)	-	(11,970)	-	-
TECH and Higher Education Commission	(4,740)	-	-	-	(4,740)	-	(4,740)	-	-
Total governmental activities	<u>(237,246)</u>	<u>42,659</u>	<u>2,769</u>	<u>10,702</u>	<u>(181,116)</u>	<u>-</u>	<u>(181,116)</u>	<u>-</u>	<u>-</u>
<u>Business-type activities:</u>									
Airports	(19,818)	24,661	7,191	12,115	-	24,149	24,149	-	-
Total business-type activities	<u>(19,818)</u>	<u>24,661</u>	<u>7,191</u>	<u>12,115</u>	<u>-</u>	<u>24,149</u>	<u>24,149</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ (257,064)</u>	<u>\$ 67,320</u>	<u>\$ 9,960</u>	<u>\$ 22,817</u>	<u>\$ (181,116)</u>	<u>\$ 24,149</u>	<u>\$ (156,967)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Component units</b>									
Health services	\$ (4,025)	\$ 4,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 481	\$ -
Landfill	(17,292)	17,713	105	1,074	-	-	-	-	1,600
Total component units	<u>\$ (21,317)</u>	<u>\$ 22,219</u>	<u>\$ 105</u>	<u>\$ 1,074</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481</u>	<u>\$ 1,600</u>
<b>General Revenue and Transfers</b>									
General Revenue									
Property taxes					103,995	-	103,995	-	-
Capital Sales Tax					61,949	-	61,949	-	-
Fees-in-lieu of taxes					10,905	-	10,905	-	-
Intergovernmental- unrestricted					13,927	-	13,927	-	-
Accommodations tax					3,851	-	3,851	-	-
Local accommodations tax					928	-	928	-	-
Admissions tax					15	-	15	-	-
Hospitality tax					35,939	-	35,939	-	-
Unrestricted investment earnings					2,382	453	2,835	-	215
Miscellaneous					4,158	199	4,357	(13)	25
Gain on disposal of asset					259	-	259	-	31
Extraordinary item					1,120	-	1,120	-	-
Transfers					(119)	119	-	-	-
Total general revenue and transfers					<u>239,309</u>	<u>771</u>	<u>240,080</u>	<u>(13)</u>	<u>271</u>
Changes in net assets					58,193	24,920	83,113	468	1,871
Net assets - beginning of year					545,858	176,910	722,768	983	48,726
Net assets - end of year					<u>\$ 604,051</u>	<u>\$ 201,830</u>	<u>\$ 805,881</u>	<u>\$ 1,451</u>	<u>\$ 50,597</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

JUNE 30, 2011

	<b>General Fund</b>	<b>General Improvement Capital Projects</b>	<b>Capital Project Sales Tax</b>	<b>RIDE Program Debt Service</b>	<b>Other Non- Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 2,870,993	\$ -	\$ -	\$ -	\$ 100	\$ 2,871,093
Pooled cash and investments	49,013,508	24,022,440	173,853,364	2,631,732	56,764,323	306,285,367
Receivables, net:						
Property taxes	4,187,482	-	-	-	2,086,010	6,273,492
Accounts and other	3,598,907	91,314	-	4,431,063	99,361	8,220,645
Fees	-	-	-	-	1,360,625	1,360,625
Interest receivable	77,777	72,966	305,305	669	85,697	542,414
Due from other funds	1,673,524	-	-	-	94,161	1,767,685
Due from other governments	2,909,713	432,793	14,858,462	-	4,086,021	22,286,989
Inventories	35,252	-	-	-	-	35,252
Prepaid items	1,496,363	832,542	-	-	24,027	2,352,932
Restricted cash and investments	-	682,110	-	37,331,836	305,170	38,319,116
<b>Total Assets</b>	<b><u>\$ 65,863,519</u></b>	<b><u>\$ 26,134,165</u></b>	<b><u>\$ 189,017,131</u></b>	<b><u>\$ 44,395,300</u></b>	<b><u>\$ 64,905,495</u></b>	<b><u>\$ 390,315,610</u></b>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts payable - trade	\$ 2,339,466	\$ 2,331,228	\$ 6,102,836	\$ -	\$ 2,002,862	\$ 12,776,392
Accounts payable - other	1,378,047	-	-	-	-	1,378,047
Construction and retainage payable	-	821,238	-	-	5,288	826,526
Accrued salaries and wages	2,628,660	-	-	-	490,628	3,119,288
Accrued compensated absences	12,408	-	-	-	-	12,408
Due to other funds	59,758	-	-	-	936,555	996,313
Due to component units	102,278	-	-	-	867,579	969,857

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

- CONTINUED -

	<b>General Improvement Capital Projects</b>	<b>Capital Project Sales Tax</b>	<b>RIDE Program Debt Service</b>	<b>Other Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Liabilities and Fund Balances (cont.)</b>	<b>General Fund</b>				
Liabilities:					
Due to other governments	2,022,271	-	-	45,500	2,067,771
Proceeds from sales held by Master in Equity	2,251,282	-	-	-	2,251,282
Due to taxpayers for overpayment	1,680,457	-	-	-	1,680,457
Funds held in trust- delinquent taxes	7,414,159	-	-	-	7,414,159
Other liabilities	3,667,289	29,081	-	51	3,696,421
Deferred revenue	5,243,560	-	228,607	3,065,450	8,537,617
<b>Total liabilities</b>	<b>28,799,635</b>	<b>3,181,547</b>	<b>6,102,836</b>	<b>7,413,913</b>	<b>45,726,538</b>
Fund Balances:					
Nonspendable	1,531,615	832,542	-	24,027	2,388,184
Restricted for capital	-	9,163,434	-	-	9,163,434
Restricted for public safety	-	-	-	6,775,979	6,775,979
Restricted for culture, recreation and tourism	-	-	-	6,673,217	6,673,217
Restricted for infrastructure and regulation	-	-	182,914,295	22,809,593	205,723,888
Restricted for economic development	-	-	-	1,550,208	1,550,208
Restricted for health and social services	-	-	-	35,010	35,010
Restricted for debt service	-	-	44,166,693	17,059,969	61,226,662
Committed to public safety	39,589	2,942,389	-	505,106	3,487,084
Committed to culture, recreation and tourism	489,365	6,757,886	-	228,555	7,475,806
Committed to infrastructure and regulation	520,178	2,924,047	-	-	3,444,225
Committed to economic development	-	-	-	2,428,446	2,428,446
Committed to other capital projects	-	332,320	-	-	332,320
Committed to stabilization	18,744,714	-	-	-	18,744,714
Committed to Department of Airports	-	-	-	600,000	600,000
Committed to other purposes	5,598,783	-	-	-	5,598,783
Assigned to OPEB	342,785	-	-	-	342,785
Unassigned	9,796,855	-	-	(1,198,528)	8,598,327
<b>Total fund balances</b>	<b>37,063,884</b>	<b>22,952,618</b>	<b>182,914,295</b>	<b>57,491,582</b>	<b>344,589,072</b>
<b>Total liabilities and fund balances</b>	<b>\$ 65,863,519</b>	<b>\$ 26,134,165</b>	<b>\$ 189,017,131</b>	<b>\$ 64,905,495</b>	<b>\$ 390,315,610</b>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

BALANCE SHEETS

GOVERNMENTAL FUNDS

- CONTINUED -

	<i>(amounts expressed in thousands)</i>
<b>Reconciliation to amounts reported for Governmental Activities in the Statement of Net Assets:</b>	
Total fund balances - governmental funds	\$ 344,589
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.	663,434
Some of the County's taxes will be collected after year end, but not available soon enough to pay for current period's	18,836
Other long-term assets that are not available to pay for current period expenditures and, therefore, are deferred in these funds, including unamortized bond premiums and bond issuance costs.	159
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.	25,884
Long-term liabilities, including bonds payable that are not due and payable in the current period and, therefore, are not reported in these funds.	(448,851)
Net Assets, end of year - governmental activities	<u>\$ 604,051</u>

*See accompanying notes to financial statements.*



HORRY COUNTY, SOUTH CAROLINA

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	<b>General Fund</b>	<b>General Improvement Capital Projects</b>	<b>Capital Project Sales Tax</b>	<b>RIDE Program Debt Service</b>	<b>Other Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>						
Real property taxes	\$ 63,835,992	\$ -	\$ -	\$ -	\$ 36,314,440	\$ 100,150,432
Personal property taxes	4,848,416	-	-	-	3,194,490	8,042,906
Vehicle taxes	4,114,530	-	-	-	2,933,231	7,047,761
Intergovernmental	11,479,949	819,731	-	-	7,401,211	19,700,891
Sales tax	-	-	61,476,930	-	-	61,476,930
Accommodation tax	168,421	-	-	-	3,666,813	3,835,234
Fees and fines	19,804,154	714,924	-	-	13,561,934	34,081,012
Local Accommodations Tax	744,502	-	-	-	183,775	928,277
Hospitality Fees	1,162,754	-	-	29,909,746	4,866,673	35,939,173
Documentary stamps	2,305,261	-	-	-	-	2,305,261
License and permits	6,272,169	-	-	-	-	6,272,169
Interest on investments	139,356	340,199	436,439	1,158,778	308,442	2,383,214
Cost allocation	3,054,482	-	-	-	-	3,054,482
Other	2,922,254	165,000	-	693	776,040	3,863,987
<b>Total revenues</b>	<b>120,852,240</b>	<b>2,039,854</b>	<b>61,913,369</b>	<b>31,069,217</b>	<b>73,207,049</b>	<b>289,081,729</b>
<b>Expenditures</b>						
Current:						
General government	28,226,622	-	-	-	459,988	28,686,610
Public safety	74,087,642	2,870,545	-	-	16,984,292	93,942,479
Health and social services	1,587,762	-	-	-	794,254	2,382,016
Infrastructure and regulation	12,045,165	-	21,081,123	-	21,864,274	54,990,562
Culture, recreation and tourism	3,535,737	-	-	-	5,327,102	8,862,839
Economic development	-	-	-	-	1,422,988	1,422,988
TECH & Higher Education Commission	-	-	-	-	4,740,000	4,740,000
Other	44,308	-	-	-	-	44,308
Debt service	-	-	-	29,343,686	16,459,389	45,803,075
Capital outlay	1,068,343	24,847,196	7,784,598	-	3,359,389	37,059,526
<b>Total expenditures</b>	<b>120,595,579</b>	<b>27,717,741</b>	<b>28,865,721</b>	<b>29,343,686</b>	<b>71,411,676</b>	<b>277,934,403</b>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

STATEMENTS OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

- CONTINUED -

	<u>General Fund</u>	<u>General Improvement Capital Projects</u>	<u>Capital Project Sales Tax</u>	<u>RIDE Program Debt Service</u>	<u>Other Non- Major Governmental</u>	<u>Total Governmental Funds</u>
Excess (deficiency) of revenues over (under) expenditures	256,661	(25,677,887)	33,047,648	1,725,531	1,795,373	11,147,326
<b>Other Financing Sources (Uses)</b>						
Sales of assets	88,581	166,158	-	-	4,579	259,318
Lease Financing	1,090,746	1,000,000	-	-	-	2,090,746
Transfers in	4,777,952	5,464,007	-	-	5,934,114	16,176,073
Transfers out	(7,032,778)	(1,815,838)	-	-	(11,118,286)	(19,966,902)
Total other financing sources (uses)	(1,075,499)	4,814,327	-	-	(5,179,593)	(1,440,765)
Extraordinary item	1,119,857	-	-	-	-	1,119,857
Net change in fund balance	301,019	(20,863,560)	33,047,648	1,725,531	(3,384,220)	10,826,418
Fund balances at beginning of year	36,762,865	43,816,178	149,866,647	42,441,162	60,875,802	333,762,654
Fund balances at end of year	<u>\$ 37,063,884</u>	<u>\$ 22,952,618</u>	<u>\$ 182,914,295</u>	<u>\$ 44,166,693</u>	<u>\$ 57,491,582</u>	<u>\$ 344,589,072</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA  
 STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS

- CONTINUED -

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

	<i>(amounts expressed in thousands)</i>
Net change in fund balances - total governmental funds	\$ 10,826
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 expenditures exceeded depreciation expense in the current period.	7,070
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	1,426
Some expenses reported in Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in these funds.	(3,769)
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.	31,128
The net revenue (expense) and transfer of fund balance of certain activities of internal service funds reported with governmental activities.	11,512
Change in Net Assets - Governmental Activities	\$ 58,193

*See accompanying notes to financial statements.*

HORRY COUNTY, SOUTH CAROLINA



HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS  
BALANCE SHEETS  
JUNE 30, 2011  
- CONTINUED -

	<b>Business-type Activities Enterprise Fund Department of Airports</b>	<b>Governmental Activities- Internal Service Fund</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable-trade	\$ 225,900	\$ 38,546
Construction accounts and retainage payable	6,645,041	-
Accrued salaries, wages and compensated absences	459,893	21,912
Due to other funds	771,374	-
Other accrued expenses	700,822	-
Unearned revenue	239,139	-
Capital leases payable - current portion	43,275	-
Amounts due to tenants, airlines, car rentals	837,300	-
	<u>9,922,744</u>	<u>60,458</u>
Current liabilities payable from restricted assets:		
Accrued interest payable	1,920,299	-
Total current liabilities payable from restricted assets	<u>1,920,299</u>	<u>-</u>
Total current liabilities	<u>11,843,043</u>	<u>60,458</u>
Non-current liabilities:		
Compensated absences - long term	854,497	-
Revenue bonds payable	60,382,941	-
Net other post-employment benefits obligation	575,254	-
Due to tenants for capital improvements	50,000	-
Capital leases	180,417	-
Total non-current liabilities	<u>62,043,109</u>	<u>-</u>
Total liabilities	<u>73,886,152</u>	<u>60,458</u>
Net assets:		
Invested in capital assets, net of related debt	116,287,073	10,778,868
Restricted for:		
Debt service	14,669,800	-
Capital	27,732,979	15,104,958
Unrestricted	43,140,268	-
Total net assets	<u>201,830,120</u>	<u>25,883,826</u>
Total liabilities and net assets	<u>\$ 275,716,272</u>	<u>\$ 25,944,284</u>

See accompanying notes to financial statements.





HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS  
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2011  
 - CONTINUED -

	<b>Business-type Activities Enterprise Fund Department of Airports</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Non-operating Revenues (Expenses)</b>		
Passenger facility charges	3,381,906	-
Contract facility charges	2,647,016	-
Intergovernmental revenues	2,102,222	-
Redevelopment Authority grant revenue	4,789,000	-
Revenue - Utility Companies for ITAP	300,000	-
Bond redemption expense	(678,799)	-
Interest income	452,996	31,518
Interest expense	(407,029)	-
Interest subsidy on "RZEDB"	199,439	-
Gain on disposal/sale of capital assets	5,500	224,619
Total non-operating revenues	<u>12,792,251</u>	<u>256,137</u>
Net income before capital contributions	12,686,116	1,583,365
Capital contributions	12,115,011	-
Transfers in	<u>119,188</u>	<u>3,671,641</u>
Change in net assets	24,920,315	5,255,006
<b>Net Assets</b>		
Beginning of year	<u>176,909,805</u>	<u>20,628,820</u>
End of year	<u>\$ 201,830,120</u>	<u>\$ 25,883,826</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS  
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2011

	<b>Business Type Activities - Enterprise Fund- Department of Airports</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash Flows From Operating Activities</b>		
Cash received from:		
Landing fees, terminal rents, concessions leases and other fees	\$ 12,408,886	\$ -
FBO sales and services	5,449,044	-
Service and miscellaneous charges	-	6,132,870
Other	516,707	-
Cash paid to:		
Salaries and benefits	(5,870,619)	-
Maintenance, supplies, fuel, utilities and equipment	(7,255,106)	(2,070,193)
Other supplies and miscellaneous costs	-	(34,565)
Net cash provided by operating activities	<u>5,248,912</u>	<u>4,028,112</u>
<b>Cash Flows From Non-Capital Financing Activities</b>		
Net cash provided by transfers-in	<u>119,188</u>	<u>3,671,641</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Receipt of passenger and contract facility charges	5,846,589	-
Acquisition and construction of capital assets	(20,053,967)	(2,198,270)
Bond proceeds	60,378,915	-
Bond Issuance Cost	(1,003,719)	-
Bonds redeemed with airport cash	(9,500,000)	-
Call premium on cash redemption	(60,400)	-
Principal payments on bonds and notes	(575,000)	-
Interest paid on bonds and notes	(468,311)	-
Principal payments on capital lease obligation	(41,809)	-
Receipt of intergovernmental and private grants	6,842,164	-
Proceeds from AIP and TSA grants	7,778,138	-
Proceeds from disposition of capital assets	5,500	305,400
Receipt of transfer from Industrial Park	500,000	-
Receipt of Federal Subsidy for "RZEDB" (Series 2010B)	199,439	-
Net cash provided by (used in) capital and related financing activities	<u>49,847,539</u>	<u>(1,892,870)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

PROPRIETARY FUNDS  
STATEMENTS OF CASH FLOWS

- CONTINUED -

	<b>Business-Type Activities - Enterprise Fund- Department of Airports</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash Flow From Investing Activities</b>		
Investment purchases	(46,218,934)	-
Investment sales	50,901,136	-
Interest on investments	529,025	29,051
Net cash provided by investing activities	<u>5,211,227</u>	<u>29,051</u>
Net increase in cash and cash equivalents	60,426,866	5,835,934
Cash and cash equivalents at beginning of year (of which \$1,690,251 is restricted)	<u>24,413,567</u>	<u>8,954,345</u>
Cash and cash equivalents at end of year (of which \$45,229,754 is restricted)	<u>\$ 84,840,433</u>	<u>\$ 14,790,279</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating (loss) income	\$ (106,135)	\$ 1,327,228
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	5,593,193	2,734,152
Bad debt expense	1,425	-
Change in certain assets and liabilities:		
(Increase) in accounts receivable, net	(357,449)	-
(Increase) decrease in inventories	35,693	(24,560)
(Increase) in prepaid items	(31,450)	-
Increase (decrease) in accounts payable	22,286	(9,691)
Increase in accrued salaries, wages and compensated absences	53,200	983
Increase in net other post-employment benefit obligation	128,468	-
(Decrease) in other accrued expenses	(125,245)	-
(Decrease) in due to other funds	(70,734)	-
Increase in unearned revenue	35,193	-
Increase in amounts due to tenants	70,467	-
Net cash provided by operating activities	<u>\$ 5,248,912</u>	<u>\$ 4,028,112</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2011

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 14,983,771
Pooled cash and investments	200,139,556
Interest Receivable	6,780
Taxes receivable	113,510,543
Total assets	<u>\$ 328,640,650</u>
<b>Liabilities</b>	
Due to others	\$ 328,640,650
Total liabilities	<u>\$ 328,640,650</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 council members.

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

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

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

**A. Reporting Entity (continued)**

**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. In the event of dissolution of the Commission, all assets shall be transferred to the County and the County would become financially accountable for these services to the citizens.

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

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

Shoreline Behavioral Health Services  
2404 Wise Road  
Conway, South Carolina 29526

Horry County Solid Waste Authority  
Finance Department  
Post Office Box 1664  
Conway, South Carolina 29528

# 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, 2011, the County's component units were Shoreline Behavioral Health Services and the Horry County Solid Waste Authority.

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

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

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

The County reports the following major governmental funds: General Fund, General Improvement Capital Projects, Capital Projects Sales Tax, and RIDE Program Debt Service Fund. The County reports the Department of Airports as a major proprietary fund.

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, Tourism and Promotion, Waste Management Recycling, Watersheds, Mt. Gilead, Socastee Recreation, Road Maintenance & CTC, Beach Nourishment, Grants, Admissions Tax, Hospitality 1.5% Fee, Hospitality 1.0% Fee, Victim Witness Assistance, Senior Citizen, Baseball Stadium, Arcadian Shores, CDBG Grant Program, Stormwater Management, GIS/IT, B&C Multi-County Business Park, E-911, Local Accommodations Tax, Recreation, and Industrial Parks.

**Capital Projects Funds** - Capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities and equipment (other than those financed by the proprietary funds). Capital projects funds consist of the General Improvement and the Capital Projects Sales Tax Fund, which are major funds and the Capital Projects Developer Contributions Fund. The Capital Projects Sales Tax fund accounts for the one cent increase in sales tax legally restricted for infrastructure improvements and the Capital Projects Developer Contributions accounts for the donations made by developers for specific land improvements or other designated capital uses.

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

##### *Proprietary Fund Types*

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



# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

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

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

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

##### *Fiduciary Fund Type*

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

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

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

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

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

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

Those revenues susceptible to accrual are property taxes, charges for services, and hospitality fees. Revenues from state and federal grants are recorded when expenditures are incurred.

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

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

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

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.

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

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

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

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

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation and amortization 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 Pooled Cash and Investments

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

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

The County pools the cash of substantially all funds into an internal cash and investment pool that is available for use by all funds with the exception of the school district portion of the agency fund which has its own cash and investment pool, and where legal restrictions prohibit the commingling of funds. Allocation of interest earned is made to each fund based on pro rata equity. Each individual fund's portion of the pool is displayed on the combined balance sheet as "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, 2011, 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.

##### 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 tile used for subsurface drains and gift shop items at the Horry County Museum and at the L. W. Paul Living History Farm. The cost of the inventory item 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 Department of Airports Enterprise Fund consist of supplies, parts and aviation fuel held for resale. Inventories in the Internal Service fund consist of parts for servicing vehicles and equipment.

Inventories of the discretely presented component unit, 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 and are recorded as an expenditure at the time they are consumed.

##### Interfund Receivables and Payables

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

##### Restricted Assets

Restricted assets include monies or other resources, the use of which is restricted by legal or contractual requirements. In the enterprise fund, restricted assets arise from certain bond, contract ordinances, or grant agreements and consist of certain bond debt service and reserve accounts, and receivables associated with Passenger Facility Charges (PFC's) and Contract Facility Charges (CFC's).

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

##### Capital Assets and Depreciation

Capital assets, which include land, buildings, improvements, machinery and equipment, construction in progress and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets used in the operations of governmental funds and are not specifically related to activities reported in proprietary or fiduciary funds, have been reported as assets in the governmental activities column of the government-wide financial statements.

## 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 are defined by the County as those assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The County has chosen the modified approach of accounting for infrastructure under GASB Statement No. 34. Under the modified approach, infrastructure is treated as an inexhaustible capital asset, thereby eliminating the need for depreciation accounting. The County must demonstrate that they are maintaining networks or subsystems of infrastructure assets at a selected condition level to qualify to use the modified approach.

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

Depreciation of all exhaustible capital assets has been provided using the straight-line method over the estimated useful lives of the respective assets ranging as follows: land improvements and easements, 20-40 years; buildings, 10-40 years; runways and taxiways, 40 years; and equipment, 3-15 years.

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

##### *Intangible Assets & Amortization*

Intangible assets lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Intangible assets may include easements, internally generated computer software, water rights, timber rights, patents, copyrights and trademarks and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. External and internal expenditures such as development, implementation and testing is included as part of the asset.

Under GASB Statement No. 51, intangible assets not yet placed in service are reported as construction in progress. Expenditures associated with an intangible asset are capitalized when placed into operation and the existing guidance for depreciating capital assets applies to amortizing intangible assets with finite lives. The amortization period and method is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. As of June 30, 2011, the County's value of copyrights was \$20,000 and intangible assets subject to amortization are internally developed software with a net value of \$387,000.

# 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)

##### Capitalization of Interest

Interest incurred during the construction phase of proprietary fund capital 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. During the year ended June 30, 2011, 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.

##### Compensated Absences

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

##### Long-term Obligations

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

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

# 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)

##### 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.

With the implementation of GASB 54, the County's financial policy states, the following actions are required for fund balance to be classified as "restricted", "committed" or "assigned":

(a) Restricted - amounts that can be spent only for the specific purposes stipulated by external resource providers (i.e.: grants, creditors), constitutionally, or through enabling legislation (ie: legislation that creates a new revenue source and restricts its use). These restrictions may be changed or lifted only with the consent of resource providers.

(b) Committed - amounts that can be used only for the specific purposed determined by a formal action of County Council. Such commitments may be changed or lifted only by the County Council taking the same formal action that imposed the constraint originally (i.e.: use of fund balance to fund subsequent year's budgeted expenditures). Amounts classified as "committed" will be so designated by Council Resolution or Ordinance, and can only be changed by the same action that initially authorized them, unless that authorizing document states otherwise.

(c) Assigned - amounts intended to be used by the County for specific purposes. County Council delegates the authority to classify fund balance as "assigned" to the County Administrator and his/her designee, the Chief Financial Officer. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

With the implementation of GASB 54, other fund balance classifications could be non-spendable, which represents an amount that is legally or contractually required and cannot be spent, or unassigned, which represents amounts not included in the other fund balance categories.

The policy for the order of expenditure of funds by fund balance classification as they become available for spending is as follows: Future qualifying expenditures will first reduce the amount of fund balance classified as restricted, followed by the reduction of unrestricted fund balance starting first with "committed", then "assigned", then "unassigned" as applicable when expenditures are incurred for purposes for which amounts in any of those fund balance classifications could be used.

The County's stabilization policy is as follows: A fiscal stabilization reserve is to be maintained in the General Fund, the Fire Fund, the Recreation Fund, and the Stormwater Fund. The stabilization funds are shown as a part of the restricted fund balance in the Fire Fund, Recreation Fund and Stormwater Fund. Since this policy is approved by County Council Ordinance, the Council authorizes the fiscal stabilization reserve to be classified as "committed" fund balance. The fiscal stabilization reserve can be spent under extreme exigent circumstances. Extreme exigent circumstances exist only if revenue shortfalls cannot be met through reducing expenditures without impacting the health, safety and/or welfare of the County; or unexpected expenditures are required in excess of the budgeted expenditures in order to provide for the health, safety and/or welfare of the County.

## 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)**

Use of the fiscal stabilization reserve is most likely to occur in the event of a natural disaster, or an unexpected significant reduction in revenue sources in excess of 5% of the approved budgeted revenue for that fund. Use of the fiscal stabilization reserve requires approval by Council Resolution.

In the event that the fiscal stabilization reserve is spent, the following must be followed to replenish the reserve balance:

1. Withdrawals up to 25% of the reserve shall be restored within five fiscal years;
2. Withdrawals of 25% of the reserve up to 50% of the reserve shall be restored within eight fiscal years;
3. Withdrawals of 50% of the reserve up to 75% of the reserve shall be restored within ten fiscal years;
4. Withdrawals of 75% of the reserve up to 100% of the reserve shall be restored within twelve fiscal years.

This fiscal stabilization reserve should be maintained at a level of at least 15% of the fund's next year budgeted expenditures and transfers out, excluding those amounts that are funded by one-time funding sources.

The County's minimum fund balance policy states that all governmental funds responsible for the payment of debt service must maintain within fund balance an amount equal to at least 50% of the next year's debt service amount and this policy, approved by County Council Ordinance, authorizes this amount to be classified as "committed" fund balance. This requirement applies to the General Debt Service Fund and Fire Fund. The Airport Enterprise Fund will maintain reserves at levels that comply with the applicable regulatory requirements such as bond covenants and requirements of various funding sources.

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

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

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

##### *Passenger Facility Charges*

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

##### *Contract Facility Charges*

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



# 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)**

##### Lease Accounting

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

In addition, lease revenues from airlines are based on certain compensatory "signatory" and "non-signatory" airline lease and use agreements which are subject to annual rate negotiations. Lease costs, if material, are deferred and amortized over the life of the lease. There were no material lease costs for the year ended June 30, 2011.

##### Property Taxes

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

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

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.

##### Cost Allocation - Indirect

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.

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

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

#### Future Landfill Closure and Postclosure Care Costs

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

#### **E. Reclassification**

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

#### **F. Subsequent events**

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through November 22, 2011, the date the financial statements were available to be issued.

### **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 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 and Fleet Services for fiscal year ended June 30, 2011, which were approved and adopted by County Council. However, budgetary comparisons to actual for proprietary fund types are not required to be presented in the accompanying basic financial statements.

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.

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

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

At fiscal year end, June 30, 2011, any funds budgeted for capital projects which have not been completed and said funds have not been budgeted to other capital projects, road maintenance fees and funds budgeted for the local road improvement accounts, which have not been expended, funds budgeted for the one penny sales tax capital road plan that have not been expended, other County Council road improvement, parks maintenance and recreation funds which have not been expended, grant funds or donations which have not been expended, stormwater management funds budgeted for capital projects, funds budgeted for site improvements at the recycle centers which have not been expended, chemicals and contract spraying which have not been expended, funds for Maintenance Life Cycle Program which have not been expended, funds for County Council expense accounts which have not been expended, funds for Recreation capital improvements and programs which have not been expended, funds for capital items authorized by purchase order but not received, accommodations tax funds approved by the Accommodations Tax Committee and County Council which have not been expended, funds approved for infrastructure improvements in admission tax districts which have not been spent shall reflect as a commitment of fund balance in the Comprehensive Annual Financial Report and shall be brought forward in the fiscal year 2012 as budgeted fund balance and not represented in the approved revenue and expenditure budget amounts. This automatic re-budgeting shall not require a supplemental budget ordinance and shall be limited to the amount available above the required fund balance for the previous fiscal year.

#### **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 within the category of restricted fund balance if the encumbrance will be relieved by grant funds or other external restricted funds or as committed fund balance.

#### **Note 3. Deposits and Investments**

State Statute authorizes the County to invest in (1) obligations of the United States and agencies thereof; (2) general obligations of the State of South Carolina or any of its political units provided such obligations are rated as an "A" or better by Moody's Investors Service, Inc. and Standard and Poor's Corporation or their respective successors; (3) interest bearing accounts in financial institutions 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 3. Deposits and Investments (continued)**

**a. Deposits**

Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. All deposits under the control of the County Treasurer are fully insured or collateralized. As of June 30, 2011, reported amount of the primary government's deposits was \$537 million and the bank balance was \$590 million. Of the \$590 million bank balance exposed to custodial credit risk, \$160.8 million was covered by federal depository insurance, and \$429.2 million was collateralized with securities held by the counterparty's trust department, line of credit, or agent in the County's name.

**b. Investments**

Investment Policy

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

At June 30, 2011, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less than 1</u>	<u>1-5</u>
Certificates of Deposit	\$157,334,966	\$154,724,273	\$ 2,610,693
Government Backed Securities:			
Federal Home Loan Bank, 0.85%, matures January 27, 2014 (net of unamortized discount of \$9,693)	2,987,742		2,987,742
Federal Farm Credit Bank, 1.23%, matures November 4, 2014 (net of unamortized discount of \$3,410)	2,880,908		2,880,908
Federal Home Loan Bank, 0.625%, matures June 8, 2015	3,000,000		3,000,000
Federal Home Loan Bank, 1%, matures November 18, 2013	<u>5,003,055</u>		<u>5,003,055</u>
Total investments held in the County's name	<u>\$171,206,671</u>	<u>\$154,724,273</u>	<u>\$16,482,398</u>

Custodial Credit Risk

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

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 3. Deposits and Investments (continued)**

##### Credit Risk

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

##### Interest Rate Risk

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The County's respective maturity dates are as noted above. The County does not have a policy with respect to interest rate risk.

##### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The County does not have a policy for reducing this risk to any single issuer. As of June 30, 2011, the County had 41.06% of its investments invested with The RBC Centura and 25.76% of its investments invested with BB&T.

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

##### Component Units

HCSWA:

##### **A. Deposits**

At June 30, 2011, the carrying amount of the HCSWA's total cash deposits, including certificates of deposit, was \$28,628,980 with corresponding bank balances of \$32,750,391. Of that balance, \$1,500,000 was covered by federal depository insurance and \$31,266,454 was collateralized with securities held by the pledging financial institutions' trust department in the HCSWA's name. At year end, petty cash on hand totaled \$1,500.

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 3. Deposits and Investments (continued)**

**B. Investments**

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

In accordance with formal resolutions of the HCSWA's Board of Directors, cash, cash equivalents and investments have been assigned for the following purposes at June 30, 2011 and are not considered to be available to pay for operating expenses:

Landfill Closure Costs	\$ 10,928,747
Landfill Postclosure Care Costs	6,107,230
Equipment Replacement	5,380,043
Construction	7,300,860
	<u>\$ 29,716,880</u>

SBHS:

**A. Deposits**

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

At June 30, 2011, the carrying amount of SBHS's deposits was \$226,274, with corresponding bank balances of \$355,018. The entire amount is insured or collateralized with securities held by SBHS or by its agent in SBHS's name.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 3. Deposits and Investments (continued)**

**B. Investments**

SBHS does not have policies with respect to credit rate risk, interest rate risk, concentration of credit risk or foreign currency risk. At June 30, 2011, SBHS's investments, with a carrying and fair value of \$4, were in repurchase agreements and were collateralized with securities held by the counterparty, or its trust department or agent but not in the SBHS's name.

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

*(amounts shown in thousands)*

	Primary	Fiduciary Fund	Total	Discretely Presented Component Units	
	Government	Agency		SBHS	HCSWA
Cash on hand	\$ 29	\$ -	\$ 29	\$ -	\$ 1
Carrying amount of deposits	337,074	200,140	537,214	226	32,750
Carrying amount of investments	156,223	14,984	171,207	-	1
<b>Totals</b>	<b>\$ 493,326</b>	<b>\$ 215,124</b>	<b>\$ 708,450</b>	<b>\$ 226</b>	<b>\$ 32,752</b>
Cash and cash equivalents	\$ 42,482	\$ 14,984	\$ 57,466	\$ 226	\$ 11,287
Pooled cash and investments	211,072	200,140	411,212	-	-
Investments	115,787	-	115,787	-	21,465
Funds held in trust - restricted	305	-	305	-	-
Cash and cash equivalents -restricted	45,230	-	45,230	-	-
Investments-restricted	40,436	-	40,436	-	-
Funds held in trust - restricted	38,014	-	38,014	-	-
<b>Totals</b>	<b>\$ 493,326</b>	<b>\$ 215,124</b>	<b>\$ 708,450</b>	<b>\$ 226</b>	<b>\$ 32,752</b>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 4. Receivables**

Receivables for the primary government, including applicable allowances for uncollectible accounts, at June 30, 2011, are as follows:

	<i>(amounts shown in thousands)</i>		
	<b>Government Activities</b>	<b>Business-type Activity Department of Airports</b>	<b>Totals</b>
Property taxes	\$ 16,634	\$ -	\$ 16,634
Less, allowance for uncollectibles and amounts not available for current period	(10,360)	-	(10,360)
Net property taxes	<u>6,274</u>	<u>-</u>	<u>6,274</u>
Accounts and other	19,720	1,317	21,037
E911 fees	316	-	316
Hospitality fees	4,177	-	4,177
Stormwater fees	69	-	69
Less, allowance for uncollectibles	(13,974)	(267)	(14,241)
	<u>10,308</u>	<u>1,050</u>	<u>11,358</u>
Net receivables	<u>\$ 16,582</u>	<u>\$ 1,050</u>	<u>\$ 17,632</u>

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

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

Receivables at June 30, 2011 for the discretely presented component unit HCSWA totaled \$1,151,247 and included amounts from trade accounts receivable, amounts due from other governments, interest and allowance for doubtful accounts.

Receivables at June 30, 2011 for the discretely presented component unit SBHS totaled \$420,702 and included amounts from client accounts receivable, returned checks, employee receivables, and allowance for doubtful accounts.



HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 5. Interfund Receivables and Payables**

In the government-wide statement of net assets, interfund receivables and payables (internal balances) between governmental activities and Business-type activities have been eliminated. In the governmental and proprietary funds financial statements, short-term interfund receivables and payables at June 30, 2011 were as follows:

(amounts shown in thousands)

<u>Due To</u>	<u>Due From</u>						<u>Total</u>
	<u>General Fund</u>	<u>Beach Renourishment</u>	<u>Victim Witness</u>	<u>Arcadian Shores</u>	<u>CDBG Grant Program</u>	<u>Airport</u>	
General Fund	\$ -	\$ 358	\$ 96	\$ 267	\$ 182	\$ 771	\$ 1,674
Beach Renourishment	94	-	-	-	-	-	94
<b>Total</b>	<b>\$ 94</b>	<b>\$ 358</b>	<b>\$ 96</b>	<b>\$ 267</b>	<b>\$ 182</b>	<b>\$ 771</b>	<b>\$ 1,768</b>

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary government:		
General Fund	\$ -	\$ 102
Waste Management Recycling Fund	-	867
Stormwater		1
Component units:		
SHBS	102	-
HCSWA	868	-
	<u>\$ 970</u>	<u>\$ 970</u>

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 5. Interfund Receivables and Payables (continued)**

The following table summarizes interfund transfers during the year ended June 30, 2011:

	(amounts shown in thousands)			Total
	Transfers from			
Transfers to	General Fund	Capital Projects Fund	Non-major Governmental Funds	
General Fund	\$ -	\$ 1,697	\$ 3,081	\$ 4,778
Capital Projects	3,977	-	1,487	5,464
Beach Renourishment	194	-	-	194
Victim Witness	81	-	-	81
Recreation	22	-	124	146
Road Maintenance	18	-	150	168
Grants	79	-	302	381
Airport	-	119	-	119
Debt Service	-	-	2,804	2,804
Special Obligation Debt	-	-	2,160	2,160
Fleet Service	2,662	-	1,010	3,672
<b>Total</b>	<b>\$ 7,033</b>	<b>\$ 1,816</b>	<b>\$ 11,118</b>	<b>\$ 19,967</b>

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from the fund with the collection authorization to the appropriate fund recording the expenditures as they become due, 3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, 4) comply with GASB 54 which transfers out \$3,351 from the Hospitality 1.0% Fee Special Revenue fund and \$340 from the Local Accommodations Tax Special Revenue fund and transfers \$290 to the General Improvement Capital Projects fund, \$1,241 to the General fund and \$2,160 to the Special Obligation Debt Service fund.

**Note 6. Due From Other Governments**

Amounts due from other governments for the primary governments and component units on the Statement of Net Assets at June 30, 2011 are as follows:

	(amounts shown in thousands)				Business-type	Discretely Presented
	Governmental Activities			Total	Activities	Component Unit
	General	Special Revenue	Capital Projects		Department of Airports	SBHS
State	\$ 2,623	\$ 1,802	\$ 27,448	\$ 31,873	\$ 158	\$ -
City	-	-	-	-	372	-
Federal	287	2,284	-	2,571	5,550	302
<b>Total</b>	<b>\$ 2,910</b>	<b>\$ 4,086</b>	<b>\$ 27,448</b>	<b>\$ 34,444</b>	<b>\$ 6,080</b>	<b>\$ 302</b>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 7. Capital Assets**

A summary of the changes in capital assets during the year ended June 30, 2011 are as follows:

<i>(amounts shown in thousands)</i>					
<b>Governmental Activities</b>	<b>Balance June 30, 2010</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance June 30, 2011</b>
<u>General Capital Assets</u>					
Not subject to depreciation:					
Land and easements	\$ 19,630	\$ 1,575	\$ (60)	\$ 638	\$ 21,783
Intangible Assets	20	-	-	-	20
Infrastructure	419,807	6,214	(3,247)	23,831	446,605
	<u>439,457</u>	<u>7,789</u>	<u>(3,307)</u>	<u>24,469</u>	<u>468,408</u>
Construction-in-progress	90,815	30,235	(14,650)	(83,999)	22,401
Total capital assets not depreciated	<u>530,272</u>	<u>38,024</u>	<u>(17,957)</u>	<u>(59,530)</u>	<u>490,809</u>
Subject to depreciation/amortization:					
Land improvements	4,622	257	-	261	5,140
Buildings	125,402	-	(38)	54,803	180,167
Building improvements	15,770	231	-	4,116	20,117
Office furniture	10,524	136	(181)	-	10,479
Vehicles	22,985	431	(592)	(1,851)	20,973
Heavy equipment	12,309	3,116	(383)	(8,067)	6,975
Computer equipment	36,906	1,301	(457)	350	38,100
Intangible assets	-	387	-	-	387
Other	3,214	1,244	(178)	(8)	4,272
Totals	<u>231,732</u>	<u>7,103</u>	<u>(1,829)</u>	<u>49,604</u>	<u>286,610</u>
Total General Capital Assets	<u>762,004</u>	<u>45,127</u>	<u>(19,786)</u>	<u>(9,926)</u>	<u>777,419</u>
Less, accumulated depreciation/amortization:					
Land improvements	(1,325)	(277)	-	-	(1,602)
Buildings	(40,013)	(4,839)	-	-	(44,852)
Building improvements	(3,096)	(582)	-	-	(3,678)
Office furniture	(7,005)	(1,851)	181	-	(8,675)
Vehicles	(18,754)	(1,451)	539	1,323	(18,343)
Heavy equipment	(6,978)	(335)	310	2,344	(4,659)
Computer equipment	(26,505)	(3,404)	457	-	(29,452)
Intangible assets	-	-	-	-	-
Other	(2,458)	(446)	178	2	(2,724)
Totals	<u>(106,134)</u>	<u>(13,185)</u>	<u>1,665</u>	<u>3,669</u>	<u>(113,985)</u>
Net general capital assets	<u>655,870</u>	<u>31,942</u>	<u>(18,121)</u>	<u>(6,257)</u>	<u>663,434</u>
<u>Internal Service Fund Capital Assets</u>					
Subject to depreciation/amortization:					
Machinery and equipment	13,495	2,301	(1,480)	(34)	14,282
Heavy equipment	-	-	-	9,960	9,960
Totals	<u>13,495</u>	<u>2,301</u>	<u>(1,480)</u>	<u>9,926</u>	<u>24,242</u>
Less, accumulated depreciation/amortization:					
Machinery and equipment	(8,356)	(1,777)	1,297	-	(8,836)
Heavy equipment	-	(958)	-	(3,669)	(4,627)
Totals	<u>(8,356)</u>	<u>(2,735)</u>	<u>1,297</u>	<u>(3,669)</u>	<u>(13,463)</u>
Net internal service fund capital assets	<u>5,139</u>	<u>(434)</u>	<u>(183)</u>	<u>6,257</u>	<u>10,779</u>
Net capital assets - Governmental Activities	<u>\$ 661,009</u>	<u>\$ 31,508</u>	<u>\$ (18,304)</u>	<u>\$ -</u>	<u>\$ 674,213</u>

Roadway improvements by the County using Capital Project Sales Tax for infrastructure owned and maintained by the state are not capitalized but are expensed as incurred.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 7. Capital Assets (continued)**

	<i>(amounts shown in thousands)</i>			
	Balance			Balance
Business-type Activities	June 30, 2010	Additions	Retirements	June 30, 2011
Not subject to depreciation:				
Land and easements	\$ 22,933	\$ 387	\$ -	\$ 23,320
Infrastructure	9,182	-	-	9,182
	<u>32,115</u>	<u>387</u>	<u>-</u>	<u>32,502</u>
Construction in progress	21,644	25,269	(16,251)	30,662
Total capital assets not depreciated	<u>53,759</u>	<u>25,656</u>	<u>(16,251)</u>	<u>63,164</u>
Subject to depreciation:				
Buildings and improvements	55,591	1,758	-	57,349
Runways and taxiways	45,701	10,116	-	55,817
Machinery and equipment	13,078	767	(138)	13,707
Land improvements	8,314	3,580	-	11,894
Totals	<u>122,684</u>	<u>16,221</u>	<u>(138)</u>	<u>138,767</u>
Total Business-Type Assets	<u>176,443</u>	<u>41,877</u>	<u>(16,389)</u>	<u>201,931</u>
Less accumulated depreciation:				
Buildings and improvements	(26,509)	(1,873)	-	(28,382)
Runways and taxiways	(23,841)	(2,098)	-	(25,939)
Machinery and equipment	(6,797)	(1,062)	138	(7,721)
Land improvements	(4,284)	(534)	-	(4,818)
Totals	<u>(61,431)</u>	<u>(5,567)</u>	<u>138</u>	<u>(66,860)</u>
Net capital assets - Business-type Activities	<u>\$ 115,012</u>	<u>\$ 36,310</u>	<u>\$ (16,251)</u>	<u>\$ 135,071</u>

Capital assets of the discretely presented component units, HCSWA and SBHS at June 30, 2011, are as follows:

Component Units	<i>(amounts shown in thousands)</i>	
	SBHS	HCSWA
Land	\$ 138	\$ 7,831
Subtitle D (Class 3) landfill	-	26,462
Buildings	1,455	11,396
Vehicles, machinery and equipment	156	15,447
Other improvements	-	5,508
Construction-in-progress	-	644
Totals	<u>1,749</u>	<u>67,288</u>
Less, accumulated depreciation:		
Subtitled D (Class 3) landfill	-	(19,358)
Buildings	(568)	(2,066)
Vehicles, machinery and equipment	(136)	(8,697)
Other improvements	-	(1,090)
Totals	<u>(704)</u>	<u>(31,211)</u>
Net capital assets - Component Units	<u>\$ 1,045</u>	<u>\$ 36,077</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 7. Capital Assets (continued)**

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

<u>Governmental Activities</u>	<u>(amounts shown in thousands)</u>
Recreation	\$ 8,488
Road Improvements	7,681
Horry County Museum	2,313
Libraries	2,012
GIS Arial Photography	700
Fire Stations	458
Backgate Fiber Installation	356
CAMA Software	193
Bayboro Station	97
Animal Shelter Quarantine	94
Loris EMS Addition	5
Azalea Avenue Streetscapes	3
Garden City Beach Parking	1
Total	<u>\$ 22,401</u>

Estimated total costs to complete these projects approximates \$40 million.

<u>Business-type Activities: (Department of Airports)</u>	<u>(amounts shown in thousands)</u>
TCEP	\$ 23,477
Commerce Park Myrtle Beach ITAP	560
MYR Wildlife Study	105
ARFF Building Construction	1,887
Conway Fuel Farm	68
Harrelson Blvd.	4,443
Other Capital Improvements	122
Total	<u>\$ 30,662</u>

Estimated additional costs to complete these projects are estimated at \$123 million.

## HORRY COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

#### **Note 7. Capital Assets (continued)**

##### 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 recorded in the County's name in the Register of Deeds office of Horry County on that date. The property transferred excluded portions of Myrtle Beach International Airport (MBIA) property which are still undergoing environmental remediation and cleanup efforts by the United States Government.

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

Horry County Department of Airports is obligated by the Federal Aviation Administration to maintain a current Airport Layout Plan (ALP). In order to maintain a current ALP, the Department reviews and updates its Master Plan every five years. The Airport completed the updated ALP in fiscal year 2010.

##### Depreciation allocation

The amount of depreciation charged to each governmental function for the year ended June 30, 2011 is as follows: general government (\$4,085,103); public safety (\$7,459,363); Infrastructure and regulation (\$557,419); culture and recreation (\$1,004,680) and health and social services (\$78,560). Capital assets held by the Internal Service Fund (\$2,734,152).

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### **Note 8. Long-Term Debt**

Long-term debt at June 30, 2011, is comprised of general and special obligation bonds, revenue bonds, RIDE - Intergovernmental Loan Agreements (IGA), accumulated compensated absences liability, other post employment benefits, and long-term capital leases.

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

Special Obligation bonds are issued to provide funds for the acquisition and construction of major capital facilities and equipment and are secured by the pledge of the 1.5% Hospitality Fees Special Revenue Fund revenues (Special Fund portion) of the County.

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

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

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

On September 1, 2005, the County issued \$5,010,000 of General Obligation Refunding Bonds, Series 2005A (the "2005A Bonds") with interest rates ranging from 3.000% to 3.580%. The net proceeds of the 2005A Bonds were placed in an irrevocable trust account and were issued to partially defease the 2000 General Obligation Bonds- Fire Protection, including payment of the prepayment penalty on the Bonds. The 2005A Bonds are payable through March 2015, and the full faith, credit and taxing power of the County are irrevocably pledged for the payment thereof. As a result of the transaction, the County reduced total debt service payments by \$3,128,855 and realized an economic gain (difference between the present values of the old and new debt service payments) of \$224,618. The outstanding principal balance of the 2005A Bonds at June 30, 2011 was \$3.305 million.

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

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

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### **Note 8. Long-Term Debt (continued)**

On December 30, 2009, the County issued \$5,040,000 of General Obligation Bonds, Series 2009A and \$6,960,000 of General Obligation Bonds, Series 2009B (Federally Taxable – Build America Bonds – Direct Payment Bonds). The proceeds of the Series 2009A & Series 2009B Bonds will be used to provide funds for constructing and equipping library and various recreation facilities and the full faith, credit and taxing power of the County are irrevocably pledged for the payment thereof.

Beginning with March 1, 2010, the Series 2009A bonds requires semi-annual interest-only payments until March 1, 2011, when the Series 2009A bonds are payable semiannually in principal installments of \$455,000 to \$570,000 plus interest at 2.0% to 4.0% over ten years. The Series 2009B bonds provide for interest installments only for the first ten years of the life of the bonds. Beginning in fiscal year 2021, the Series 2009B bonds will be payable in principal installments of \$595,000 to \$815,000 plus interest at 4.75% to 5.75% over ten years. The Series 2009B bonds were issued under the guidelines provided in the American Recovery and Reinvestment Act (“ARRA”) as Build American Bonds. The County, under the guidelines set forth in the ARRA, is eligible to apply for an interest subsidy payment from the United States Treasury for Build America Bonds of 35% of the interest payable on the bond. The subsidy payments have not been pledged to the payment of any Bonds and would be part of the County’s general revenues.

The 2009A Bonds are not subject to redemption on or prior to March 1, 2020. The 2009B Bonds maturing on or after March 1, 2021, are subject to redemption at the option of the County on or after March 1, 2020, at any time as a whole or in part in such order of maturities as the County may determine, at par, together with the interest accrued thereon to the date fixed for redemption.

On June 15, 2010 the County issued \$350,000 of General Obligation Bonds, Series 2010A with interest at 2.79%. The proceeds of the Series 2010A Bonds were used to acquire property and to construct a boat landing. The bond is payable in annual installments of principal and interest on March 1, 2011, to and including March 1, 2015 in the amount of \$75,388.

### **Advance Refundings**

The balance of outstanding advanced refunding at June 30, 2011 is \$18,670,000.

On May 7, 2009 the County issued \$8,155,000 of General Obligation Bonds with an average interest rate of 3.14% were issued to advance refund \$10,015,000 of outstanding 2000 Special Hospitality Fee Bonds with a coupon rate ranging from 4% to 5%. The net proceeds of \$10,632,295 (after payment of \$75,000 in issuance costs) plus an additional \$369 in additional funds were used to purchase US Government securities. Those securities were deposited in an irrevocable trust with Bank of New York- Mellon to provide for all future debt service payment on the 2000 Special Hospitality Fee Bonds. As a result the 2000 Special Hospitality Fee bonds are considered to be defeased and a liability for these bonds has been removed from the governmental activities column of the statement of net assets.

The reacquisition price exceeded the net carrying amount of the old debt by \$617,665. This amount is being netted against the new debt and amortized over the remaining life of the new debt, which is shorter than the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next three years by \$3,217,834 and resulted in an economic gain (difference between the present values of the debt service payment of the old and new debt) of \$2,822,070.



# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### Note 8. Long-Term Debt (continued)

#### Advance Refundings (continued)

On June 3, 2010, \$13,690,000 of General Obligation Bonds with an average interest rate of 3.621% were issued to advance refund \$11,645,000 of outstanding 2001A GO Bonds with a coupon rate ranging from 4.75% to 5% and \$1,615,000 of outstanding 2001 B GO Bonds (Higher Education Commission) with a coupon rate ranging from 4.5% to 5.0%. The net proceeds of \$14,412,330 (after payment of \$181,710 in underwriting discount and issuance costs) plus an additional \$3,848 in additional funds were used to purchase US Government securities. Those securities were deposited in an irrevocable trust with Bank of New York Mellon to provide for future debt service payment on the 2001A and 2001B GO Bonds. As a result, the 2001A and 2001B GO Bonds are considered to be defeased for payments due after March 2012 and the liability for these bonds has been removed from the governmental activities column of the statement of net assets.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,156,179. This amount is being netted against the new debt and amortized over the remaining life of the new debt, which is equal to the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next seven years by \$778,080 and resulted in an economic gain (difference between the present values of the debt service payment of the old and new debt) of \$748,099.

**Conduit Debt.** Occasionally, the County is requested to act as an "Issuer" of conduit financing for any college, university, or hospital that is located in Horry County and deemed to be in the public interest. On March 1, 1998, the County issued \$31,275,000 of limited obligation Hospital Revenue Bonds. The Series 1998 Bonds are payable by the County solely from the loan repayments to be made by Conway Hospital, Inc. and Kingston Nursing Center (the Obligated Group). The bonds are collateralized by a pledge of the Obligated Group's revenue and the funds and accounts established under the Bond Indenture. The purpose of the bonds were (1) to refund the outstanding County Hospital Facilities Revenue Bonds, Conway Hospital Project Series A, (2) refund a portion of the County Hospital Revenue refunding Bonds, Series 1992, and (3) to finance the cost of the construction of certain additional facilities, renovations and acquisitions of new equipment. The County, the State, or any political subdivision thereof is not obligated in any manner for repayment of these bonds. In accordance with governmental accounting standards the bonds are not reported as liabilities in the accompanying financial statements. The 30-year bonds mature on July 1, 2028 and the remaining principal amount payable at June 30, 2011 is \$21,425,000.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 8. Long-Term Debt (continued)**

**A. Governmental Activities Debt**

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

	<i>(amounts shown in thousands)</i>			Balance June 30, 2011	Current Portion
	Balance June 30, 2010	Additions	Deletions		
<b>General and Special Obligation Bonds:</b>					
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	\$ 1,995	\$ -	\$ (975)	\$ 1,020	\$ 1,020
G.O. Bonds of 2001 (Series B) dated September 15 for \$2.875 million with interest at 4.25% to 4.5% - Higher Education	275	-	(135)	140	140
G.O. Bonds of 2004 (Series A) dated June 1 for \$11 million with interest at 3.0% to 5.0% - Fire Protection District	8,425	-	(560)	7,865	590
G.O. Bonds of 2004 (Series B) dated June 1 for \$3 million with interest at 3.25% to 5.50% - TECH Bond	2,430	-	(120)	2,310	135
G.O. Bonds of 2005 (Series A) dated September 1 for \$5.01 million with interest at 3% to 3.8% - Fire Protection Refunding	4,070	-	(765)	3,305	790
G.O Bonds of 2005 (Series B) dated September 1 for \$30 million with interest at 3.5% to 4.125% - Judicial Center Refunding	26,785	-	(1,775)	25,010	1,835
G.O. Bonds of 2007 dated April 11 for \$11 million with interest at 4% to 4.5% -Health Department/Museum	9,290	-	(615)	8,675	640
G.O. Bonds of 2008 dated May 20 for \$12 million with interest at 4% to 5% -Libraries	11,050	-	(450)	10,600	460
G.O. Bonds of 2008 dated May 20 for \$50 million with interest at 4% to 5% -Detention Center	44,310	-	(2,785)	41,525	2,860
Special Hospitality Fee Bonds of 2009 dated May 7 for \$8.155M with interest at 3% to 4%-Hospitality Fee Refunding	7,105	-	(1,695)	5,410	1,745
G.O. Bonds of 2009 (Series A) dated December 30 for \$5.04 million with interest at 2% to 3% - Recreation and Library	5,040	-	(455)	4,585	465
G.O. Bonds of 2009 (Series B) dated December 30 for \$6.96 million with interest at 2% to 3% - Recreation and Library	6,960	-	-	6,960	-
G.O. Bonds of 2010 (Series B) dated June 3 for \$13.69 million with interest at 2.5% to 4.0% - Series 2001 A&B Refunding	13,690	-	-	13,690	-
G.O. Bonds of 2010 (Series A) dated June 15 for \$350,000 with interest at 2.79% - Boat Landing	350	-	(68)	282	68
Certificates of Participation dated September 1, 1998 for \$3.088M with interest at 3% to 5%-Baseball Stadium	1,570	-	(165)	1,405	172
Total general and special obligation bonds	143,345	-	(10,563)	132,782	10,920
Unamortized premiums	2,477	-	(177)	2,300	-
Net general and special obligation bond debt	<u>\$ 145,822</u>	<u>\$ -</u>	<u>\$ (10,740)</u>	<u>\$ 135,082</u>	<u>\$ 10,920</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 8. Long-Term Debt (continued)**

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

Other general long-term obligations of the County's governmental activities at June 30, 2011 are as follows:

	<i>(amounts shown in thousands)</i>			<b>Balance June 30, 2011</b>	<b>Current Portion</b>
	<b>Balance June 30, 2010</b>	<b>Additions</b>	<b>Deletions</b>		
<b>Other general long-term obligations:</b>					
RIDE - IGA Loan #1	\$ 105,000	\$ -	\$ (15,000)	\$ 90,000	\$ 12,504
Less, amounts imputed for interest	(11,426)	-	2,895	(8,531)	-
Net RIDE - IGA Loan #1	<u>93,574</u>	<u>-</u>	<u>(12,105)</u>	<u>81,469</u>	<u>-</u>
 RIDE - IGA Loan #2	 203,734	 -	 (8,438)	 195,296	 9,875
Net RIDE - IGA Loans payable	<u>297,308</u>	<u>-</u>	<u>(20,543)</u>	<u>276,765</u>	<u>22,379</u>
 Capital lease obligation - central energy	 91	 -	 (91)	 -	 -
Capital lease obligation - phone systems	69	-	(33)	36	36
Capital lease obligation - fiber optic network	1,353	-	(723)	630	630
Capital lease obligation - 911 equipment	703	-	(703)	-	-
Capital lease obligation - Motorola CAD	1,584	-	(779)	805	805
Capital lease obligation - Dell	569	549	(565)	553	370
Capital lease obligation - fiber ring	2,357	-	(473)	1,884	498
Capital lease obligation - Ontario - computers	-	540	(197)	343	114
Capital lease obligation - fiber relocation	-	1,000	-	1,000	328
Net capital leases	<u>6,726</u>	<u>2,089</u>	<u>(3,564)</u>	<u>5,251</u>	<u>2,781</u>
Post employment benefit obligation, net	14,591	4,506	-	19,097	-
Accumulated compensation absences, net	12,787	9,257	(9,010)	13,034	12
Total other general long-term obligations	<u>331,412</u>	<u>15,852</u>	<u>(33,117)</u>	<u>314,147</u>	<u>-</u>
<b>Total Net Governmental Activities Debt</b>	<b><u>\$ 477,234</u></b>	<b><u>\$ 15,852</u></b>	<b><u>\$ (43,857)</u></b>	<b><u>\$ 449,229</u></b>	<b><u>\$ 25,172</u></b>

The current portion of compensated absences has typically been liquidated from the general fund, other governmental funds and the Internal Service fund.

The County is funding the post employment benefit obligation on a pay- go basis from the General Fund.

**RIDE Intergovernmental Agreements**

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

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### **Note 8. Long-Term Debt (continued)**

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

##### **Revenue Bonds - Department of Airports**

In October 2000, the County issued \$9,745,000 in Airport Revenue Refunding Bonds with original issue discount of \$25,784 and bond issuance costs of \$321,892. These bonds were issued to refund the \$10,320,000 outstanding principal amount of the \$11,660,000 original principal amount of the Airport Revenue Bonds, Series 1990. The outstanding 2000 Series bonds were redeemed November 8, 2010.

In May 1997, the County issued \$26,255,000 (Series 1997A, B, C, and D) in Airport Revenue Bonds with original issue discounts of \$169,000 and bond issuance costs of \$867,000. These bonds were issued as an amendment to the Horry County Series 1990 Revenue Bond ordinance and are being used to pay the costs of certain interests in land and the construction of terminal building improvements, rental car facilities and curbside improvements at the Myrtle Beach International Airport. In November 2010, the airport redeemed all outstanding 1997 Series Bonds.

On November 17, 2010, the \$50,870,000 Airport Revenue Bonds, Series 2010A and \$9,720,000 Taxable Airport Revenue Bonds, Series 2010B were issued by Horry County, South Carolina, a political subdivision of the State of South Carolina.

The Series 2010A Bonds are being issued to pay a portion of the cost of construction of the Terminal Capacity Enhancement Program at the Myrtle Beach International Airport and to fund the capitalized interest on the Series 2010A Bonds through December 1, 2010, fund the debt service reserve and pay the costs of issuance of the Series 2010B Bonds. The net original issue discount for 2010A Bond is \$211,085.

The Series 2010B Bonds are being issued to pay the cost of the Harrelson Boulevard Improvements, fund the capitalized interest on the Series 2010B Bonds through January 1, 2012, fund the debt service reserve requirements and pay cost of issuance of the Series 2010B Bonds. The County has elected to treat the Series 2010B Bonds as "Recovery Zone Economic Development Bonds" for the purposes of the Internal Revenue Code of 1986. Subject to the County's compliance with certain requirements of the Code, the County expects to receive cash subsidy payments from the United States Treasury equal to 45% of the interest payable on the Series 2010B Bonds. In June, 2011, the County received an interest subsidy of \$199,438.

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

##### **Refunded Debt - Department of Airports**

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 8. Long-Term Debt (continued)**

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

**Refunded Debt - Department of Airports (continued)**

In accordance with GASB Statement 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, the above referenced accounting loss of (\$582,191), has been deferred and netted against the carrying amount of the Series 2000 liability and is being amortized to interest expense over the shorter life of the two issuances. Accordingly, for the year ended June 30, 2011, amortization expense was \$29,603. The Series 1997 and Series 2000 Bonds were redeemed in November 2010.

**Cash Redemption - Department of Airports**

The airport cash redeemed all outstanding Series 1997 and Series 2000 Bonds in November 2010, in preparation for implementing the funding plan for the new terminal project, access road, parking lots, renovating the existing terminal and Harrelson Boulevard extension. The airport is undertaking these projects to meet increased demand and improve passenger flows.

On November 8, 2010, the County redeemed \$1,345,000 of Series 1997A bonds, \$2,115,000 of Series 2000 Bonds, and \$6,040,000 of Series 2000 Bonds for a total redemption of \$9,500,000 in principle amount of bonds. The redemption price of these bonds was equal to the principle amount plus a call premium of 1% or \$60,400 for the Series 2000 Bonds. The sources of the funds for the redemption were \$8,753,500 of airport cash, and \$806,900 from the reserve accounts held by the bond trustee, Bank of New York, for the redeemed bonds. The County has charged \$678,799 to Bond Redemption Expense for unamortized issuance costs, net original issue discount and the deferred charges from the 1990 refunding and call premium associated with the redeemed bonds.

HORRY COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

**Note 8. Long-Term Debt (continued)**

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

Long-term 'revenue bonded' debt of the Department of Airports Enterprise Fund at June 30, 2011, is as follows:

	<i>(amounts shown in thousands)</i>			
	Balance 6/30/10	Additions	Deletions	
<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	\$ 1,395	\$ -	\$ (1,395)	\$ -
Revenue bond, Series C, of 1997 dated May 15, for \$3.4 million with interest at 4.3% to 5.5% - Airport improvements, due 1998-2027	2,190	-	(2,190)	-
Revenue bond, Refunding Series 2000 dated October 15, 2000, for \$9.745 million with interest at 4.4% to 5.62%, due 2002-2020	6,490	-	(6,490)	-
Revenue bond, 2010A Series dated November 17, for \$50.87 million with interest at 4.375% to 5% due 2011- 2040	-	50,870	-	50,870
Taxable Revenue bond, 2010B Series dated November 17, for \$9.72 million with interest at 7.328% due 2011-2040	-	9,720	-	9,720
Total revenue bonded debt	10,075	60,590	(10,075)	60,590
Less, original issue discount	(88)	(211)	92	(207)
Less, current portion	(575)	-	575	-
Less, deferred charges (Series 1990 refunding loss of \$582 less amortization of \$582 and \$286)	(296)	-	296	-
<b>Net Revenue Bonds</b>	<b>\$ 9,116</b>	<b>\$ 60,379</b>	<b>\$ (9,112)</b>	<b>\$ 60,383</b>

HORRY COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

**Note 8. Long-Term Debt (continued)**

**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, 2011, are summarized as follows:

*(amounts shown in thousands)*

<u>Years Ending</u> <u>June 30,</u>	<u>G.O.</u> <u>Bonds</u>		<u>Special</u> <u>Obligation</u> <u>Bonds</u>		<u>Baseball</u> <u>Stadium</u> <u>COPS</u>		<u>Airport</u> <u>Revenue</u> <u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	9,002	5,260	1,745	170	173	70	-	1,921
2013	9,194	4,883	1,805	115	182	61	-	3,086
2014	9,786	4,515	1,860	58	190	53	-	3,086
2015	10,104	4,121	-	-	200	43	1,215	3,086
2016	9,500	3,705	-	-	210	33	1,270	3,038
2017-2021	52,601	12,471	-	-	450	34	7,125	14,399
2022-2026	21,035	3,121	-	-	-	-	8,790	12,734
2027-2031	4,745	556	-	-	-	-	10,960	10,562
2031-2035	-	-	-	-	-	-	13,815	7,419
2036-2040	-	-	-	-	-	-	17,415	3,073
<b>Total</b>	<b>\$ 125,967</b>	<b>\$ 38,632</b>	<b>\$ 5,410</b>	<b>\$ 343</b>	<b>\$ 1,405</b>	<b>\$ 294</b>	<b>\$ 60,590</b>	<b>\$ 62,404</b>

<u>Years Ending</u> <u>June 30,</u>	<u>RIDE IGA</u> <u>Loan #1</u>		<u>RIDE IGA</u> <u>Loan #2</u>		<u>Total</u> <u>Debt Service</u> <u>Requirements</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	12,504	2,496	9,875	5,642	33,299	15,559
2013	12,915	2,086	11,404	5,334	35,500	15,565
2014	13,340	1,660	13,027	4,981	38,203	14,353
2015	13,778	1,221	14,750	4,579	40,047	13,050
2016	14,232	768	16,750	4,122	41,962	11,666
2017-2021	14,700	300	106,051	11,920	180,927	39,124
2022-2026	-	-	23,439	433	53,264	16,288
2027-2031	-	-	-	-	15,705	11,118
2031-2035	-	-	-	-	13,815	7,419
2036-2040	-	-	-	-	17,415	3,073
<b>Total</b>	<b>\$ 81,469</b>	<b>\$ 8,531</b>	<b>\$ 195,296</b>	<b>\$ 37,011</b>	<b>\$ 470,137</b>	<b>\$ 147,215</b>

**D. SBHS**

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

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance 6/30/11</u>
Hospital Revenue Bond	4.46%	6/18/2013	\$ 227,614

Scheduled maturities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
Year Ending June 30, 2012	111,274	7,895	119,169
Year Ending June 30, 2013	116,340	2,830	119,170
	<b>\$ 227,614</b>	<b>\$ 10,725</b>	<b>\$ 238,339</b>

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 9. Capital and Operating Leases and Other Long-Term Liabilities**

**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>Fiber Relocation</u>	<u>Phone System</u>	<u>Fiber Ring</u>	<u>Fiber Optic Network</u>
2012	\$ 346	\$ 38	\$ 594	\$ 661
2013	346	-	594	-
2014	346	-	464	-
2015	-	-	464	-
2016	-	-	-	-
Total lease payments	1,038	38	2,116	661
Less, interest	(38)	(2)	(232)	(31)
Present value of future minimum lease payments	1,000	36	1,884	630
Less, current portion	(328)	(36)	(498)	(630)
Total non-current portion	<u>\$ 672</u>	<u>\$ -</u>	<u>\$ 1,386</u>	<u>\$ -</u>

<u>Year Ended June 30,</u>	<u>Motorola</u>			<u>Total</u>
	<u>Ontario</u>	<u>CAD</u>	<u>Dell</u>	
2012	\$ 125	\$ 832	\$ 399	\$ 2,995
2013	125	-	193	1,258
2014	125	-	-	935
2015	-	-	-	464
2016	-	-	-	-
Total lease payments	375	832	592	5,652
Less, interest	(32)	(27)	(39)	(401)
Present value of future minimum lease payments	343	805	553	5,251
Less, current portion	(114)	(805)	(370)	(2,781)
Total non-current portion	<u>\$ 229</u>	<u>\$ -</u>	<u>\$ 183</u>	<u>\$ 2,470</u>

**Business-type Activities (Enterprise Funds):**

During the year ended June 30, 2006, the Airport entered into a ten year non-cancelable lease for a generator for the Airport. The annual interest rate on the lease is 2.87% per annum. The cost and net book value on the generator as of June 30, 2011 is \$425,000 and \$201,875, respectively.

The present value of the minimum lease payments follows:

<u>Year Ended June 30,</u>	<u>Total</u>
2012	50,314
2013	50,314
2014	50,314
2015	50,314
2016	41,928
Total payments	243,184
Less, interest	(19,492)
Present value of future minimum lease payments	223,692
Less, current portion	(43,275)
Total non-current portion	<u>\$ 180,417</u>



HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 9. Capital and Operating Leases and Other Long-Term Liabilities (continued)**

The changes in the County's capital leases and compensated absences for its business-type activities for the year ended June 30, 2011 are as follows:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Capital Leases	\$ 265,502	\$ -	\$ (41,810)	\$ 223,692
Compensated absences	\$ 1,111,996	\$ 1,139,329	\$(1,111,996)	\$ 1,139,329
Due to tenants	\$ 150,000	\$ -	\$ (50,000)	\$ 100,000
Net OPEB Obligation	\$ 446,786	\$ 128,468	\$ -	\$ 575,254

**Long-term liabilities - SBHS at June 30, 2011**

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts due within one year
Compensated Absences	\$ 90,788	\$ 3,328	\$ -	\$ 94,116	\$ 48,940
Net OPEB Obligation	114,448	114,480	-	228,928	3,393
Auto Loan	-	17,735	3,766	13,969	4,259
Bonds payable	334,043	-	106,430	227,613	111,274
	<u>\$ 539,279</u>	<u>\$ 135,543</u>	<u>\$ 110,196</u>	<u>\$ 564,626</u>	<u>\$ 167,866</u>

**Long-term liabilities - HCSWA at June 30, 2011**

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts due within one year
Compensated Absences	\$ 340,855	\$ 221,928	\$ 242,479	\$ 320,304	\$ 250,000
Net OPEB Obligation	663,598	214,788	16,780	861,606	-
Landfill Closure Costs	10,231,240	1,837,423	-	12,068,663	-
Landfill Postclosure Care Costs	5,644,432	571,629	-	6,216,061	-
	<u>\$ 16,880,125</u>	<u>\$ 2,845,768</u>	<u>\$ 259,259</u>	<u>\$ 19,466,634</u>	<u>\$ 250,000</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 9. Capital and Operating Leases and Other Long-Term Liabilities (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 businesses and schools, concessionaires, and real estate leases. Substantially all of the assets classified as capital assets in the balance sheet are held by the Airport for the purpose of rental or related use. The Airport, as lessor, leases land, buildings, and terminal space to air carriers, aeronautical schools, concessionaires, and third-parties on a fixed fee as well as a contingent fee basis. Most of the leases provide for an annual review and redetermination of the rental amounts. All leases of the airport are treated as operating leases for accounting purposes. 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. Innovative Flying occupied a portion of the Conway-Horry County Airport on March 1, 2011 with anticipation of occupying the entire Administration Building by the fifth operating year. The following is a schedule of future minimum rentals receivable on non-cancelable operating leases at June 30, 2011:

<u>Year Ended June 30,</u>	<u>(amounts shown in thousands)</u>
2012	\$ 6,961
2013	1,751
2014	778
2015	310
2016	301
2017 to 2021	1,069
Total	<u>\$ 11,170</u>

The total historical cost and net book value of certain property leased to parties external to Horry County, South Carolina reporting entity is \$44,121,869 and \$24,399,471, respectively at June 30, 2011.

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

The Department of Airports, primarily the Myrtle Beach International Airport (the "MBIA"), maintain lease and operating agreements with certain airlines ("Signatory Airlines") which provide for annual terminal lease, landing fees, and other amounts to be remitted by the Signatory Airlines at interim rates subject to retroactive adjustment on a defined cost reimbursement basis ("Settlement"). Terms of the agreements call for amounts owed to the Signatory Airlines be applied to any balances owed by the airlines for current year rates and charges. For the fiscal year ended June 30, 2011, the county estimates the Settlement due to the Signatory Airlines is \$202,409. This is included in amounts due to tenants on the accompanying Statement of Net Assets. Spirit Airlines, USAirways, Delta AirLines (System), Continental, and United Airlines were signatory airlines as of June 30, 2011. DirectAir was a signatory indirect air carrier as of June 30, 2011.

The County has also entered into agreements with airlines that serve the Airport and are not parties to Signatory Airline Agreements or Signatory Indirect Airline Agreements (the Non-signatory Airlines). The County assesses fees, rentals, and charges to the Non-Signatory Airlines at 125% of the fees, rentals, and charges charged to the Signatory Airlines. The Non-Signatory Airlines do not participate in the year-end Settlement. As of June 30, 2011, the Non-Signatory Airlines operating at the Airport were Allegiant Air and Porter Airlines.

Horry County's Air Service Development Program that began in September 2008 and continued for fiscal year 2011 provided, at the County's sole discretion, for reduced landing fees from \$1.95 to \$1.25, which reduced the landing fee revenue by approximately \$626,047. The airport also waived airline fees by \$302,077 as incentives for new service. The County has agreed to extend the Air Service Development program, albeit with lower reductions in fees, through June 30, 2011.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 11. Landfill Closure and Postclosure Care Costs**

Federal and state laws and regulations require the HCSWA to place a final cover on its permitted landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the HCSWA reports a portion of these costs as operating expenses in each period based on landfill capacity used during each fiscal year. The amounts reported as a liability at June 30, 2011 for landfill closure and postclosure care represents the cumulative expense reported to date based on 100%, 58%, and 45% utilization of the estimated total capacity of the unlined, Subtitle D (Class 3) landfill sites and construction and demolition respectively. For purposes of postclosure care, the unlined and the construction and demolition landfills are considered a single permitted site with 65% utilization of the estimated total capacity at June 30, 2011.

	<i>(amounts shown in thousands)</i>			
	Unlined	Subtitle D (Class 3)	Construction & Demolition	Total
Closure Costs	\$ 1,344	\$ 5,594	\$ 5,130	\$ 12,068
Postclosure Care Costs	N/A	3,807	2,409	6,216
Total	\$ 1,344	\$ 9,401	\$ 7,539	\$ 18,284

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

	Closure Costs	Postclosure Care Costs
Construction and Demolition - East Hill	\$ 6,642	\$ N/A
Unlined / Construction and Demolition	N/A	1,297
Subtitle D (Class 3)	7,208	2,757
	<u>\$ 13,850</u>	<u>\$ 4,054</u>

The HCSWA has closed out the east and west hills of the unlined landfill, with the saddle area to be closed out during the year ending June 30, 2014. The Subtitle D landfill is expected to be closed during the year ending June 30, 2019. The construction and demolition landfill is anticipated to be closed during the year end June 30, 2025. The estimated closure and postclosure care costs are based on what it would cost today to perform all required closure and postclosure care. Actual costs ultimately incurred for closure and postclosure care may be higher due to inflation, changes in technology, or changes in regulations.

The HCSWA is required by federal and state laws to provide financial assurance that funds will be available when needed for closure and postclosure care costs through compliance with one of several approved alternative methods. The method utilized by the SWA is the local government financial test. At June 30, 2011, the HCSWA is in compliance with federal and state financial assurance requirements.

In accordance with formal resolutions of the HCSWA's Board of Directors, \$10,928,747 and \$6,107,230 of cash, cash equivalents and investments at June 30, 2011 are designated for landfill closure and postclosure care costs, respectively. These amounts are included in unrestricted net assets on the balance sheet. If the designated funds are inadequate or additional closure and postclosure care requirements are mandated or otherwise found to be necessary (due to changes in technology or applicable laws or regulations, for example) these costs need to be covered through additional charges to future landfill users.

**Note 12. Net Assets and Fund Balances**

**Net assets:**

Net assets of the government-wide and proprietary fund financial statements represent the difference between assets and liabilities. Reported amounts for invested in capital assets and restricted net assets are as follows at June 30, 2011:

	<i>(amounts shown in thousands)</i>			
	Governmental Activities	Business-type Activities	Component Units	
			SHBS	HCSWA
<b><u>Invested in Capital Assets, Net of Related Debt:</u></b>				
Primary Government	\$ 674,213	\$ 135,071	\$ -	\$ -
Internal Service Fund	-	-	-	-
Component units	-	-	1,045	36,077
Less, G.O., special revenue bonds payable and capital leases, net of unspent proceeds	(121,554)	(12,139)	(221)	-
Less, construction and retainage payable for capital items	(827)	(6,645)	-	-
Add, unspent proceeds of long-term debt	-	-	-	-
Total invested in capital assets, net of related debt	<u>\$ 551,832</u>	<u>\$ 116,287</u>	<u>\$ 824</u>	<u>\$ 36,077</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 12. Net Assets and Fund Balances (continued)**

As required by the County's Financial Policies Ordinance, a fiscal stabilization reserve is to be maintained in the General Fund, the Fire Fund, the Recreation Fund, and the Stormwater Fund. The fiscal stabilization reserve is to be maintained at an amount equal to 15% of the fund's next year's budgeted expenditures and transfers out, excluding those amounts that are funded by one-time funding sources. This policy was approved by County Council Ordinance 68-10 on October 10, 2010, therefore the fiscal stabilization reserve is classified as "committed" fund balance. Ordinance 69-10 also requires all governmental funds responsible for the payment of debt service to maintain an amount in fund balance equal to at least 50% of the next year's debt service amount. Stabilization and debt service reserves in the Fire, Stormwater and Recreation Funds are classified as Restricted on the Statement of Net Assets.

The adopted budget for fiscal year 2012 includes total expenditures and other uses. By reducing this total for any amount being funded by a use of fund balance and/or debt service requirement, the current required stabilization reserve for each of the above identified funds is reported below:

	FY 2012 Operating budget	15% Stabilization reserve Committed in fund Balance at June 30, 2011	FY 2012 Debt Service	50% of FY 2012 Debt Service Restricted in Fund Balance at June 30, 2011
General Fund	\$ 124,964,761	\$ 18,744,714	n/a	n/a
Fire Fund	\$ 14,089,390	\$ 2,113,408	\$ 1,868,950	\$ 934,475
Stormwater Fund	\$ 4,472,500	\$ 670,875	n/a	n/a
Recreation Fund	\$ 3,949,161	\$ 592,374	n/a	n/a
General Debt Service Fund	n/a	n/a	\$ 13,812,026	\$ 14,444,585

At June 30, 2011 the following funds had deficit fund balances: Victim Witness Assistance (\$76,388) and Arcadian Shores (\$211,202). These deficit fund balances will be repaid from future tax revenues and fee increases.

**Note 13. Capital Contributions**

For the governmental activities, capital contributions during the fiscal year ended June 30, 2011, is as follows:

	<i>(amount shown in thousands)</i>
	<b>Governmental Activities</b>
Donated capital assets	\$ 1,280
Total	<u>\$ 1,280</u>

For the proprietary (enterprise) funds, capital contributions during the fiscal year ended June 30, 2011, are as follows:

	<i>(amount shown in thousands)</i>
	<b>Business -Type Activities</b>
Grants and other cash contributions	\$ 12,115
Total	<u>\$ 12,115</u>

Capital contributions in the discretely presented component unit HCSWA for the fiscal year ended June 30, 2011, are as follows:

	<i>(amounts shown in thousands)</i>
	<b>HCSWA</b>
Grants and other cash contributions	\$ 1,074
Totals	<u>\$ 1,074</u>

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### **Note 14. Employee Benefit Plans**

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

All County employees, except for police department personnel, participate in the South Carolina Retirement System (SCRS), a cost-sharing, multiple-employer, public employee retirement system. County police officers participate in the South Carolina Police Officers' Retirement System (SCPORS), a cost-sharing, multiple-employer, public employee retirement system. The County's total payroll for the year ended June 30, 2011 was approximately \$80,697 of which \$40,830 and \$36,153 were for employees covered by the SCRS and SCPORS, respectively. The County's total payroll for the year ended June 30, 2010 was approximately \$79,379 of which \$40,736 and \$35,337 were for employees covered by the SCRS and SCPORS, respectively. The total payroll for the year ended June 30, 2009 was approximately \$78,501 of which \$39,932 and \$34,078 were for employees covered by the SCRS and SCPORS, respectively.

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

The County's required contributions to the SCRS for employer and employee portions for the year ended June 30, 2011 expressed as a dollar amount and as a percentage of covered payroll in 2011 were \$3,982 and 9.39% and \$2,801 and 6.5%, respectively, and the contributions to the SCPORS for the employer and employee portions were \$4,154 and 11.53% and \$2,426 and 6.5%, respectively. The County's required contributions to the SCRS for employer and employee portions for the year ended June 30, 2010 expressed as a dollar amount and as a percentage of covered payroll in 2010 were \$3,948 and 9.24% and \$2,766 and 6.5%, respectively, and the contributions to the SCPORS for the employer and employee portions were \$3,867 and 10.65% and \$2,360 and 6.5%, respectively. The County's required contributions to the SCRS for employer and employee portions for the years ended June 30, 2009 expressed as a dollar amount and as a percentage of covered payroll in 2009 were \$3,891 and 9.24% and \$2,699 and 6.5%, respectively, and the contributions to the SCPORS for the employer and employee portions were \$3,735 and 10.65% and \$2,280 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, 2011 expressed as a dollar amount and as a percentage of covered payroll were approximately \$65 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 \$75 and 0.2%.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Employee Benefit Plans (continued)**

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

Employees of SBHS are also members of SCRS. Employer and employee contributions expressed as a percentage of covered payrolls are 9.24% and 6.50%, respectively. Total payroll for the year ended June 30, 2011 was \$1,316 of which \$1,235 was for employees covered by SCRS. SBHC's contributions for the three most recent fiscal years ended June 30, 2011, 2010 and 2009 were \$122, \$106 and \$104 respectively. SBHS paid employer group-life insurance contributions of \$2 for their participants for the year ended June 30, 2011. The contribution requirements of plan members and the HCSWA are established and may be amended by the SCRS and are currently 6.50% and 9.39%. The HCSWA's contributions for the fiscal year ended June 30, 2011, 2010 and 2009 were \$360, \$365, and \$365, respectively.

A comprehensive annual financial report containing financial statements, required supplementary information and actuarial 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 2010, these costs totaled \$1,014 net of \$525 of retiree contributions. As of year-end, there were 205 employees that were receiving benefits.

Effective July 1, 2011, County Council passed an ordinance terminating this benefit for anyone hired July 1, 2011 forward, all current existing employees are grandfathered for the benefit. The ordinance reads that should this benefit be reinstated, the effective date would be July 1, 2011.

**Other post employment healthcare benefits**

*Plan Description*

The County's retiree health care plan is a single-employer defined benefit health care plan administered by the County. Employees of Horry County Government are eligible to receive full retiree health care benefits. Members are eligible at the age of 60 or with 28 years of service for SCRS retirement and age 55 or with 25 years of service for PORS retirement. The vesting schedule for retirees is as follows:

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Employee Benefit Plans (continued)**

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

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

Employees who terminate employment are not eligible for retiree health care benefits. Survivors of employees who die while actively employed are not eligible for retiree health benefits. However, they are eligible for survivors insurance for one year at no cost to the surviving spouse, after that, the member has the option of selecting other insurance or continuing coverage at surviving spouse's expense. Employees who retire under disability retirement are eligible for retiree health care benefits based on the years of service provide in the chart above, or at the member's expense depending on years of service. Spouses of retired employees are eligible to receive retiree health care benefits at member's cost. Retirees are required to enroll in Medicare once eligible. Retiree pays full Medicare premiums. Horry County Government coverage continues when retiree becomes eligible for Medicare. Once, actively retired county insurance becomes secondary. Employees and spouses retiring with retiree health care benefits are eligible for Horry County Government paid dental benefits. Retirees who decide to opt-out of health care plan will be eligible to opt back in when coverage from another entity ceases. There is no additional stipend provided for those who opt-out. The Airport currently has 109 active employees and two retired members.

HCSWA:

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

*Funding Policy*

Horry County currently pays for post-employment benefits on a pay-as-you-go basis. For fiscal year 2011, the County contributed \$792,947 for existing retirees. Horry County is currently studying various funding alternatives and/or modifications to the existing plan. These financial statements assume that a pay-as-you-go funding policy will continue.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Employee Benefit Plans (continued)**

*Funding Policy*

HCSWA:

HCSWA currently pays for post-employment benefits on a pay-as-you-go basis. For fiscal year 2011, the County contributed \$16,780 for current premiums of existing retirees.

*Annual OPEB costs and Net OPEB Obligation*

The County's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the county's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the county's net OPEB obligation:

	Governmental		Business-type	Total	Component Units
	General	Police	Airport		HCSWA & SBHS
Employer Normal Costs	\$1,558,448	\$1,703,812	\$95,362	\$3,357,622	\$207,078
Amortization of UAL*	1,277,907	868,246	48,771	2,194,924	98,015
Annual Required Contribution (ARC)	\$2,836,355	\$2,572,058	\$144,133	\$5,552,546	\$305,093
Interest on Net OPEB Obligation	\$346,945	\$309,654	\$20,105	\$676,704	\$29,894
Adjustment to ARC	\$(321,441)	\$(286,891)	\$(18,627)	\$(626,959)	\$(5,719)
Annual OPEB Costs	\$2,861,859	\$2,594,821	\$145,611	\$5,602,291	\$329,268
Contributions made	\$645,482	\$304,768	\$17,143	\$967,393	\$16,780
Increase in net OPEB obligation	\$2,216,377	\$2,290,053	\$128,468	\$4,634,898	\$312,488
Net OPEB Obligation-beginning of year	\$7,709,868	\$6,881,205	\$446,786	\$15,037,859	\$778,046
Net OPEB Obligation – end of year	\$9,926,245	\$9,171,258	\$575,254	\$19,672,757	\$1,090,534

\* Unfunded Actuarial Accrued Liabilities (UAL) were amortized over 30 years; amortizations periods are closed.



HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Employee Benefit Plans (continued)**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the preceding year are as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2008	\$5,510,608	6.71%	\$5,140,807
2009	\$5,692,932	7.52%	\$10,405,564
2010	\$5,425,242	14.62%	\$15,037,859
2011	\$5,602,291	17.27%	\$19,672,757

HCSWA and SBSH's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2008	\$216,936	2.40%	\$211,724
2009	\$226,464	2.50%	\$432,479
2010	\$357,354	3.30%	\$778,046
2011	\$329,268	5.10%	\$1,090,534

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. For fiscal year, 2009, SBHS's auditor reported a significant deficiency and material weakness, finding 2009-1 - Failure to implement GASB 45 – Accounting for Other Post Employment Benefits. As a component unit, SBHS must implement the requirements of GASB 45 no later than the same year as their primary government. As of fiscal year end June 30, 2010, SBHS had an actuarial analysis performed and recorded the OBEB obligation based on the amounts determined by the study.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 14. Employee Benefit Plans (continued)**

*Funded Status and Funding Progress*

The funded status of the plans as of June 30, 2011, was as follows:

	Governmental		Business-type	Component Units
	General	Police	Airport	HCSWA & SBHS
Actuarial accrued liability	\$31,626,672	\$21,695,771	\$1,257,921	\$2,204,024
Actuarial value of plan assets	-	-	-	-
Unfunded actuarial accrued liability (UAAL)	\$31,626,672	\$21,695,771	\$1,257,921	\$2,204,024
Funded Ratio	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$39,864,688	\$36,307,295	\$4,465,721	\$5,030,735
Unfunded actuarial accrued liability as a percentage of covered payroll	79.34%	59.76%	28.17%	43.81%

*Actuarial Methods and Assumptions*

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

In the June 30, 2009, actuarial valuation, the projected unit credit cost method was used. The UAAL amortization payment is the level percent of payroll (assumed to increase 3%) required to fully amortize the UAAL over a 30 year period or closed basis. The actuarial assumptions included 4.5% rate of investment return. The valuation assumes a 7.5% health care trend inflation rate for 2009 - 2011 and decreases 0.5% each year until 2016, for 2017 and thereafter 5.0% was assumed. General inflation is assumed to be 3.0% per year.

Horry County has not established a trust fund for GASB 45 funding therefore, there is no separate audit report available.

SBHS:

In the July 1, 2009, actuarial valuation, a discount rate of 4.5% was used for the estimated long-term investment yield on the investments, and turnover rates are in accordance with the Alternative Measurement Method. The per capita claims cost and insurance trend inflation assumptions were obtained from the June 30, 2008 Actuarial GASB 45 Valuation Report for the State of South Carolina Retiree Health Care Plan and adjusted to 2010.

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### **Note 14. Employee Benefit Plans (continued)**

#### HCSWA:

In the June 30, 2010, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included 4.5% rate of investment return and an annual health care cost trend rate of 7.3% initially, reduced to an ultimate rate of 4.5% after thirteen years. Both rates included a 3.0% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value over a five-year period. The UAAL is being amortized as a level percent of active member payroll over a thirty-year period on a closed basis.

### **Note 15. Segment Information**

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

The Department of Airports Enterprise Fund is responsible for operation, maintenance and development of the County's Airport System - including Conway, Grand Strand, and Loris general aviation airports and the Myrtle Beach International Airport (MBIA). The County's discretely presented component units HCSWA and SBHS were created by the County to develop and implement a solid waste disposal and resource recovery/recycling system and to provide services to reduce the negative health, social and economic consequences resulting from the use of alcohol and other drugs, for the County, respectively. Disaggregated information of the component units is presented in the basic financial statements.

#### Major Customers and Economic Condition - Department of Airports

Significant airline revenues, leases concessions and rental car activities generate approximately 73% of the Airport's revenues or just over \$13.6 million of \$18.6 million net operating revenue. Signatory Airlines generate \$3.9 million in revenue after surcharges.

Rates and charges of Signatory Airlines, which serve MYR, represented 21% in fiscal year 2011 and 22% in fiscal year 2010, of the total operating revenues reported for MYR. Of the leading Signatory Airline carriers, Spirit Airlines represents 44% of the airline traffic, U.S. Airways represents 23%, Delta Airlines 17%, United Airlines 2%, and Direct Air 9%.

US Airways, Spirit Airlines, United Airlines, and Delta Airlines are currently Signatory airlines. Direct Air is a signatory indirect air carrier.

For the year ended June 30, 2011, two customers make up approximately 46% of the accounts receivable balance. For year ended June 30, 2010, three customers made up approximately 69% of the accounts receivable balance.

#### Aviation Trust Funds - Due From Other Governments

Pursuant to certain agreements with the Federal Aviation Administration (FAA), the City of Myrtle Beach, South Carolina maintains an Airport Trust Fund which holds resources received from leases of certain parcels of property near the Myrtle Beach International Airport. Funds are to be made available for Airport purposes through agreement with the FAA. In April 2004, the parties reached a new agreement through which the Airport received \$2,000,000 from the fund January 1, 2005. Beginning in 2005, and continuing each and every year thereafter, all lease proceeds received by the City shall be promptly, automatically and unconditionally divided between the bodies whereby Horry County shall receive 75% of the proceeds and the City of Myrtle Beach shall receive 25%. As part of the agreement, the Airport is required to spend \$6 million on Harrelson Blvd (a road that runs near the Airport). The Airport recognized \$2,102,222 and \$2,028,157, in non-operating revenues for funds received from this trust fund during the years ended June 30, 2011 and 2010, respectively.

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### **Note 16. Joint Enterprise - Baseball Stadium**

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

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

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

Pursuant to a Hospitality Fee Agreement, dated September 1, 1998, between the County and the City of Myrtle Beach, South Carolina, the County agreed to make payments of an amount equal to 30% of the required debt service requirements of the Certificates. The County's proportionate debt service payments shall be made solely from amounts derived by the County's special revenue fund portion of the County 1% Hospitality Fee and shall not be deemed to be general obligations of the County or payable from the road fund portion of the County's 1.5% Hospitality Fee, or from any other source of revenues, fees, or taxes.

As security for its obligation to make payments under the Hospitality Fee Agreement, the County has pledged and granted a security interest in the County Hospitality Fees 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 is shown as part of the committed fund balance in the Special Obligation Debt Service Fund.

While the stadium is under joint control by the City and County, no separate entity or organization of the baseball stadium exists as of June 30, 2011. Accordingly, the County has reported activities in the baseball stadium as a special revenue fund. Separate financial statements of the baseball stadium are presently not available.

### **Note 17. Intergovernmental Agreements - RIDE Projects**

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

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

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### **Note 17. Intergovernmental Agreements - RIDE Projects (continued)**

These agreements are summarized as follows:

#### **Intergovernmental Agreement #1- dated March 10, 1998 (as amended)**

As amended, SIB agreed to make one or more loans available to Horry County totaling up to \$545 million for Table 1 projects of the RIDE application.

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

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

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

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

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

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

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

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

As amended, SIB agreed to fund Table 3 projects of the RIDE application by way of loans of up to \$199.4 million to Horry County for Table 3 projects, and an additional \$48.2 million loan for Table 1 projects in the RIDE plan, all secured by payments from Horry County.

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### **Note 17. Intergovernmental Agreements - RIDE Projects (continued)**

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

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

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

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

#### **Amendment to Master Loan Agreement**

Pursuant to an amendment to the Master Loan Agreement (dated April 27, 1999), SIB agreed to provide for \$95 million additional loans to Horry County for Phase II of the Conway Bypass Project in Table 1. SIB's agreement to loan Horry County the additional \$95 million under IGA #1 for the Conway Bypass Project increase requires SCDOT to repay the \$95 million loan for Horry County in its entirety.

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

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

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### **Note 17. Intergovernmental Agreements – RIDE Projects (continued)**

#### Term of Agreement and Contribution by Horry

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

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

#### Amendments to Previous Agreements

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

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

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

This agreement was paid in full on May 29, 2009.

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

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### **Note 18. Commitments and Contingencies**

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

The discretely presented component unit HCSWA is also a defendant in various lawsuits. The outcome of the lawsuits is not presently determinable; however HCSWA's management does not believe the settlement of these matters will have a material effect on its financial condition.

#### **Federal and State Assisted Programs**

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

#### **Commitments**

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

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

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

In April of 2009, the County had a significant wildfire that destroyed over 19,600 acres of land and 76 homes. Horry County received a Presidential Declaration for this devastating event. The county applied for and was provided a grant award under the Fire Management Assistance Grant, the total documented costs under this grant award was \$854,018 and a receivable has been recorded at June 30, 2011 for \$568,715.



# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### **Note 18. Commitments and Contingencies (continued)**

The County had \$7,605,894 in encumbrances at 6/30/11 for the General Capital Improvements Project Fund. These encumbrances primarily related to the capital projects of the Detention Center Expansion and Renovation, Horry County Museum, Recreation Center and two Library projects. The County also had significant encumbrances related to the Capital Project Sales Tax of \$10,558,932. These are a result of the repaving, resurfacing and road expansion projects funded by the one cent capital road sales tax. The CDBG Grant Program Special Revenue Fund had \$910,938 of encumbrances at June 30, 2011.

In June 2011, the County entered into an agreement with Bank of America to resolve certain service charges/fees for banking services rendered per RFP 2004-05-06. This agreement allows Bank of America to place a hold on available funds in County's central bank account equal to the amount Bank of America states is the amount owed for these services. As of August 31, 2011 this amount was \$665,137.80. By placing this hold on the account, Bank of America has guaranteed that the earnings credit rate calculated on the balance will not go below thirty-five (.35%) basis points. In the event, there are banking fees due and owing after April 1, 2013 but are not paid monthly in the ordinary course via compensating balances and the related earnings credit on the County's central account hold then Bank of America can debit the County's account for these outstanding fees.

Grants - During the year ended June 30, 2011, the Airport received grants from the FAA and TSA to fund certain improvements and expansions. In connection with these grants, the Airport is obligated to administer the program and spend the grant monies in accordance with regulatory restrictions and is subject to audit by the grantor agency. In the event of noncompliance, the agency may require the Airport to refund program awards.

### **Note 19. Risk Management**

The County and its component units are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers compensation; and natural disasters for which commercial insurance is carried. The County and its component units carry commercial insurance to cover all losses, excluding vehicle comprehensive and collision coverage and including workers' compensation. During the year ended June 30, 2011, 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 four (4) years.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 20. Reconciliation of Government-Wide and Fund Financial Statements**

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

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

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

Capital assets	777,419,779
Less, accumulated depreciation	<u>(113,985,736)</u>
Net amount reported	<u><u>663,434,043</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	5,952,105
Accommodations Tax	726,745
Capital Project Sales Tax	<u>12,157,503</u>
Net amount reported	<u><u>18,836,353</u></u>

*Other long term assets are not available to pay for current period expenditures and, therefore, are deferred in the fund.*

Deferred charges, net	2,460,120
Unamortized bond premium	<u>(2,300,371)</u>
Net amount reported	<u><u>159,749</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.*

25,883,826

*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	(1,921,312)
Long-term bond and other obligations	<u>(455,460,793)</u>
Less: Net present value adjustment of RIDE loans	<u>8,530,728</u>
Net amount reported	<u><u>(448,851,377)</u></u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

B. Explanation of differences between the governmental statement of revenues, expenses and 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	41,161,878
Assets transferred to Internal Service Fund	(6,256,754)
Assets transferred to SCDOT	(14,649,699)
Depreciation expense	<u>(13,185,125)</u>
Net amount reported	<u><u>7,070,300</u></u>

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

Property taxes, capital project sales tax & Accommodations tax	146,378
Donation of capital assets	<u>1,280,000</u>
Net amount reported	<u><u>1,426,378</u></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.*

Net post employment benefit obligation	(4,506,430)
Change in accrued interest expense	985,190
Accrued compensated absences	<u>(247,601)</u>
Net amount reported	<u><u>(3,768,841)</u></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*

Principal repayments of long-term debt and other related costs	<u>31,128,000</u>
Net amount reported	<u><u>31,128,000</u></u>

*The net revenue and transfer of fund balance of certain activities of internal service funds reported with governmental activities.*

11,511,760

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### Note 21. New Accounting Pronouncements

In August of 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other non-pension benefits. The Statement generally requires that state and local governmental employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. The provisions of Statement 45 may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded actuarial liability is required to be amortized over future periods. This Statement, which was effective for the County for the year ended June 30, 2008, has a resulting government-wide liability stated of \$19,672,757 as of June 30, 2011.

In July of 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents, and trademarks. This statement is effective for periods after June 15, 2009. The County did not report retrospectively on internally generated software. As of June 30, 2011, this Statement impacted the County's financial statements \$20,000 for copyrights and \$387,000 for internally generated software.

In February of 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes new categories for reporting fund balance and revises the definitions for governmental fund types. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2010. The County implemented GASB 54 with June 30, 2011 reporting and recatergorized June 30, 2010 fund balances for comparative reporting purposes. With the implementation of GASB 34 and the new definition for Special Revenue Funds, the County eliminated three previously reported Special Revenue Funds. They are: Hospitality 1.0%, Hospitality 1.5% and Local Accommodations. These revenues are recorded directly to the funds they benefit.

In June of 2010, the GASB issued Statement No. 59, *Financial Instruments: Omnibus*. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. The Statement is effective for financial statements prepared by state and local governments for periods beginning after June 15, 2010, with earlier application encouraged. This Statement did not have an impact on the County's financial statements.

In November of 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement establishes accounting and financial reporting guidance for service concession arrangements (SCA), which are a type of public-private or public-public partnership. These SCA's may include payments from the operator to the government for the right to build, operate or collect user fees on infrastructure or other public assets and provide for revenue sharing between the government and the operator during the term of the arrangement. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2011. This Statement will not have an impact on the County's financial statements.

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### **Note 21. New Accounting Pronouncements (continued)**

In November of 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34*. This Statement is to improve financial reporting for a governmental financial reporting entity. This statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity and financial reporting entity display and disclosure requirements. This statement also amends the criteria for reporting component units as if they were part of the primary government (blended component units) in certain circumstances. For component units that are currently blended based on the “substantively the same governing body” criterion, it additionally requires that 1) the primary government and the component unit have a financial benefit or burden relationship or 2) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2012. This Statement is not expected to have an impact on the County’s financial statements.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

- 1) Financial Accounting Standards Board (FASB) Statement and Interpretations
- 2) Accounting Principles Board Opinions
- 3) Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. State and local governments enter into transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods; resulting in deferred inflows or deferred outflows. Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. This statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2011.

In June 2011, the GASB issues Statement No. 64, *Derivative instruments: Application of Hedge Accounting Termination Provisions*. This statement is to enhance the comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty’s credit support provider, is replaced. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2011.

# HORRY COUNTY, SOUTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS

### **Note 22. Extraordinary items**

At the end of March 2011, Horry County signed a settlement agreement with 14 online travel companies and their affiliates over accommodation taxes paid on hotel rooms rented in Horry County. The online hotel booking sites agreed to pay Horry County \$1,716,000. This amount was reduced by fees incurred by the County, therefore the net amount recorded in the General Fund as an extraordinary item is \$1,119,857.

The settlement is intended to compromise disputed claims, however the defendants are not admitting any liability for any taxes claimed in the pending lawsuit and any payments made by the defendants are not for the purpose of paying past or future taxes. Horry County is also not admitting that hotel accommodation taxes were not due in the pending lawsuit or for the past or future. Both parties have agreed to enter into the settlement in order to put to rest the uncertainty and expense of continued litigation.

The defendants include Hotels.com, L.P., Hotels.com GP, Hotwire, Inc., Expedia, Inc., Trip Network, Inc. (d/b/a Cheap Tickets.com), Travelport Americas LLC (f/k/a Travelport, Inc. (f/k/a Cendant Travel Distribution Services Group Inc.)), Internetwork Publishing Corp. (d/b/a Lodging.com), Lowestfare.com, Incorporated, Orbitz LLC, priceline.com, Incorporated, Site59.com, LLC, Travelocity.com L.P., TravelNow.com, Inc., and Travelweb LLC.

The county charges three percent in local accommodations taxes and gets a share of the state's two percent accommodations tax. The accommodation tax money is used on tourism related expenses such as beach renourishment, police beach services, festivals and events.

### **Note 23. Subsequent Events**

On August 10, 2011, the County received a reimbursement from FEMA in the amount of \$568,715 as it related to the wildfire receivable as of June 30, 2011 (see note 18).

On September 20, 2011, the County Council approved Ordinance 56-11 and 57-11 for refunding the 2004A General Obligation Fire Bonds not to exceed \$7.1 million and the 2004B General Obligation Bonds not to exceed \$2.2 million. These bonds settled November 8, 2011 and result in a total cash flow savings of \$622,908.

### **Department of Airports**

On October 28, 2011, the Airport sold two parcels of land at the Grand Strand Airport. The first parcel (Parcel 5 - TMS: 156-02-01-060) consisting of 2.13 acres sold for \$2 million. The second parcel (Parcel 4 - TMS: 156-02-01-001) consisting of 0.59 acres sold for \$55,000.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

**Note 24. Restatement of Fund Balance**

The County transferred from the Governmental Capital Assets \$6,256,754 of heavy equipment to the Fleet Service Internal Service Fund. This is a result of implementation of a heavy equipment replacement program by the County. There is no effect on the Government-Wide Statement of Net Assets or Statement of Activities.

The following table indicates the effect of this reclassification on the County's financial statements as of July 1, 2010:

Fund Financial Statements:

The following is the restatement of Statement of Revenues, Expenses and Changes in Net Assets for Fleet Internal Service Fund:

Net assets reported at July 1, 2010	\$14,372,066
Prior Period Adjustment transfer of capital assets to Fleet Service	6,256,754
Effect of fund reclassification on the County's financial statements	<u>-</u>
Restated balance at July 1, 2010	<u>\$20,628,820</u>

HORRY COUNTY, SOUTH CAROLINA



REQUIRED SUPPLEMENTARY INFORMATION

HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENT'S THAT USE A BASIS  
OF ACCOUNTING THAT DIFFERS FROM GAAP

FOR THE YEAR ENDED JUNE 30, 2011

**A. Basis of Budgeting**

The policy established by the County with respect to the Budget is substantially the same as GAAP, with one exception. The County's budget basis accounting differs from GAAP in accounting for capital lease financing transactions. For budgetary basis accounting, these transactions are not recorded as other financing sources when funded and expenditures when the equipment is acquired, as required by GAAP.

However, there is no difference in fund balance because of this, thus the County considers its budget to be GAAP basis.

HORRY COUNTY, SOUTH CAROLINA  
 BUDGETARY COMPARISON SCHEDULES  
 GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2011  
 (with comparative actual amounts for for the year ended June 30, 2010)

	2011				2010
	Budget		Actual Amounts	Variance Positive (Negative)	Actual
	Original	Final			
<b>Revenues</b>					
Real property taxes	\$ 63,118,525	\$ 63,118,525	\$ 63,835,992	\$ 717,467	\$ 64,898,806
Personal property taxes	5,419,425	5,419,425	4,848,416	(571,009)	5,420,327
Vehicle taxes	4,250,000	4,250,000	4,114,530	(135,470)	4,242,582
Intergovernmental	10,970,660	11,233,923	11,648,370	414,447	12,458,256
Fees and fines	18,859,819	20,767,088	21,711,410	944,322	18,949,957
Documentary stamps	2,630,000	2,630,000	2,305,261	(324,739)	2,469,372
License and permits	6,608,211	6,608,211	6,272,169	(336,042)	6,571,842
Interest on investments	666,309	679,159	139,356	(539,803)	424,249
Cost allocation	2,985,856	2,985,856	3,054,482	68,626	3,077,421
Other	3,564,075	3,360,212	2,922,254	(437,958)	3,047,133
<b>Total revenues</b>	<b>119,072,880</b>	<b>121,052,399</b>	<b>120,852,240</b>	<b>(200,159)</b>	<b>121,559,946</b>
<b>Expenditures</b>					
General Government:					
County Council	1,586,279	2,000,998	1,398,299	602,699	1,363,301
County Administrator	745,193	578,977	448,207	130,770	376,101
Administration Division	173,710	173,710	163,460	10,250	163,439
Finance	1,212,108	997,860	941,719	56,141	1,041,326
Department Overhead	2,854,526	5,012,294	3,311,248	1,701,046	3,346,730
Human Resources	1,113,590	1,186,183	1,037,784	148,399	967,980
Procurement	371,202	371,202	318,621	52,581	298,422
IT/GIS	6,185,025	6,944,913	6,858,534	86,379	6,637,922
Assessor	3,063,767	3,063,767	2,885,761	178,006	2,914,483
Assessor Appeals Board	20,529	20,529	2,999	17,530	3,259
Registrar of Deeds	1,035,398	1,035,398	1,002,646	32,752	1,041,454
Maintenance	4,471,003	4,486,635	4,038,473	448,162	3,918,044
Voter Registration and Election	503,229	553,679	465,365	88,314	458,284
Public Information	298,681	300,114	252,518	47,596	290,120
Budget and Revenue Management	183,428	184,063	183,356	707	177,115
Treasurer	1,745,418	1,804,767	1,810,446	(5,679)	1,752,312
Auditor	1,415,172	1,415,316	1,362,541	52,775	1,393,499
Records Retention	218,875	-	-	-	200,074
Probate Judge	881,948	881,948	865,287	16,661	878,451
Master-in-equity	319,779	400,145	400,144	1	280,804
Legal	844,389	745,654	535,435	210,219	644,914
Grant Administration	429,827	351,058	89,382	261,676	117,384
Delegation	98,879	99,125	97,852	1,273	97,948
Hospitality	287,413	265,201	265,198	3	284,028
Business License	209,286	209,250	209,243	7	199,574
<b>Total</b>	<b>30,268,654</b>	<b>33,082,786</b>	<b>28,944,518</b>	<b>4,138,268</b>	<b>28,846,968</b>
Less, capital outlay	(96,000)	(191,324)	(167,532)	(23,792)	(850,913)
<b>Net general government</b>	<b>30,172,654</b>	<b>32,891,462</b>	<b>28,776,986</b>	<b>4,114,476</b>	<b>27,996,055</b>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

- CONTINUED -

	2011			2010	
	Budget		Actual Amounts	Variance Positive (Negative)	Actual
	Original	Final			
Public Safety:					
Solicitor	5,371,547	5,371,547	5,258,167	113,380	5,001,085
Public Defender	1,440,345	1,475,812	1,486,165	(10,353)	1,558,711
Clerk of Court - Circuit DSS Family	2,419,719	2,420,115	2,489,693	(69,578)	2,460,366
Magistrate No. 1 Conway	271,876	271,876	263,944	7,932	269,398
Magistrate No. 2 Aynor	195,295	196,135	122,043	74,092	184,844
Magistrate No. 4 Mt. Olive	200,242	200,684	198,475	2,209	199,722
Magistrate No. 5 Loris	187,757	188,817	184,128	4,689	180,214
Magistrate No. 6 Myrtle Beach	332,584	332,674	320,940	11,734	308,829
Magistrate No. 7 Steven Cross Road	200,507	200,905	203,532	(2,627)	197,775
Magistrate No. 11 Surfside	177,773	177,773	177,636	137	176,369
Magistrate at Large No. 1	107,811	109,161	110,899	(1,738)	108,060
Magistrate at Large No. 2	359,941	359,941	361,422	(1,481)	365,784
Central Summary Court	534,417	567,460	508,225	59,235	323,858
Central Jury Court	-	-	(42)	42	187,590
800 MHZ Rebanding	1,399,509	1,921,656	1,940,842	(19,186)	193,685
Assistant County Administrator	311,724	488,089	487,056	1,033	355,072
Sheriff	3,010,296	3,013,345	3,138,158	(124,813)	3,132,423
Police	19,207,828	18,896,580	18,282,897	613,683	18,262,524
Central Processing - DSS	64,088	64,088	64,074	14	63,720
Emergency Preparedness	395,098	397,395	381,363	16,032	388,695
Emergency 911 Communications	2,646,741	2,543,258	2,541,735	1,523	3,341,045
Coroner	704,359	704,359	671,152	33,207	662,106
Detention Center	20,709,318	20,228,349	19,611,364	616,985	16,961,135
Emergency Medical Services	13,947,972	14,030,931	13,678,669	352,262	13,672,972
Beach Front Program	-	-	-	-	46,955
Animal Care Center	895,533	911,222	881,690	29,532	751,182
Pre-trial Intervention	635,766	635,766	522,772	112,994	559,420
Total	75,728,046	75,707,938	73,886,999	1,820,939	69,913,539
Less, capital outlay	(967,322)	(380,825)	(349,721)	(31,104)	(147,078)
Net public safety	74,760,724	75,327,113	73,537,278	1,789,835	69,766,461

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

- CONTINUED -

	2011			2010	
	Budget		Actual Amounts	Variance Positive (Negative)	Actual
	Original	Final			
<b>Expenditures (continued)</b>					
Infrastructure and Regulation:					
Assistant County Administrator	255,307	292,083	226,305	65,778	238,571
County Engineer	1,258,734	1,313,729	1,182,915	130,814	1,259,790
Public Works	7,430,352	8,117,733	7,185,322	932,411	5,725,305
Codes Enforcement	2,807,469	2,807,469	2,459,906	347,563	2,659,078
Planning	1,723,463	1,624,927	1,541,807	83,120	1,678,392
Total	13,475,325	14,155,941	12,596,255	1,559,686	11,561,136
Less, capital outlay	-	(566,283)	(551,090)	(15,193)	-
Net infrastructure and regulation	13,475,325	13,589,658	12,045,165	1,544,493	11,561,136
Health and Social Services:					
Medically Indigent Assistance Program	1,186,873	1,186,873	1,186,562	311	1,164,616
Health Department	150,000	150,000	121,677	28,323	127,645
Department of Social Services	113,295	113,295	73,132	40,163	66,753
Veteran Affairs	212,254	212,826	206,391	6,435	149,927
Total	1,662,422	1,662,994	1,587,762	75,232	1,508,941
Net health and social services	1,662,422	1,662,994	1,587,762	75,232	1,508,941
Culture, Recreation, and Tourism:					
Library	3,621,371	3,622,693	3,211,257	411,436	3,292,405
Museum	381,062	381,062	324,480	56,582	304,487
Total	4,002,433	4,003,755	3,535,737	468,018	3,596,892
Net culture, recreation and tourism	4,002,433	4,003,755	3,535,737	468,018	3,596,892
Other:					
Other Agencies:	44,308	44,308	44,308	-	44,308
Total other	44,308	44,308	44,308	-	44,308
Capital outlay	1,063,322	1,138,432	1,068,343	70,089	997,991
Total expenditures	125,181,188	128,657,722	120,595,579	8,062,143	115,471,784
Excess of revenues over expenditures	(6,108,308)	(7,605,323)	256,661	7,861,984	6,088,162
<b>Other Financial Sources (Uses)</b>					
Sale of assets	72,500	72,500	88,581	16,081	76,862
Lease Financing	-	1,100,000	1,090,746	(9,254)	580,378
Transfers in	5,310,076	4,777,951	4,777,952	1	3,790,266
Transfers out	(4,226,785)	(7,007,694)	(7,032,778)	(25,084)	(4,596,501)
Total other financing sources (uses)	1,155,791	(1,057,243)	(1,075,499)	(18,256)	(148,995)
Extraordinary item	-	-	1,119,857	1,119,857	-
Net change in fund balance	(4,952,517)	(8,662,566)	301,019	8,963,585	5,939,167
Fund balance at beginning of year	36,762,865	36,762,865	36,762,865	-	30,823,698
Fund balance at end of year	<u>\$ 31,810,348</u>	<u>\$ 28,100,299</u>	<u>\$ 37,063,884</u>	<u>\$ 8,963,585</u>	<u>\$ 36,762,865</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2011

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

Horry County's road system consists of approximately 51.00% paved roads and 49.00% unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. Horry County implemented a Pavement Management System (MicroPAVER) on July 1, 2010 in an effort to better assess the paved road network in the County. The pavement management system uses a measurement scale called a Pavement Condition Index (PCI) to rate road condition and the PCI is correlated to the 1-5 condition ranking. Each road is ranked from 1 for failed pavement to 5 for a pavement in perfect condition. The condition index is used to classify roads in good or better condition (rating 4 or 5), fair condition (rating 3), and substandard condition (rating 1 or 2). It is the County's goal to maintain at least 70 percent of its paved road system at fair or better condition level. No more than 30 percent should be in a substandard condition. Condition assessments are completed every year.

The County created a long-term road improvement program that had been paving at least 16 miles of dirt roads per year from FY04 through FY08. In FY09, as a result of an expected revenue shortfall, this was decreased to 14.5 miles and in FY10 it was further reduced to 9.7 miles per year. Due to continued revenue shortfalls, it has been further reduced to 8.9 miles in FY 11 and 9 miles in FY 12 (which includes 1 mile funded by the County Transportation Committee (CTC)). As the County dirt roads are paved, they become part of the County's paved road network and are added to the new MicroPaver pavement management system.

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

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

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

1) Horry County has experienced tremendous growth which has resulted in the growth of our paved road network by over 73.36% since FY 2005.

2) The current economic conditions, as well as County Council's shifting \$1,750,000 in revenue out of Road Fund (34) has resulted in a reduction in the road improvement fund. This loss of revenue has reduced the paving and resurfacing programs.

3) In May 2007, a one-cent sales tax was passed and is dedicated to specific road projects, included is the paving of 100 miles of dirt roads and the resurfacing of 67 miles of County maintained roads over a 7 year period.

\*4) As stated above, Horry County implemented a MicroPAVER Pavement Management System on July 1, 2010. Each paved road has been inspected and ranked based on it's condition using the PCI (Pavement Condition Index). This program is much more accurate when determining the networks condition because each paved road is visited annually and rated. Since the new Pavement Management Program utilizes a PCI the figures & condition ratings for FY 11 do not correlate to previous numbers. The maintenance costs needed for roads in substandard condition decreased \$5,267,831 primarily due to the new program to \$4,198,390 at June 30, 2011.

5) In FY09 County Council increased the road maintenance fee by \$10.00 and dedicated it to the resurfacing program.

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

	Percentage of Miles in Fair or Better Condition		
	Condition		
	2011*	2010	2009
Arterial	81.1%	57.1%	64.1%
Collector	72.8%	61.1%	66.6%
Access	85.7%	61.7%	65.6%
Overall system	84.4%	60.0%	65.6%

	Percentage of Miles in Substandard Condition		
	Condition		
	2011*	2010	2009
Arterial	18.9%	42.9%	35.9%
Collector	27.2%	38.9%	33.4%
Access	14.3%	38.3%	34.4%
Overall System	15.6%	40.0%	34.4%

\* Note 4 above

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2011

- CONTINUED -

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

	<b>Comparison of Needed-To-Actual Maintenance/Preservation</b>				
	2011*	2010	2009	2008	2007
Arterial:					
Needed	\$ 165,965	\$ 376,530	\$ 304,911	\$ 225,145	\$ 206,555
Actual	-	10,721	84,912	205,436	-
Collector:					
Needed	779,027	1,050,433	871,842	833,136	816,000
Actual	158,357	6,158	147,800	102,718	56,821
Access:					
Needed	3,253,398	8,039,258	6,716,057	5,366,741	4,941,750
Actual	1,728,335	1,345,558	1,231,778	1,558,480	184,055
Overall System:					
Needed	4,198,390	9,466,221	7,892,810	6,425,022	5,964,305
Actual	1,799,418	1,362,437	1,464,490	1,866,634	240,876
Difference	\$ 2,398,972	\$ 8,103,784	\$ 6,428,320	\$ 4,558,388	\$ 5,723,429

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

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

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

The Airport developed a Pavement Management and Maintenance Study (PMMS) in 2000 and again in 2010. The basis for the condition measurement of airfield systems using the Pavement Condition Index (PCI) are distresses found in the pavement surfaces. The airport has a PMMS completed periodically (5-10 years) or as required by the FAA.

The PCI scale used to assess and report conditions ranges from zero for a failed pavement to 100 for a pavement in new or excellent condition. Generally, ratings 71 and above require only routine preventative maintenance. Pavement ratings of 41-70 typically require major rehabilitation. Pavements with PCI values of below 40 require major reconstruction.

The Airport is obligated by the FAA to maintain a current ALP for its airports. Additionally, the basis for the condition measurement of airfield-related runways, taxiways, aprons, etc. systems is based on the Airports' Master Plan which is periodically updated as part of the FAA required Airport Layout Plan (ALP).

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR END JUNE 30, 2011

- CONTINUED -

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

In 2009, the Weighted PCI Value for MYR was found to be 65, illustrating the fact that the majority of pavement at MYR was in need of Rehabilitation. The airport's goal is a Weighted PCI greater than 71. In 2000, the Weighted PCI for the airport was a 76 exceeding the airport's goal of greater than 71.

The following table represents the estimated and actual maintenance costs of the MYR pavement infrastructure. During the past five years, maintenance and preservation of the infrastructure have been undertaken to prevent further deterioration of pavement condition while the airport develops a comprehensive program to raise the average PCI to a level of 71 or greater. HCDA is currently in the planning and Grant Pre-Application stages for the proposed \$15 Million Rehabilitation of the MYR Runway which should greatly increase the average PCI for MYR.

Fiscal year ended June 30,	Estimated Cost of Maintenance	Actual Cost of Maintenance
2011	\$44,000	\$54,600
2010	\$50,000	\$43,500
2009	\$54,000	\$56,700
2008	\$62,000	\$41,500
2007	\$47,000	\$37,900

From 2008 to today, the following pavement improvements to increase the capacity of the taxiways and ramps have taken place. While these projects have increased the capacity of the airfield system, they will also have a positive impact by increasing the weighted PCI:

- **MYR South Ramp Expansion (\$3.6M)** - This project expanded the MYR commercial ramp size by nearly 50% in order to accommodate additional aircraft and the new terminal.
- **MYR "B-2" (\$2.8M)** - This project included the construction of a new taxiway in order to general aviation and charter aircraft faster access to and from the runway.
- **MYR Expansion of Taxiway "A" (\$5M)** - In order to expand the existing Ramp for the proposed New Terminal, Taxiway "A" was expanded.



HORRY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENT  
SCHEDULE OF FUNDING PROGRESS OTHER  
POST EMPLOYMENT BENEFITS PLAN

FOR THE YEAR END JUNE 30, 2011

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost	Net OPEB Obligation
2008	\$5,510,608	6.71%	\$5,140,807
2009	\$5,692,932	7.52%	\$10,405,564
2010	\$5,425,242	14.62%	\$15,037,859
2011	\$5,602,291	17.27%	\$19,672,757

**Funded status and Funding Progress**

The funded status of the plan as of June 30, 2011 was as follows:

	Actuarial valuation date	Actuarial value of plan assets (a)	Actuarial accrued liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll
General	6/30/2008	\$0	\$30,307,044	\$30,307,044	0.00%	\$38,989,986	77.73%
Police	6/30/2008	\$0	\$17,983,147	\$17,983,147	0.00%	\$30,483,561	58.99%
Airport	6/30/2008	\$0	\$1,151,637	\$1,151,637	0.00%	\$4,349,632	26.48%
General	6/30/2009	\$0	\$33,737,013	\$33,737,013	0.00%	\$36,659,940	92.03%
Police	6/30/2009	\$0	\$21,214,682	\$21,214,682	0.00%	\$33,011,365	64.26%
Airport	6/30/2009	\$0	\$1,366,632	\$1,366,632	0.00%	\$4,338,620	31.50%
General	6/30/2010	\$0	\$28,891,592	\$28,891,592	0.00%	\$39,413,411	73.30%
Police	6/30/2010	\$0	\$19,629,760	\$19,629,760	0.00%	\$35,285,743	55.63%
Airport	6/30/2010	\$0	\$1,135,710	\$1,135,710	0.00%	\$4,202,436	27.03%
General	6/30/2011	\$0	\$31,626,672	\$31,626,672	0.00%	\$39,864,688	79.34%
Police	6/30/2011	\$0	\$21,695,771	\$21,695,771	0.00%	\$36,307,295	59.76%
Airport	6/30/2011	\$0	\$1,257,921	\$1,257,921	0.00%	\$4,465,721	28.17%

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, 2011

	<b>Non-Major Special Revenue</b>	<b>Non-Major Capital Improvement</b>	<b>Non-Major Debt Service Funds</b>	<b>Total Non- Major Governmental</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 100	\$ -	\$ -	\$ 100
Pooled cash and investments	39,764,203	269,471	16,730,649	56,764,323
Receivables, net:				
Property taxes	1,372,063	-	713,947	2,086,010
Accounts and other	99,361	-	-	99,361
Fees	1,360,625	-	-	1,360,625
Interest receivable	60,960	329	24,408	85,697
Due from other funds	94,161	-	-	94,161
Due from other governments	4,086,021	-	-	4,086,021
Prepaid items	24,027	-	-	24,027
Restricted assets	101,268	-	203,902	305,170
<b>Total Assets</b>	<b>\$ 46,962,789</b>	<b>\$ 269,800</b>	<b>\$ 17,672,906</b>	<b>\$ 64,905,495</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable - trade	\$ 2,002,062	\$ -	\$ 800	\$ 2,002,862
Retainage payable	5,288	-	-	5,288
Accrued salaries and wages	490,628	-	-	490,628
Due to other funds	936,555	-	-	936,555
Due to other governments	45,500	-	-	45,500
Due to component units	867,579	-	-	867,579
Deferred revenue	2,453,313	-	612,137	3,065,450
Other liabilities	51	-	-	51
<b>Total liabilities</b>	<b>6,800,976</b>	<b>-</b>	<b>612,937</b>	<b>7,413,913</b>
Fund Balances:				
Nonspendable	24,027	-	-	24,027
Restricted for public safety	6,775,979	-	-	6,775,979
Restricted for culture, recreation and tourism	6,580,639	92,578	-	6,673,217
Restricted for infrastructure and regulation	22,632,371	177,222	-	22,809,593
Restricted for economic development	1,550,208	-	-	1,550,208
Restricted for health and social services	35,010	-	-	35,010
Restricted for debt service	-	-	17,059,969	17,059,969
Committed to public safety	505,106	-	-	505,106
Committed to culture, recreation and tourism	228,555	-	-	228,555
Committed to economic development	2,428,446	-	-	2,428,446
Committed to Department of Airports	600,000	-	-	600,000
Unassigned	(1,198,528)	-	-	(1,198,528)
<b>Total fund balances</b>	<b>40,161,813</b>	<b>269,800</b>	<b>17,059,969</b>	<b>57,491,582</b>
<b>Total liabilities and fund balances</b>	<b>\$ 46,962,789</b>	<b>\$ 269,800</b>	<b>\$ 17,672,906</b>	<b>\$ 64,905,495</b>

HORRY COUNTY, SOUTH CAROLINA

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

NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	<b>Non-Major Special Revenue Funds</b>	<b>Non-Major Capital Improvement Funds</b>	<b>Non-Major Debt Service Funds</b>	<b>Total Non- Major Governmental Funds</b>
<b>Revenues</b>				
Real property taxes	\$ 23,251,574	\$ -	\$ 13,062,866	\$ 36,314,440
Personal property taxes	2,157,299	-	1,037,191	3,194,490
Vehicle taxes	2,046,282	-	886,949	2,933,231
Intergovernmental	7,341,666	-	59,545	7,401,211
Accommodations tax	3,666,813	-	-	3,666,813
Fees and fines	13,561,934	-	-	13,561,934
Hospitality fees	2,704,432	-	2,162,241	4,866,673
Local accommodations tax	183,775	-	-	183,775
Interest on investments	126,991	738	180,713	308,442
Other	704,040	72,000	-	776,040
Total revenues	<u>55,744,806</u>	<u>72,738</u>	<u>17,389,505</u>	<u>73,207,049</u>
<b>Expenditures</b>				
Current:				
General government	459,988	-	-	459,988
Public safety	16,984,292	-	-	16,984,292
Infrastructure and regulation	21,864,274	-	-	21,864,274
Health and social services	794,254	-	-	794,254
Culture, recreation and tourism	5,324,102	3,000	-	5,327,102
Economic development	1,422,988	-	-	1,422,988
TECH and Higher Education Commission	-	-	4,740,000	4,740,000
Capital outlay	3,359,389	-	-	3,359,389
Debt service	-	-	16,459,389	16,459,389
Total expenditures	<u>50,209,287</u>	<u>3,000</u>	<u>21,199,389</u>	<u>71,411,676</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,535,519</u>	<u>69,738</u>	<u>(3,809,884)</u>	<u>1,795,373</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	969,829	-	4,964,285	5,934,114
Sale of assets	4,579	-	-	4,579
Transfers out	<u>(11,118,286)</u>	<u>-</u>	<u>-</u>	<u>(11,118,286)</u>
Total other financing sources (uses)	<u>(10,143,878)</u>	<u>-</u>	<u>4,964,285</u>	<u>(5,179,593)</u>
Net change in fund balance	(4,608,359)	69,738	1,154,401	(3,384,220)
Fund balances at beginning of year	44,770,172	200,062	15,905,568	60,875,802
Fund balances at end of year	<u>\$ 40,161,813</u>	<u>\$ 269,800</u>	<u>\$ 17,059,969</u>	<u>\$ 57,491,582</u>

HORRY COUNTY, SOUTH CAROLINA



INDIVIDUAL FUND FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA

## 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

As of June 30, 2011  
(with comparative amounts as of June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,870,993	\$ 3,232,771
Pooled cash and investments	49,013,508	60,444,042
Receivables, net:		
Property taxes	4,187,482	5,317,421
Accounts and other	3,598,907	3,450,984
Interest receivable	77,777	198,909
Due from other governments	2,909,713	2,638,007
Due from other funds	1,673,524	2,089,747
Inventories	35,252	82,549
Prepaid items	1,496,363	2,756,273
Total Assets	<u>\$ 65,863,519</u>	<u>\$ 80,210,703</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 2,339,466	\$ 2,187,949
Accounts payable - other	1,378,047	1,284,613
Due to other governments	2,022,271	2,338,177
Accrued salaries and wages	2,628,660	2,406,844
Due to component unit	102,278	86,102
Accrued compensated absences	12,408	16,681
Due to other funds	59,758	52,966
Proceeds from sales held by Master in Equity	2,251,282	5,693,325
Due to taxpayers for overpayment	1,680,457	6,204,702
Funds held in trust- delinquent taxes	7,414,159	186,225
Funds held in trust- Clerk of Court	-	2,261,536
Other accrued liabilities	3,667,289	14,684,150
Deferred revenues	5,243,560	6,044,568
Total Liabilities	<u>28,799,635</u>	<u>43,447,838</u>
Fund balance:		
Nonspendable	1,531,615	2,838,822
Committed to public safety	39,589	80,834
Committed to culture, recreation and tourism	489,365	424,876
Committed to infrastructure and regulation	520,178	3,282,441
Committed to stabilization	18,744,714	18,668,318
Committed to other purposes	5,598,783	4,952,517
Assigned to OPEB	342,785	342,785
Unassigned	9,796,855	6,172,272
Total fund balance:	<u>37,063,884</u>	<u>36,762,865</u>
Total liabilities and fund balance	<u>\$ 65,863,519</u>	<u>\$ 80,210,703</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE PERIOD JULY 1, 2010 THRU JUNE 30, 2011  
(with comparative actual amounts for period ended June 30, 2010)

	2011		Variance	2010
	Final Budget	Actual	Positive (Negative)	Actual
<b>Revenues</b>				
<u>Property taxes:</u>				
Real property taxes	\$ 63,118,525	\$ 63,835,992	\$ 717,467	\$ 64,898,806
Personal property taxes	5,419,425	4,848,416	(571,009)	5,420,327
Vehicle taxes	4,250,000	4,114,530	(135,470)	4,242,582
Total property taxes	<u>72,787,950</u>	<u>72,798,938</u>	<u>10,988</u>	<u>74,561,715</u>
<u>Intergovernmental:</u>				
Federal grants	727,784	847,474	119,690	762,630
Inventory tax	306,284	306,286	2	306,286
State salary supplements	7,875	7,875	-	7,875
Board of registration	10,005	-	(10,005)	7,550
Veteran affairs	6,930	6,579	(351)	6,579
State shared	7,977,299	8,498,793	521,494	9,022,641
State - Library	223,550	189,403	(34,147)	259,550
Accommodations tax	168,421	217,990	49,569	169,144
Other - state	445,488	476,784	31,296	383,155
Solicitors	895,195	671,999	(223,196)	927,830
Public Defender	376,315	345,003	(31,312)	472,077
Public Defender - Georgetown	88,777	80,184	(8,593)	132,939
Total intergovernmental	<u>11,233,923</u>	<u>11,648,370</u>	<u>414,447</u>	<u>12,458,256</u>
<u>Fees and Fines:</u>				
Planning fees	116,380	85,911	(30,469)	111,636
EMS	6,254,784	6,283,211	28,427	6,305,239
RMC fees	1,890,224	1,865,655	(24,569)	1,868,956
Clerk of Court fees and fines	640,500	755,073	114,573	688,061
Library	88,000	77,597	(10,403)	83,429
Sheriff fines	79,000	76,723	(2,277)	81,074
Family court fees	495,500	475,600	(19,900)	487,274
Probate court fees	662,180	812,146	149,966	654,792
Magistrates' fees and fines	2,591,700	2,657,463	65,763	2,667,741
Prisoner Housing	50,000	46,848	(3,152)	67,886
Health department fees	67,500	69,345	1,845	70,131
Master in Equity fees	2,165,000	2,743,779	578,779	2,802,367
CATV fees	2,310,000	2,397,889	87,889	1,738,661
Beach franchise fees	52,000	51,999	(1)	52,000
Georgetown Solicitor fees	860,996	875,299	14,303	861,791
Local Accommodations Tax	665,259	744,502	79,243	-
Hospitality Fees	984,176	1,162,754	178,578	-
Other	793,889	529,616	(264,273)	408,919
Total fees and fines	<u>20,767,088</u>	<u>21,711,410</u>	<u>944,322</u>	<u>18,949,957</u>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2011		Variance Positive (Negative)	2010
	Final Budget	Actual		Actual
<b>Revenue (continued)</b>				
<u>RMC Documentary Stamps:</u>	<b>2,630,000</b>	<b>2,305,261</b>	<b>(324,739)</b>	2,469,372
<u>Licenses and Permits:</u>				
Business licenses	3,771,311	3,843,609	72,298	3,910,209
Building inspection permits	2,500,000	2,106,250	(393,750)	2,338,830
Other permits	161,900	109,175	(52,725)	129,225
Marriage licenses	175,000	213,135	38,135	193,578
Total licenses and permits	<b>6,608,211</b>	<b>6,272,169</b>	<b>(336,042)</b>	6,571,842
<u>Interest on investments:</u>	<b>679,159</b>	<b>139,356</b>	<b>(539,803)</b>	424,249
<u>Cost allocation:</u>	<b>2,985,856</b>	<b>3,054,482</b>	<b>68,626</b>	3,077,421
<u>Other:</u>				
Casino Boat	1,775,000	1,518,195	(256,805)	1,238,020
Rent	5,400	6,480	1,080	7,400
Other	944,046	876,591	(67,455)	1,243,012
Pre-Trial Intervention	635,766	520,988	(114,778)	558,701
Total other	<b>3,360,212</b>	<b>2,922,254</b>	<b>(437,958)</b>	3,047,133
Total revenue	<b>121,052,399</b>	<b>120,852,240</b>	<b>(200,159)</b>	121,559,946
<b>Expenditures</b>				
<b>Current:</b>				
<u>General Government:</u>				
County Council:				
Personal services	491,279	495,295	(4,016)	491,626
Contractual services	734,048	637,096	96,952	618,144
Supplies and material	604,156	174,771	429,385	188,760
Business and transportation	171,515	91,137	80,378	64,771
Total	<b>2,000,998</b>	<b>1,398,299</b>	<b>602,699</b>	1,363,301
County Administrator:				
Personal services	267,616	262,818	4,798	299,092
Contractual services	180,927	168,459	12,468	62,110
Supplies and material	4,037	3,466	571	1,033
Business and transportation	11,204	10,710	494	11,087
Other	2,779	2,779	-	2,779
Contingency	112,414	(25)	112,439	-
Total	<b>578,977</b>	<b>448,207</b>	<b>130,770</b>	376,101

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2011		Variance Positive (Negative)	2010
	Final Budget	Actual		Actual
<b>Expenditures (continued)</b>				
<u>General Government (cont):</u>				
Assistant County Administrator - Administration:				
Personal services	163,190	160,610	2,580	161,073
Contractual services	6,290	1,140	5,150	1,047
Supplies and material	2,410	784	1,626	426
Business and transportation	1,820	926	894	893
Total	173,710	163,460	10,250	163,439
Finance:				
Personal services	933,053	890,422	42,631	980,196
Contractual services	35,513	25,782	9,731	32,977
Supplies and material	27,649	24,598	3,051	22,593
Business and transportation	1,645	917	728	2,988
Total	997,860	941,719	56,141	1,041,326
Department Overhead:				
Personal services	579,386	579,383	3	573,333
Contractual services	2,042,220	1,960,138	82,082	1,947,414
Supplies and material	821,774	770,677	51,097	823,751
Business and transportation	402,000	1,050	400,950	2,232
Capital outlay	9,254	-	9,254	-
Contingency	1,157,660	-	1,157,660	-
Total	5,012,294	3,311,248	1,701,046	3,346,730
Human Resources/Risk Management:				
Personal services	1,040,769	973,478	67,291	924,559
Contractual services	82,326	22,091	60,235	14,069
Supplies and material	33,032	27,590	5,442	18,340
Business and transportation	14,385	6,557	7,828	4,040
Other	15,671	8,068	7,603	6,972
Total	1,186,183	1,037,784	148,399	967,980
Procurement:				
Personal services	354,526	305,653	48,873	283,746
Contractual services	8,611	5,973	2,638	7,483
Supplies and material	6,566	5,713	853	6,028
Business and transportation	1,499	1,282	217	1,165
Total	371,202	318,621	52,581	298,422
IT/GIS:				
Personal services	2,293,798	2,233,862	59,936	2,125,880
Contractual services	3,048,168	3,042,383	5,785	2,826,695
Supplies and material	229,259	223,072	6,187	214,486
Business and transportation	20,641	19,937	704	20,727
Capital outlay	173,070	159,324	13,746	698,751
Other	1,179,977	1,179,956	21	751,383
Total	6,944,913	6,858,534	86,379	6,637,922

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2011		Variance Positive (Negative)	2010
	Final Budget	Actual		Actual
<b>Expenditures (continued)</b>				
<u>General Government (cont):</u>				
Assessor:				
Personal services	2,902,047	2,784,225	117,822	2,836,765
Contractual services	33,812	20,371	13,441	20,267
Supplies and material	66,683	37,734	28,949	23,036
Business and transportation	35,200	17,605	17,595	15,769
Other	26,025	25,826	199	18,646
Total	3,063,767	2,885,761	178,006	2,914,483
Assessor Appeals Board:				
Personal services	17,999	2,981	15,018	3,179
Contractual services	505	-	505	-
Supplies and material	2,025	18	2,007	80
Total	20,529	2,999	17,530	3,259
Registrar of Deeds:				
Personal services	931,316	923,463	7,853	934,818
Contractual services	45,079	42,918	2,161	51,988
Supplies and material	50,114	27,853	22,261	47,173
Business and transportation	8,889	8,412	477	7,475
Total	1,035,398	1,002,646	32,752	1,041,454
Maintenance:				
Personal services	3,073,050	2,789,472	283,578	2,816,112
Contractual services	456,801	379,938	76,863	333,563
Supplies and material	722,435	677,023	45,412	430,774
Business and transportation	158,364	116,847	41,517	111,321
Capital outlay	9,000	8,208	792	152,162
Other	66,985	66,985	-	74,112
Total	4,486,635	4,038,473	448,162	3,918,044
Voter Registration and Election:				
Personal services	386,238	339,573	46,665	369,811
Contractual services	37,408	19,812	17,596	12,762
Supplies and material	122,350	100,584	21,766	71,131
Business and transportation	4,896	2,609	2,287	2,293
Other	2,787	2,787	-	2,287
Total	553,679	465,365	88,314	458,284
Public Information:				
Personal services	229,601	229,600	1	228,049
Contractual services	29,770	15,573	14,197	40,954
Supplies and material	39,143	6,990	32,153	20,788
Business and transportation	1,600	355	1,245	329
Total	300,114	252,518	47,596	290,120



HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2011		Variance Positive (Negative)	2010
	Final Budget	Actual		Actual
<b>Expenditures (continued)</b>				
<u>General Government (cont):</u>				
Budget and Revenue Management:				
Personal services	177,338	177,337	1	173,508
Supplies and material	3,351	2,787	564	3,397
Business and transportation	3,374	3,232	142	210
Total	184,063	183,356	707	177,115
Treasurer:				
Personal services	1,473,908	1,485,042	(11,134)	1,472,523
Contractual services	151,430	148,636	2,794	102,491
Supplies and material	149,954	148,152	1,802	156,778
Business and transportation	11,724	10,865	859	9,969
Other	17,751	17,751	-	10,551
Total	1,804,767	1,810,446	(5,679)	1,752,312
Auditor:				
Personal services	1,256,028	1,255,762	266	1,278,444
Contractual services	43,258	37,653	5,605	36,845
Supplies and material	97,030	53,204	43,826	63,351
Business and transportation	12,355	9,277	3,078	10,786
Other	6,645	6,645	-	4,073
Total	1,415,316	1,362,541	52,775	1,393,499
Records Retention:				
Personal services	-	-	-	174,637
Contractual services	-	-	-	12,368
Supplies and material	-	-	-	12,028
Business and transportation	-	-	-	1,041
Total	-	-	-	200,074
Probate Judge:				
Personal services	840,168	825,216	14,952	838,260
Contractual services	11,900	10,587	1,313	14,643
Supplies and material	25,569	25,243	326	22,276
Business and transportation	4,311	4,241	70	3,272
Total	881,948	865,287	16,661	878,451
Master -in-Equity:				
Personal services	349,903	351,631	(1,728)	275,030
Contractual services	43,528	42,028	1,500	2,892
Supplies and material	5,869	5,770	99	2,347
Business and transportation	845	715	130	535
Total	400,145	400,144	1	280,804

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2011		Variance Positive (Negative)	2010
	Final Budget	Actual		Actual
<b>Expenditures (continued)</b>				
<u>General Government (cont):</u>				
Legal:				
Personal services	437,604	351,753	85,851	308,279
Contractual services	287,060	173,863	113,197	323,477
Supplies and material	6,490	3,017	3,473	4,338
Business and transportation	14,500	6,802	7,698	8,820
Total	745,654	535,435	210,219	644,914
Grants Administration:				
Personal services	118,064	85,002	33,062	114,887
Contractual services	224,721	638	224,083	3
Supplies and material	5,150	3,742	1,408	2,494
Business and transportation	3,123	-	3,123	-
Total	351,058	89,382	261,676	117,384
Delegation:				
Personal services	97,557	97,557	-	97,363
Contractual services	1,056	149	907	187
Supplies and material	365	-	365	397
Business and transportation	147	146	1	-
Total	99,125	97,852	1,273	97,948
Hospitality:				
Personal services	248,486	248,486	-	257,877
Contractual services	2,780	2,779	1	2,815
Supplies and material	6,047	6,046	1	15,886
Business and transportation	4,436	4,435	1	3,998
Other	3,452	3,452	-	3,452
Total	265,201	265,198	3	284,028
Business License:				
Personal services	193,970	193,969	1	163,437
Contractual services	2,551	2,549	2	25,339
Supplies and material	6,024	6,022	2	5,372
Business and transportation	3,253	3,251	2	1,974
Other	3,452	3,452	-	3,452
Total	209,250	209,243	7	199,574
Total general government	33,082,786	28,944,518	4,138,268	28,846,968

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

Expenditures (continued)	2011		Variance Positive (Negative)	2010
	Final Budget	Actual		Actual
<b>Current:</b>				
<u>Public Safety:</u>				
Solicitor:				
Personal services	2,653,413	2,728,744	(75,331)	2,615,945
Contractual services	150,345	158,051	(7,706)	145,128
Supplies and material	45,470	43,457	2,013	69,801
Business and transportation	48,380	52,607	(4,227)	56,207
Other	45,232	45,232	-	42,886
<b>Total</b>	<b>2,942,840</b>	<b>3,028,091</b>	<b>(85,251)</b>	<b>2,929,967</b>
Solicitor's Drug Enforcement Unit:				
Personal services	195,765	194,452	1,313	-
Contractual services	44,354	44,508	(154)	-
Supplies and material	40,000	40,000	-	-
<b>Total</b>	<b>280,119</b>	<b>278,960</b>	<b>1,159</b>	<b>-</b>
Solicitor's Drug Court:				
Personal services	130,430	135,526	(5,096)	132,271
Contractual services	20,711	16,184	4,527	1,508
Supplies and material	49,606	17,276	32,330	26,370
Business and transportation	6,595	2,310	4,285	4,717
<b>Total</b>	<b>207,342</b>	<b>171,296</b>	<b>36,046</b>	<b>164,866</b>
Solicitor's Worthless Check Unit:				
Personal services	170,303	117,143	53,160	122,347
Contractual services	8,171	6,946	1,225	5,288
Supplies and material	3,781	2,225	1,556	1,972
Business and transportation	2,800	128	2,672	123
<b>Total</b>	<b>185,055</b>	<b>126,442</b>	<b>58,613</b>	<b>129,730</b>
Public Defender:				
Personal services	1,084,164	1,094,607	(10,443)	1,088,693
Contractual services	95,862	99,976	(4,114)	146,521
Supplies and material	23,072	27,389	(4,317)	50,964
Business and transportation	41,158	42,013	(855)	40,679
<b>Total</b>	<b>1,244,256</b>	<b>1,263,985</b>	<b>(19,729)</b>	<b>1,326,857</b>
Public Defender Georgetown:				
Personal services	90,891	83,655	7,236	68,764
Contractual services	133,309	132,603	706	148,552
Supplies and material	6,416	5,028	1,388	11,680
Business and transportation	940	894	46	2,858
<b>Total</b>	<b>231,556</b>	<b>222,180</b>	<b>9,376</b>	<b>231,854</b>
Solicitor Victim Witness Program:				
Personal services	162,187	94,291	67,896	162,994
Supplies and material	2,000	-	2,000	-
Business and transportation	2,000	-	2,000	-
<b>Total</b>	<b>166,187</b>	<b>94,291</b>	<b>71,896</b>	<b>162,994</b>

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

Expenditures (continued)	2011		Variance Positive (Negative)	2010
	Final Budget	Actual		Actual
<b>Current:</b>				
<u>Public Safety:</u>				
Solicitor State Appropriations:				
Personal services	707,008	675,405	31,603	741,612
Contractual services	5,000	1,649	3,351	-
Supplies and material	5,000	2,172	2,828	4,126
Business and transportation	12,000	-	12,000	5,999
Total	729,008	679,226	49,782	751,737
Solicitor Georgetown:				
Personal services	789,241	817,452	(28,211)	786,658
Contractual services	33,118	29,916	3,202	35,827
Supplies and material	24,000	21,749	2,251	23,377
Business and transportation	14,637	10,744	3,893	15,929
Total	860,996	879,861	(18,865)	861,791
Clerk of Court:				
Personal services	1,252,513	1,308,885	(56,372)	1,237,878
Contractual services	209,914	207,129	2,785	245,152
Supplies and material	77,085	76,215	870	95,278
Business and transportation	558	558	-	622
Total	1,540,070	1,592,787	(52,717)	1,578,930
Clerk of Court - DSS Family Court:				
Personal services	530,207	557,729	(27,522)	533,059
Contractual services	13,840	13,800	40	10,049
Supplies and material	21,250	21,132	118	20,295
Total	565,297	592,661	(27,364)	563,703
Clerk of Court - Family Court:				
Personal services	310,550	301,355	9,195	311,244
Contractual services	1,867	618	1,249	4,111
Supplies and material	2,331	2,272	59	2,378
Total	314,748	304,245	10,503	317,733
Magistrate No. 1 Conway:				
Personal services	263,276	258,027	5,249	264,769
Contractual services	3,300	2,067	1,233	891
Supplies and material	3,000	2,955	45	2,863
Business and transportation	2,300	895	1,405	875
Total	271,876	263,944	7,932	269,398
Magistrate No. 2 Aynor:				
Personal services	172,235	104,935	67,300	166,344
Contractual services	15,216	13,294	1,922	13,894
Supplies and material	6,684	3,196	3,488	2,378
Business and transportation	2,000	618	1,382	2,228
Total	196,135	122,043	74,092	184,844

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

Expenditures (continued)	2011		Variance Positive (Negative)	2010
	Final Budget	Actual		Actual
<b>Current:</b>				
<u>Public Safety:</u>				
Magistrate No. 4 Mt. Olive:				
Personal services	183,742	183,830	(88)	186,319
Contractual services	11,000	9,474	1,526	8,920
Supplies and material	2,442	2,119	323	1,748
Business and transportation	3,500	3,052	448	2,735
Total	200,684	198,475	2,209	199,722
Magistrate No. 5 Loris:				
Personal services	172,952	174,921	(1,969)	169,025
Contractual services	4,742	3,052	1,690	4,799
Supplies and material	8,973	4,055	4,918	4,823
Business and transportation	2,150	2,100	50	1,567
Total	188,817	184,128	4,689	180,214
Magistrate No. 6 Myrtle Beach:				
Personal services	317,084	310,723	6,361	296,456
Contractual services	4,500	1,772	2,728	1,907
Supplies and material	8,060	6,943	1,117	9,308
Business and transportation	3,030	1,502	1,528	1,158
Total	332,674	320,940	11,734	308,829
Magistrate No. 7 Stevens Cross Road:				
Personal services	183,857	192,588	(8,731)	183,734
Contractual services	3,700	3,085	615	3,003
Supplies and material	6,348	4,634	1,714	7,885
Business and transportation	7,000	3,225	3,775	3,153
Total	200,905	203,532	(2,627)	197,775
Magistrate No. 11 Surfside:				
Personal services	170,143	171,823	(1,680)	170,461
Contractual services	1,330	668	662	765
Supplies and material	4,800	4,384	416	4,336
Business and transportation	1,500	761	739	807
Total	177,773	177,636	137	176,369
Magistrate at Large No. 1:				
Personal services	102,674	104,649	(1,975)	104,227
Supplies and material	129	128	1	65
Business and transportation	6,358	6,122	236	3,768
Total	109,161	110,899	(1,738)	108,060
Magistrate at Large No. 2 - Detention:				
Personal services	341,041	345,286	(4,245)	342,368
Contractual services	7,000	6,743	257	5,709
Supplies and material	8,200	6,534	1,666	10,934
Business and transportation	3,700	2,859	841	6,773
Total	359,941	361,422	(1,481)	365,784

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

Expenditures (continued)	2011		Variance Positive (Negative)	2010
	Final Budget	Actual		Actual
<b>Current:</b>				
<u>Public Safety:</u>				
Central Summary Court:				
Personal services	387,260	378,681	8,579	311,322
Contractual services	155,850	112,008	43,842	2,788
Supplies and material	22,150	15,383	6,767	9,493
Business and transportation	2,200	2,153	47	255
Total	567,460	508,225	59,235	323,858
Central Jury Court:				
Personal services	-	-	-	39,607
Contractual services	-	(42)	42	142,808
Supplies and material	-	-	-	3,662
Business and transportation	-	-	-	1,513
Total	-	(42)	42	187,590
800 MHZ Rebanding:				
Personal services	227,404	170,902	56,502	91,069
Contractual services	921,830	984,428	(62,598)	3,373
Supplies and material	207,134	221,938	(14,804)	98,690
Business and transportation	4,906	3,386	1,520	553
Capital outlay	20,000	19,806	194	-
Other	540,382	540,382	-	-
Total	1,921,656	1,940,842	(19,186)	193,685
Assistant County Administrator - Public Safety:				
Personal services	301,950	301,950	-	288,707
Contractual services	5,987	4,463	1,524	4,206
Supplies and material	46,845	46,409	436	36,235
Business and transportation	8,286	6,801	1,485	12,828
Capital outlay	110,000	109,943	57	-
Other	15,021	17,490	(2,469)	13,096
Total	488,089	487,056	1,033	355,072
Sheriff:				
Personal services	2,699,625	2,840,252	(140,627)	2,825,691
Contractual services	48,111	44,000	4,111	52,620
Supplies and material	38,447	33,838	4,609	55,691
Business and transportation	143,093	137,229	5,864	122,134
Capital outlay	5,000	4,759	241	1,863
Other	79,069	78,080	989	74,424
Total	3,013,345	3,138,158	(124,813)	3,132,423
Police:				
Personal services	15,203,071	15,195,319	7,752	15,364,868
Contractual services	477,130	369,545	107,585	429,657
Supplies and material	468,873	363,953	104,920	287,883
Business and transportation	1,538,400	1,147,448	390,952	1,071,135
Capital outlay	51,815	51,439	376	71,363
Other	1,157,291	1,155,193	2,098	1,037,618
Total	18,896,580	18,282,897	613,683	18,262,524

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

Expenditures (continued)	2011		Variance Positive (Negative)	2010
	Final Budget	Actual		Actual
<b>Current:</b>				
<u>Public Safety:</u>				
Central Processing:				
Personal services	59,293	59,898	(605)	61,076
Contractual services	585	585	-	-
Supplies and material	618	-	618	-
Business and transportation	3,592	3,591	1	2,644
Total	64,088	64,074	14	63,720
Emergency Management:				
Personal services	306,786	292,513	14,273	302,304
Contractual services	25,799	25,033	766	29,591
Supplies and material	28,292	27,309	983	19,674
Business and transportation	23,447	23,437	10	19,784
Other	13,071	13,071	-	17,342
Total	397,395	381,363	16,032	388,695
Emergency 911 Communications:				
Personal services	2,482,623	2,482,623	-	2,494,245
Contractual services	45,084	43,798	1,286	836,768
Supplies and material	12,571	12,375	196	8,903
Business and transportation	2,980	2,939	41	1,129
Total	2,543,258	2,541,735	1,523	3,341,045
Coroner:				
Personal services	355,129	356,957	(1,828)	356,075
Contractual services	303,987	276,049	27,938	266,543
Supplies and material	8,250	6,276	1,974	6,808
Business and transportation	20,100	14,977	5,123	16,161
Other	16,893	16,893	-	16,519
Total	704,359	671,152	33,207	662,106
Detention Center:				
Personal services	16,080,822	15,599,739	481,083	13,684,790
Contractual services	1,297,132	1,253,966	43,166	913,853
Supplies and material	2,402,052	2,313,146	88,906	1,992,859
Business and transportation	226,733	223,138	3,595	188,661
Capital outlay	141,339	141,104	235	62,817
Other	80,271	80,271	-	118,155
Total	20,228,349	19,611,364	616,985	16,961,135
Emergency Medical Services:				
Personal services	11,549,594	11,402,488	147,106	11,475,332
Contractual services	438,100	389,139	48,961	362,031
Supplies and material	627,712	579,121	48,591	701,606
Business and transportation	692,135	614,531	77,604	522,569
Capital outlay	38,370	8,370	30,000	11,034
Other	685,020	685,020	-	600,400
Total	14,030,931	13,678,669	352,262	13,672,972

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

Expenditures (continued)	2011		Variance Positive (Negative)	2010
	Final Budget	Actual		Actual
<b>Current:</b>				
<u>Public Safety:</u>				
Beach Front Program:				
Personal services	-	-	-	35,719
Contractual services	-	-	-	585
Supplies and material	-	-	-	3,688
Business and transportation	-	-	-	1,813
Other	-	-	-	5,150
Total	-	-	-	46,955
Animal Care Center				
Personal services	705,094	675,407	29,687	595,501
Contractual services	61,939	61,936	3	51,951
Supplies and material	104,614	104,788	(174)	90,309
Business and transportation	14,674	14,659	15	9,021
Capital outlay	14,301	14,300	1	-
Other	10,600	10,600	-	4,400
Total	911,222	881,690	29,532	751,182
Pre-Trial Intervention:				
Personal services	635,766	522,772	112,994	559,420
Total	635,766	522,772	112,994	559,420
Total public safety	75,707,938	73,886,999	1,820,939	69,913,539



HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

Expenditures (continued) Current:	2011		Variance Positive (Negative)	2010
	Final Budget	Actual		Actual
<u>Infrastructure &amp; Regulation</u>				
Assistant County Administrator - Infrastructure & Regulation:				
Personal services	233,113	210,277	22,836	207,149
Contractual services	15,572	11,619	3,953	20,761
Supplies and material	2,804	2,803	1	6,408
Business and transportation	40,594	1,606	38,988	4,253
Total	292,083	226,305	65,778	238,571
County Engineer:				
Personal services	1,035,822	951,030	84,792	972,668
Contractual services	174,531	148,672	25,859	223,871
Supplies and material	9,031	6,955	2,076	6,945
Business and transportation	42,272	39,378	2,894	35,254
Capital outlay	33,000	17,807	15,193	-
Other	19,073	19,073	-	21,052
Total	1,313,729	1,182,915	130,814	1,259,790
Public Works:				
Personal services	3,773,785	3,361,471	412,314	3,347,018
Contractual services	350,008	342,103	7,905	295,897
Supplies and material	1,046,027	565,031	480,996	952,223
Business and transportation	1,260,654	1,229,458	31,196	1,053,714
Capital outlay	533,283	533,283	-	-
Other	1,153,976	1,153,976	-	76,453
Total	8,117,733	7,185,322	932,411	5,725,305
Code Enforcement:				
Personal services	2,527,457	2,210,308	317,149	2,396,099
Contractual services	33,558	26,700	6,858	28,581
Supplies and material	38,906	27,564	11,342	42,432
Business and transportation	129,961	117,747	12,214	109,191
Other	77,587	77,587	-	82,775
Total	2,807,469	2,459,906	347,563	2,659,078
Planning:				
Personal services	1,545,285	1,467,330	77,955	1,624,151
Contractual services	37,565	34,643	2,922	32,964
Supplies and material	25,025	23,697	1,328	11,273
Business and transportation	13,232	12,317	915	3,540
Other	3,820	3,820	-	6,464
Total	1,624,927	1,541,807	83,120	1,678,392
Total infrastructure & regulation	14,155,941	12,596,255	1,559,686	11,561,136

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	2011		Variance Positive (Negative)	2010
	Final Budget	Actual		Actual
<b>Expenditures (continued)</b>				
<b>Current:</b>				
<u>Health and Social Services:</u>				
Veteran Affairs:				
Personal services	204,471	199,556	4,915	141,184
Contractual services	2,527	1,553	974	1,982
Supplies and material	3,520	2,978	542	5,923
Business and transportation	2,308	2,304	4	838
Total	<u>212,826</u>	<u>206,391</u>	<u>6,435</u>	<u>149,927</u>
Medically Indigent Assistance Program				
Personal services	56,909	56,684	225	52,154
Contractual services	75	73	2	-
Supplies and material	1,129,889	1,129,805	84	1,112,462
Total	<u>1,186,873</u>	<u>1,186,562</u>	<u>311</u>	<u>1,164,616</u>
Health Department	150,000	121,677	28,323	127,645
Department of Social Services	113,295	73,132	40,163	66,753
Total health and social services	<u>1,662,994</u>	<u>1,587,762</u>	<u>75,232</u>	<u>1,508,941</u>
<u>Culture, Recreation and Tourism:</u>				
Library:				
Personal services	2,659,522	2,421,805	237,717	2,536,865
Contractual services	404,231	287,750	116,481	301,172
Supplies and material	508,877	456,342	52,535	406,329
Business and transportation	33,275	28,572	4,703	24,609
Other	16,788	16,788	-	23,430
Total	<u>3,622,693</u>	<u>3,211,257</u>	<u>411,436</u>	<u>3,292,405</u>
Museum:				
Personal services	295,515	252,514	43,001	238,185
Contractual services	55,745	47,406	8,339	40,175
Supplies and material	22,113	18,016	4,097	14,711
Business and transportation	5,597	4,452	1,145	3,131
Other	2,092	2,092	-	8,285
Total	<u>381,062</u>	<u>324,480</u>	<u>56,582</u>	<u>304,487</u>
Total culture, recreation and tourism	<u>4,003,755</u>	<u>3,535,737</u>	<u>468,018</u>	<u>3,596,892</u>
<u>Other Agencies:</u>				
Total other agencies	<u>44,308</u>	<u>44,308</u>	<u>-</u>	<u>44,308</u>
Total expenditures	<u>128,657,722</u>	<u>120,595,579</u>	<u>8,062,143</u>	<u>115,471,784</u>
Excess of revenue over expenditures	<u>(7,605,323)</u>	<u>256,661</u>	<u>7,861,984</u>	<u>6,088,162</u>
<b>Other Financing Sources (Uses)</b>				
Sale of assets	72,500	88,581	16,081	76,862
Lease financing	1,100,000	1,090,746	(9,254)	580,378
Transfers in	4,777,951	4,777,952	1	3,790,266
Transfer out	(7,007,694)	(7,032,778)	(25,084)	(4,596,501)
Total other financing sources (uses)	<u>(1,057,243)</u>	<u>(1,075,499)</u>	<u>(18,256)</u>	<u>(148,995)</u>
Extraordinary item	-	1,119,857	1,119,857	-
Net change in fund balance	<u>(8,662,566)</u>	<u>301,019</u>	<u>8,963,585</u>	<u>5,939,167</u>
Fund balance at beginning of year	<u>36,762,865</u>	<u>36,762,865</u>	<u>-</u>	<u>30,823,698</u>
Fund balance at end of year	<u>\$ 28,100,299</u>	<u>\$ 37,063,884</u>	<u>\$ 8,963,585</u>	<u>\$ 36,762,865</u>

HORRY COUNTY, SOUTH CAROLINA

## 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 thirty-three (33) stations throughout rural Horry County. Funding is provided by property taxes levied on the unincorporated area of the County.

**Tourism and Promotion** – 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 \$30 fee on registered vehicles, intergovernmental revenue, and operating transfers-in earmarked for the maintenance and/or improvements of the County's road system and public works operation.

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

**Grants** – accounts for revenue earmarked for all grants.

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

**Hospitality 1.5% 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. With the implementation of GASB 54 and the new definition of a special revenue fund, these revenues are now recorded directly to the fund they service.

**Hospitality 1.0% Fee** – accounts for revenue derived from unincorporated sale of prepared food, car rentals, admissions and accommodations in the unincorporated areas of the County. These funds are earmarked to offset County public safety, Baseball Fund and infrastructure and regulation services impacted by tourism. With the implementation of GASB 54 and the new definition of a special revenue fund, these revenues are now recorded directly to the funds they service.

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

## SPECIAL REVENUE FUNDS

- CONTINUED -

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

**Baseball Stadium** – accounts for revenue and expenditures associated with the County's portion of the baseball stadium management.

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

**CDBG Grant Program** – accounts for revenue and expenditures of Housing Urban Development entitlement program. These funds are totally restricted for use only on HUD approved programs.

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

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

**Multi-County Business Park Rollback** – accounts for revenue and expenditures associated with the Multi-County Business Park rollback for infrastructure.

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

**Local Accommodations Tax** – accounts for special revenue derived from local government accommodations tax. With the implementation of GASB 54 and the new definition of a special revenue fund, these revenues are now recorded directly to the funds they service.

**Recreation** – accounts for revenue and expenditures associated with the County's recreation.

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

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2011

	Non-Major Funds										
	Fire	Tourism & Promotion	Waste Management Recycling	Watersheds	Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Nourishment	Grants	Admissions Tax	Victim Witness Assistance
<b>Assets</b>											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled cash and investments	3,331,611	282,779	7,514,942	535,711	392,675	91,204	11,840,382	2,498,057	17,802	638,468	-
Receivables, net:											
Property taxes	788,903	-	326,691	7,585	1,175	8,065	-	-	-	-	-
Accounts and other	-	2,259	-	-	-	-	-	30,332	178	-	33,810
Fees	-	-	-	-	-	-	1,226,125	-	-	-	-
Interest Receivable	5,507	509	11,018	892	546	56	18,040	3,090	533	802	-
Prepaid items	23,311	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	94,161	-	-	-
Due from other governments	375,922	1,135,919	-	-	-	-	415,983	-	1,683,002	-	-
Restricted assets	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$4,525,254</b>	<b>\$1,421,466</b>	<b>\$ 7,852,651</b>	<b>\$ 544,188</b>	<b>\$ 394,396</b>	<b>\$ 99,325</b>	<b>\$ 13,500,530</b>	<b>\$ 2,625,640</b>	<b>\$1,701,515</b>	<b>\$ 639,270</b>	<b>\$ 33,810</b>
<b>Liabilities and Fund Balance</b>											
Liabilities											
Accounts payable-trade	\$ 67,943	\$ 395,475	\$ -	\$ -	\$ 2,281	3,933	\$ 864,876	\$ -	\$ 465,045	\$ -	\$ 254
Retainage payable	-	-	-	-	-	-	5,288	-	-	-	-
Accrued salaries and wages	272,028	31,911	-	-	-	-	20,135	-	40,108	-	13,868
Due to other funds	-	34,404	-	-	-	-	-	357,643	-	-	96,076
Due to other governments	-	-	-	-	-	-	-	-	-	-	-
Due to component units	-	-	866,808	-	-	-	-	-	-	-	-
Deferred revenues	690,979	-	283,809	7,009	993	5,820	1,226,125	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>1,030,950</b>	<b>461,790</b>	<b>1,150,617</b>	<b>7,009</b>	<b>3,274</b>	<b>9,753</b>	<b>2,116,424</b>	<b>357,643</b>	<b>505,153</b>	<b>-</b>	<b>110,198</b>
Fund balances:											
Nonspendable	23,311	-	-	-	-	-	-	-	-	-	-
Restricted for public safety	3,470,993	-	-	-	-	-	-	-	755,163	-	-
Restricted for culture, recreation and tourism	-	959,676	-	-	-	89,572	-	2,039,442	-	-	-
Restricted for infrastructure and regulation	-	-	6,702,034	537,179	391,122	-	11,384,106	-	-	-	-
Restricted for economic development	-	-	-	-	-	-	-	-	-	639,270	-
Restricted for health and social services	-	-	-	-	-	-	-	-	-	-	-
Committed to public safety	-	-	-	-	-	-	-	-	441,199	-	-
Committed to culture, recreation and tourism	-	-	-	-	-	-	-	228,555	-	-	-
Committed to economic development	-	-	-	-	-	-	-	-	-	-	-
Committed to Department of Airports	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	(76,388)
<b>Total fund balances/(deficit)</b>	<b>3,494,304</b>	<b>959,676</b>	<b>6,702,034</b>	<b>537,179</b>	<b>391,122</b>	<b>89,572</b>	<b>11,384,106</b>	<b>2,267,997</b>	<b>1,196,362</b>	<b>639,270</b>	<b>(76,388)</b>
<b>Total liabilities and fund balances</b>	<b>\$4,525,254</b>	<b>\$1,421,466</b>	<b>\$ 7,852,651</b>	<b>\$ 544,188</b>	<b>\$ 394,396</b>	<b>\$ 99,325</b>	<b>\$ 13,500,530</b>	<b>\$ 2,625,640</b>	<b>\$1,701,515</b>	<b>\$ 639,270</b>	<b>\$ 33,810</b>

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

JUNE 30, 2011

	Non-Major Funds									Total Non-Major Funds	
	Senior Citizen	Baseball Stadium	Arcadian Shores	CDBG Grant Program	Stormwater Management	GIS/IT	B&C MCBP	E-911	Recreation		Industrial Parks
<b>Assets</b>											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ 100
Pooled cash and investments	50,532	110,328	57,411	-	2,801,356	65,395	896,835	2,237,189	3,378,400	3,023,126	39,764,203
Receivables, net:											
Property taxes	37,340	-	524	-	-	-	-	-	201,780	-	1,372,063
Accounts and other	-	-	-	-	42	-	-	-	32,740	-	99,361
Fees	-	-	-	-	68,626	-	-	65,874	-	-	1,360,625
Interest Receivable	192	-	69	-	5,132	46	2,458	1,611	5,139	5,320	60,960
Prepaid items	-	-	-	-	-	-	-	-	-	716	24,027
Due from other funds	-	-	-	-	-	-	-	-	-	-	94,161
Due from other governments	-	-	-	225,546	-	-	-	249,649	-	-	4,086,021
Restricted assets	-	101,268	-	-	-	-	-	-	-	-	101,268
<b>Total assets</b>	<b>\$ 88,064</b>	<b>\$ 211,596</b>	<b>\$ 58,004</b>	<b>\$ 225,546</b>	<b>\$ 2,875,156</b>	<b>\$ 65,441</b>	<b>\$ 899,293</b>	<b>\$ 2,554,323</b>	<b>\$ 3,618,159</b>	<b>\$ 3,029,162</b>	<b>\$ 46,962,789</b>
<b>Liabilities and Fund Balance</b>											
<b>Liabilities</b>											
Accounts payable-trade	\$ 21,146	\$ -	\$ 1,652	\$ 37,918	\$ 80,971	\$ 1,534	\$ -	\$ 48	\$ 58,986	\$ -	\$ 2,002,062
Retainage payable	-	-	-	-	-	-	-	-	-	-	5,288
Accrued salaries and wages	-	-	-	5,860	41,075	-	-	4,452	61,191	-	490,628
Due to other funds	-	-	266,664	181,768	-	-	-	-	-	-	936,555
Due to other governments	-	45,500	-	-	-	-	-	-	-	-	45,500
Due to component units	-	-	-	-	771	-	-	-	-	-	867,579
Deferred revenues	31,908	-	890	-	33,651	-	-	-	172,129	-	2,453,313
Other liabilities	-	-	-	-	51	-	-	-	-	-	51
<b>Total Liabilities</b>	<b>53,054</b>	<b>45,500</b>	<b>269,206</b>	<b>225,546</b>	<b>156,519</b>	<b>1,534</b>	<b>-</b>	<b>4,500</b>	<b>292,306</b>	<b>-</b>	<b>6,800,976</b>
<b>Fund balances:</b>											
Nonspendable	-	-	-	-	-	-	-	-	-	716	24,027
Restricted for public safety	-	-	(211,202)	-	-	-	-	2,549,823	-	-	6,775,979
Restricted for culture, recreation and tourism	-	166,096	-	-	-	-	-	-	3,325,853	-	6,580,639
Restricted for infrastructure and regulation	-	-	-	-	2,718,637	-	-	-	-	-	22,632,371
Restricted for economic development	-	-	-	910,938	-	-	899,293	-	-	-	1,550,208
Restricted for health and social services	35,010	-	-	-	-	-	-	-	-	-	35,010
Committed to public safety	-	-	-	-	-	63,907	-	-	-	-	505,106
Committed to culture, recreation and tourism	-	-	-	-	-	-	-	-	-	-	228,555
Committed to economic development	-	-	-	-	-	-	-	-	-	2,428,446	2,428,446
Committed to Department of Airports	-	-	-	-	-	-	-	-	-	600,000	600,000
Unassigned	-	-	(211,202)	(910,938)	-	-	-	-	-	-	(1,198,528)
<b>Total fund balances/(deficit)</b>	<b>35,010</b>	<b>166,096</b>	<b>(211,202)</b>	<b>-</b>	<b>2,718,637</b>	<b>63,907</b>	<b>899,293</b>	<b>2,549,823</b>	<b>3,325,853</b>	<b>3,029,162</b>	<b>40,161,813</b>
<b>Total liabilities and fund balances</b>	<b>\$ 88,064</b>	<b>\$ 211,596</b>	<b>\$ 58,004</b>	<b>\$ 225,546</b>	<b>\$ 2,875,156</b>	<b>\$ 65,441</b>	<b>\$ 899,293</b>	<b>\$ 2,554,323</b>	<b>\$ 3,618,159</b>	<b>\$ 3,029,162</b>	<b>\$ 46,962,789</b>

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

For the Year ended June 30, 2011

	Non-Major Funds												
	Fire	Tourism & Promotion	Waste Management Recycling	Watersheds	Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Nourishment	Grants	Admissions Tax	Hospitality 1.5%	Hospitality 1.0%	Victim Witness Assistance
<b>Revenues</b>													
Real property taxes	\$12,711,400	\$ -	\$ 5,643,878	\$ 94,612	\$ 30,359	\$ 186,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal property taxes	1,271,740	-	527,000	48	100	41	-	-	-	-	-	-	-
Vehicle taxes	1,215,092	-	521,571	-	2,067	-	-	-	-	-	-	-	-
Intergovernmental	195,148	-	-	-	-	-	1,220,372	-	3,084,658	15,030	-	-	-
Accommodations tax	-	3,156,813	-	-	-	-	-	510,000	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	7,394,105	-	-	-	-	-	457,403
Hospitality fees	-	-	-	-	-	-	2,628,509	-	-	-	-	-	-
Local accommodations tax	-	-	-	-	-	-	-	183,775	-	-	-	-	-
Interest	9,591	1,981	22,915	1,941	1,115	119	37,728	6,707	924	1,933	1,787	-	-
Other	714	704	43	-	-	24,474	4,364	19,879	35,301	-	-	-	-
<b>Total revenues</b>	<b>15,403,685</b>	<b>3,159,498</b>	<b>6,715,407</b>	<b>96,601</b>	<b>33,641</b>	<b>210,684</b>	<b>11,285,078</b>	<b>720,361</b>	<b>3,120,883</b>	<b>16,963</b>	<b>1,787</b>	<b>-</b>	<b>457,403</b>
<b>Expenditures</b>													
Current:													
General government	-	-	-	-	-	-	-	-	459,988	-	-	-	-
Public safety	12,831,839	1,244,042	-	-	-	-	-	-	1,395,766	-	-	-	525,711
Infrastructure and regulation	-	-	5,653,559	17,825	24,030	-	10,419,815	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture, recreation and tourism	-	1,403,803	-	-	-	78,115	-	94,963	44,649	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	21,124	-	-	-	-
Capital Outlay	9,368	8,088	1,151,313	-	-	-	28,150	-	1,572,364	-	-	-	-
<b>Total expenditures</b>	<b>12,841,207</b>	<b>2,655,933</b>	<b>6,804,872</b>	<b>17,825</b>	<b>24,030</b>	<b>78,115</b>	<b>10,447,965</b>	<b>94,963</b>	<b>3,493,891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525,711</b>
Excess (deficiency) of revenues over (under) expenditures	2,562,478	503,565	(89,465)	78,776	9,611	132,569	837,113	625,398	(373,008)	16,963	1,787	-	(68,308)
<b>Other Financing Sources (Uses)</b>													
Transfers in	-	-	-	-	-	-	168,000	193,504	381,009	-	-	-	81,107
Sale of Assets	2,872	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(2,162,305)	-	-	-	-	(19,798)	(2,939,655)	-	-	-	-	(3,350,783)	-
<b>Total other financing sources (uses)</b>	<b>(2,159,433)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,798)</b>	<b>(2,771,655)</b>	<b>193,504</b>	<b>381,009</b>	<b>-</b>	<b>-</b>	<b>(3,350,783)</b>	<b>81,107</b>
<b>Net change in fund balance</b>	<b>403,045</b>	<b>503,565</b>	<b>(89,465)</b>	<b>78,776</b>	<b>9,611</b>	<b>112,771</b>	<b>(1,934,542)</b>	<b>818,902</b>	<b>8,001</b>	<b>16,963</b>	<b>1,787</b>	<b>(3,350,783)</b>	<b>12,799</b>
Fund balances (deficit), at beginning of year	3,091,259	456,111	6,791,499	458,403	381,511	(23,199)	13,318,648	1,449,095	1,188,361	622,307	(1,787)	3,350,783	(89,187)
<b>Fund balances (deficit), at end of year</b>	<b>\$ 3,494,304</b>	<b>\$ 959,676</b>	<b>\$ 6,702,034</b>	<b>\$ 537,179</b>	<b>\$ 391,122</b>	<b>\$ 89,572</b>	<b>\$ 11,384,106</b>	<b>\$ 2,267,997</b>	<b>\$ 1,196,362</b>	<b>\$ 639,270</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (76,388)</b>



HORRY COUNTY, SOUTH CAROLINA  
NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
For the Year ended June 30, 2011

<b>Non-Major Funds</b>												
	Senior Citizen	Baseball Stadium	Arcadian Shores	CDBG Grant Program	Stormwater	GIS/IT	B&C MCBP	E-911	Local Atax	Recreation	Industrial Parks	Total Non-Major Funds
<b>Revenues</b>												
Real property taxes	\$ 695,223	\$ -	\$ 61,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,828,408	\$ -	\$ 23,251,574
Personal property taxes	55,164	-	-	-	-	-	-	-	-	303,206	-	2,157,299
Vehicle taxes	45,993	-	2,622	-	-	-	-	-	-	258,937	-	2,046,282
Intergovernmental	-	-	-	1,831,174	-	27,500	-	967,522	-	262	-	7,341,666
Accommodations tax	-	-	-	-	-	-	-	-	-	-	-	3,666,813
Fees and fines	-	12,776	-	-	4,455,825	7,569	-	919,212	-	-	315,044	13,561,934
Hospitality fees	-	75,923	-	-	-	-	-	-	-	-	-	2,704,432
Local accommodations tax	-	-	-	-	-	-	-	-	-	-	-	183,775
Interest	186	3,121	133	-	8,077	131	3,578	4,919	-	9,554	10,551	126,991
Other	-	-	500	-	(3)	-	-	-	-	618,064	-	704,040
<b>Total revenues</b>	<u>796,566</u>	<u>91,820</u>	<u>64,899</u>	<u>1,831,174</u>	<u>4,463,899</u>	<u>35,200</u>	<u>3,578</u>	<u>1,891,653</u>	<u>-</u>	<u>5,018,431</u>	<u>325,595</u>	<u>55,744,806</u>
<b>Expenditures</b>												
Current:												
General government	-	-	-	-	-	-	-	-	-	-	-	459,988
Public safety	-	-	-	-	-	7,045	-	979,889	-	-	-	16,984,292
Infrastructure and regulation	-	-	36,732	-	4,243,167	-	908,286	-	-	-	560,860	21,864,274
Health and social services	794,254	-	-	-	-	-	-	-	-	-	-	794,254
Culture, recreation and tourism	-	58,276	-	-	-	-	-	-	-	3,644,296	-	5,324,102
Economic development	-	-	-	1,401,864	-	-	-	-	-	-	-	1,422,988
Capital Outlay	-	-	-	42,049	251,270	-	-	-	-	296,787	-	3,359,389
<b>Total expenditures</b>	<u>794,254</u>	<u>58,276</u>	<u>36,732</u>	<u>1,443,913</u>	<u>4,494,437</u>	<u>7,045</u>	<u>908,286</u>	<u>979,889</u>	<u>-</u>	<u>3,941,083</u>	<u>560,860</u>	<u>50,209,287</u>
Excess (deficiency) of revenues over (under) expenditures	2,312	33,544	28,167	387,261	(30,538)	28,155	(904,708)	911,764	-	1,077,348	(235,265)	5,535,519
<b>Other Financing Sources (Uses)</b>												
Transfers in	-	-	-	-	-	-	-	-	-	146,209	-	969,829
Sale of Assets	-	-	-	-	-	-	-	-	-	1,707	-	4,579
Transfers out	-	-	-	(387,261)	(883,746)	-	-	-	(340,328)	(943,710)	(90,700)	(11,118,286)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(387,261)</u>	<u>(883,746)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(340,328)</u>	<u>(795,794)</u>	<u>(90,700)</u>	<u>(10,143,878)</u>
<b>Net change in fund balance</b>	<u>2,312</u>	<u>33,544</u>	<u>28,167</u>	<u>-</u>	<u>(914,284)</u>	<u>28,155</u>	<u>(904,708)</u>	<u>911,764</u>	<u>(340,328)</u>	<u>281,554</u>	<u>(325,965)</u>	<u>(4,608,359)</u>
Fund balances (deficit), at beginning of year	32,698	132,552	(239,369)	-	3,632,921	35,752	1,804,001	1,638,059	340,328	3,044,299	3,355,127	44,770,172
Fund balances (deficit), at end of year	<u>\$ 35,010</u>	<u>\$ 166,096</u>	<u>\$ (211,202)</u>	<u>\$ -</u>	<u>\$ 2,718,637</u>	<u>\$ 63,907</u>	<u>\$ 899,293</u>	<u>\$ 2,549,823</u>	<u>\$ -</u>	<u>\$ 3,325,853</u>	<u>\$ 3,029,162</u>	<u>\$ 40,161,813</u>

HORRY COUNTY, SOUTH CAROLINA

FIRE SPECIAL REVENUE FUND  
BALANCE SHEETS

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Pooled cash and investments	\$ 3,331,611	\$ 3,054,458
Receivables, net:		
Property taxes	788,903	971,484
Interest Receivable	5,507	4,390
Due from other governments	375,922	207,597
Prepaid items	23,311	23,240
Total assets	<u>\$ 4,525,254</u>	<u>\$ 4,261,169</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 67,943	\$ 69,729
Accrued salaries and wages	272,028	262,144
Deferred revenues	690,979	838,037
Total liabilities	<u>1,030,950</u>	<u>1,169,910</u>
Fund balance:		
Nonspendable	23,311	23,240
Restricted for public safety	3,470,993	3,078,913
Unassigned	-	(10,894)
Total fund balance	<u>3,494,304</u>	<u>3,091,259</u>
Total liabilities and fund balance	<u>\$ 4,525,254</u>	<u>\$ 4,261,169</u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Real property taxes	\$ 12,558,190	\$ 12,711,400	\$ 153,210	\$ 12,968,218
Personal property taxes	1,408,625	1,271,740	(136,885)	1,434,474
Vehicle taxes	1,245,000	1,215,092	(29,908)	1,288,305
Intergovernmental	26,585	195,148	168,563	26,596
Interest	17,500	9,591	(7,909)	12,857
Other	-	714	714	438
<b>Total revenues</b>	<b>15,255,900</b>	<b>15,403,685</b>	<b>147,785</b>	<b>15,730,888</b>
<b>Expenditures</b>				
Current:				
Public safety:				
Personal services	9,480,552	9,583,646	(103,094)	9,628,866
Contractual services	1,280,318	1,189,062	91,256	1,273,491
Supplies & Materials	479,503	251,478	228,025	465,208
Business & Transportation	794,639	690,262	104,377	630,994
Capital outlay	9,368	9,368	-	43,102
Indirect cost allocation	1,135,738	1,117,391	18,347	1,182,235
<b>Total expenditures</b>	<b>13,180,118</b>	<b>12,841,207</b>	<b>338,911</b>	<b>13,223,896</b>
Excess of revenues over expenditures	<b>2,075,782</b>	<b>2,562,478</b>	<b>486,696</b>	<b>2,506,992</b>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	-	2,872	2,872	17,114
Transfers in	87,608	-	(87,608)	81,845
Transfers out	(2,163,390)	(2,162,305)	1,085	(2,355,052)
<b>Total other financing sources (uses)</b>	<b>(2,075,782)</b>	<b>(2,159,433)</b>	<b>(83,651)</b>	<b>(2,256,093)</b>
Net change in fund balance	-	403,045	403,045	250,899
<b>Fund balance at beginning of year</b>	<b>3,091,259</b>	<b>3,091,259</b>	-	<b>2,840,360</b>
<b>Fund balance at end of year</b>	<b>\$ 3,091,259</b>	<b>\$ 3,494,304</b>	<b>\$ 403,045</b>	<b>\$ 3,091,259</b>

HORRY COUNTY, SOUTH CAROLINA  
 TOURISM & PROMOTION SPECIAL REVENUE FUND  
 BALANCE SHEETS

JUNE 30, 2011  
 (with comparative amounts for June 30, 2010)

<b>Assets</b>	<b>2011</b>	<b>2010</b>
Pooled cash and investments	\$ 282,779	\$ 12
Accounts receivable, net:		
Other	2,259	2,998
Interest Receivable	509	259
Due from other funds	-	10,280
Due from other governments	1,135,919	811,038
Total assets	<u>\$ 1,421,466</u>	<u>\$ 824,587</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 395,475	\$ 272,635
Accrued salaries and wages	31,911	25,672
Due to other funds	34,404	70,169
Total liabilities	<u>461,790</u>	<u>368,476</u>
Fund balance:		
Restricted for culture, recreation and tourism	959,676	456,111
Total fund balance	<u>959,676</u>	<u>456,111</u>
Total liabilities and fund balance	<u>\$ 1,421,466</u>	<u>\$ 824,587</u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Accommodations tax	\$ 2,215,000	\$ 3,156,813	\$ 941,813	\$ 2,738,735
Interest	1,000	1,981	981	182
Other	-	704	704	1,161
Total revenues	<u>2,216,000</u>	<u>3,159,498</u>	<u>943,498</u>	<u>2,740,078</u>
<b>Expenditures</b>				
Current:				
Public safety				
Beach Patrol:				
Personal services	830,227	864,657	(34,430)	960,882
Contractual services	110,783	95,552	15,231	92,460
Supplies & Materials	28,497	11,221	17,276	8,168
Business & Transportation	182,818	149,238	33,580	245,395
Capital outlay	8,400	8,088	312	21,149
Other	123,374	123,374	-	-
Total beach patrol	<u>1,284,099</u>	<u>1,252,130</u>	<u>31,969</u>	<u>1,328,054</u>
Culture, Recreation and Tourism:				
Contributions to other agencies	1,171,964	1,403,803	(231,839)	1,129,631
Total culture, recreation and tourism	<u>1,171,964</u>	<u>1,403,803</u>	<u>(231,839)</u>	<u>1,129,631</u>
Total expenditures	<u>2,456,063</u>	<u>2,655,933</u>	<u>(199,870)</u>	<u>2,457,685</u>
Excess of revenues over expenditures	<u>(240,063)</u>	<u>503,565</u>	<u>743,628</u>	<u>282,393</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	250,000	-	250,000	-
Total other financing sources (uses)	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
Net change in fund balance	<u>9,937</u>	<u>503,565</u>	<u>493,628</u>	<u>282,393</u>
Fund balance at beginning of year	456,111	456,111	-	173,718
Fund balance at end of year	<u>\$ 466,048</u>	<u>\$ 959,676</u>	<u>\$ 493,628</u>	<u>\$ 456,111</u>

HORRY COUNTY, SOUTH CAROLINA  
WASTE MANAGEMENT SPECIAL REVENUE FUND  
BALANCE SHEETS

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

<b>Assets</b>	<b>2011</b>	<b>2010</b>
Pooled cash and investments	<u>\$ 7,514,942</u>	<u>\$ 7,280,246</u>
Receivables, net:		
Property taxes	326,691	407,862
Interest Receivable	<u>11,018</u>	<u>10,186</u>
Total assets	<u><u>\$ 7,852,651</u></u>	<u><u>\$ 7,698,294</u></u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Due to component unit	\$ 866,808	\$ 557,849
Deferred revenues	<u>283,809</u>	<u>348,946</u>
Total liabilities	<u><u>1,150,617</u></u>	<u><u>906,795</u></u>
Fund balance:		
Restricted for infrastructure and regulation	<u>6,702,034</u>	<u>6,791,499</u>
Total fund balance	<u><u>6,702,034</u></u>	<u><u>6,791,499</u></u>
Total liabilities and fund balance	<u><u>\$ 7,852,651</u></u>	<u><u>\$ 7,698,294</u></u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
(with comparative actual amounts for the year ended June 30, 2010)

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Real property taxes	\$ 5,523,660	\$ 5,643,878	\$ 120,218	\$ 5,731,972
Personal property taxes	586,420	527,000	(59,420)	588,798
Vehicle taxes	445,700	521,571	75,871	551,546
Interest	40,250	22,915	(17,335)	38,788
Other	-	43	43	(31)
Total revenues	<u>6,596,030</u>	<u>6,715,407</u>	<u>119,377</u>	<u>6,911,073</u>
<b>Expenditures</b>				
Current:				
Infrastructure and Regulation:				
Contractual services	6,334,727	5,651,075	683,652	5,009,653
Supplies & Materials	-	-	-	496,638
Capital outlay	1,606,900	1,151,313	455,587	156,023
Indirect cost allocation	10,851	2,484	8,367	10,851
Total expenditures	<u>7,952,478</u>	<u>6,804,872</u>	<u>1,147,606</u>	<u>5,673,165</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,356,448)</u>	<u>(89,465)</u>	<u>1,266,983</u>	<u>1,237,908</u>
Net change in fund balance	(1,356,448)	(89,465)	1,266,983	1,237,908
Fund balance at beginning of year	6,791,499	6,791,499	-	5,553,591
Fund balance at end of year	<u>\$ 5,435,051</u>	<u>\$ 6,702,034</u>	<u>\$ 1,266,983</u>	<u>\$ 6,791,499</u>

HORRY COUNTY, SOUTH CAROLINA

WATERSHED SPECIAL REVENUE FUNDS  
BALANCE SHEETS

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Pooled cash and investments	\$ 535,711	\$ 459,716
Receivables, net:		
Property taxes	7,585	11,309
Interest receivable	892	834
Total assets	<u>\$ 544,188</u>	<u>\$ 471,859</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ -	\$ 3,370
Deferred revenues	7,009	10,086
Total liabilities	<u>7,009</u>	<u>13,456</u>
Fund balance:		
Restricted for infrastructure and regulation	537,179	458,403
Total fund balance	<u>537,179</u>	<u>458,403</u>
Total liabilities and fund balance	<u>\$ 544,188</u>	<u>\$ 471,859</u>



HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Real property taxes	\$ 99,095	\$ 94,612	\$ (4,483)	\$ 101,043
Personal property taxes	-	48	48	222
Interest	5,950	1,941	(4,009)	2,896
Total revenues	<u>105,045</u>	<u>96,601</u>	<u>(8,444)</u>	<u>104,161</u>
<b>Expenditures</b>				
Current:				
Infrastructure and Regulation:				
Contractual services	102,981	15,973	87,008	6,975
Indirect cost allocation	2,064	1,852	212	2,064
Total expenditures	<u>105,045</u>	<u>17,825</u>	<u>87,220</u>	<u>9,039</u>
Excess (deficiency) of revenues over (under) expenditures	-	78,776	78,776	95,122
Net change in fund balance	-	78,776	78,776	95,122
Fund balance at beginning of year	458,403	458,403	-	363,281
Fund balance at end of year	<u>\$ 458,403</u>	<u>\$ 537,179</u>	<u>\$ 78,776</u>	<u>\$ 458,403</u>

HORRY COUNTY, SOUTH CAROLINA

MT. GILEAD SPECIAL REVENUE FUND  
BALANCE SHEETS

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

<b>Assets</b>	<u>2011</u>	<u>2010</u>
Pooled cash and investments	\$ 392,675	\$ 383,759
Receivables, net:		
Property taxes	1,175	1,585
Interest receivable	546	556
Total assets	<u>\$ 394,396</u>	<u>\$ 385,900</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 2,281	\$ 2,742
Deferred revenues	993	1,647
Total Liabilities	<u>3,274</u>	<u>4,389</u>
Fund balance:		
Restricted for infrastructure and regulation	391,122	381,511
Total Fund balance	<u>391,122</u>	<u>381,511</u>
Total liabilities and fund balance	<u>\$ 394,396</u>	<u>\$ 385,900</u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Real property taxes	\$ 30,725	\$ 30,359	\$ (366)	\$ 29,891
Personal property taxes	50	100	50	15
Vehicle taxes	-	2,067	2,067	2,248
Interest	3,500	1,115	(2,385)	1,704
Total revenues	<u>34,275</u>	<u>33,641</u>	<u>(634)</u>	<u>33,858</u>
<b>Expenditures</b>				
Current:				
Infrastructure and Regulation:				
Personal services	602	602	-	602
Contractual services	27,300	21,066	6,234	19,010
Supplies and materials	15,000	900	14,100	195
Other	11,394	-	11,394	-
Indirect cost allocation	4,979	1,462	3,517	4,979
Total expenditures	<u>59,275</u>	<u>24,030</u>	<u>35,245</u>	<u>24,786</u>
Excess of revenues over expenditures	<u>(25,000)</u>	<u>9,611</u>	<u>34,611</u>	<u>9,072</u>
Net change in fund balance	<u>(25,000)</u>	<u>9,611</u>	<u>34,611</u>	<u>9,072</u>
Fund balance at beginning of year	381,511	381,511	-	372,439
Fund balance at end of year	<u>\$ 356,511</u>	<u>\$ 391,122</u>	<u>\$ 34,611</u>	<u>\$ 381,511</u>

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

JUNE 30, 2011  
 (with comparative amounts for June 30, 2010)

	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Pooled cash and investments	\$ 91,204	\$ -
Receivables, net:		
Property taxes	8,065	11,375
Interest Receivable	56	9
Total assets	\$ 99,325	\$ 11,384
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 3,933	\$ -
Due to other funds	-	25,886
Deferred revenues	5,820	8,697
Total liabilities	9,753	34,583
 Fund balance:		
Restricted for culture, recreation and tourism	89,572	-
Unassigned	-	(23,199)
Total fund balance (deficit)	89,572	(23,199)
Total liabilities and fund balance	\$ 99,325	\$ 11,384

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Real property taxes	\$ 178,925	\$ 186,050	\$ 7,125	\$ 195,972
Personal property taxes	100	41	(59)	279
Interest	250	119	(131)	(39)
Other	-	24,474	24,474	-
Total revenues	<u>179,275</u>	<u>210,684</u>	<u>31,409</u>	<u>196,212</u>
<b>Expenditures</b>				
Current:				
Culture, Recreation and Tourism:				
Personal services	2,000	1,932	68	2,432
Contractual services	48,641	13,966	34,675	4,742
Supplies and materials	45,936	8,322	37,614	196,025
Other	62,617	28,106	34,511	-
Indirect cost allocation	283	25,789	(25,506)	283
Total expenditures	<u>159,477</u>	<u>78,115</u>	<u>81,362</u>	<u>203,482</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,798</u>	<u>132,569</u>	<u>112,771</u>	<u>(7,270)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(19,798)	(19,798)	-	(19,544)
Total other financing sources (uses)	<u>(19,798)</u>	<u>(19,798)</u>	<u>-</u>	<u>(19,544)</u>
Net change in fund balance	-	112,771	112,771	(26,814)
Fund balance at beginning of year	(23,199)	(23,199)	-	3,615
Fund balance (deficit) at end of year	<u>\$ (23,199)</u>	<u>\$ 89,572</u>	<u>\$ 112,771</u>	<u>\$ (23,199)</u>

HORRY COUNTY, SOUTH CAROLINA

ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND  
BALANCE SHEETS

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Pooled cash and investments	\$ 11,840,382	\$ 13,318,738
Receivables, net:		
Fees	1,226,125	1,396,805
Interest Receivable	18,040	19,474
Due from other funds	-	539,451
Due from other governments	415,983	589,142
Total assets	<u>\$ 13,500,530</u>	<u>\$ 15,863,610</u>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 864,876	\$ 631,467
Retainage payable	5,288	21,082
Accrued salaries and wages	20,135	15,608
Funds in escrow	-	480,000
Deferred revenues	1,226,125	1,396,805
Total liabilities	<u>2,116,424</u>	<u>2,544,962</u>
 Fund balance:		
Restricted for infrastructure and regulation	11,384,106	13,318,648
Total fund balance	<u>11,384,106</u>	<u>13,318,648</u>
Total liabilities and fund balance	<u>\$ 13,500,530</u>	<u>\$ 15,863,610</u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
(with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Intergovernmental	\$ 4,521,684	\$ 1,220,372	\$ (3,301,312)	\$ 1,064,849
Fees	6,950,000	7,394,105	444,105	7,158,388
Hospitality fees	2,515,150	2,628,509	113,359	-
Interest	122,500	37,728	(84,772)	68,817
Other	16,650	4,364	(12,286)	-
<b>Total revenues</b>	<b>14,125,984</b>	<b>11,285,078</b>	<b>(2,840,906)</b>	<b>8,292,054</b>
<b>Expenditures</b>				
Current:				
Infrastructure and regulation				
Assistant County Administrator:				
Contractual services	-	-	-	7,890
Total assistant county admin.	-	-	-	7,890
Engineer:				
Personal services	-	-	-	25
Contractual services	25,000	7,929	17,071	46,363
Supplies & Materials	-	-	-	572
Construction contracts	9,345,254	3,053,505	6,291,749	4,248,469
Indirect cost allocation	401,148	401,148	-	307,028
<b>Total engineer</b>	<b>9,771,402</b>	<b>3,462,582</b>	<b>6,308,820</b>	<b>4,602,457</b>
Operations:				
Personal services	613,309	592,693	20,616	527,931
Contractual services	733,783	215,968	517,815	42,566
Supplies & Materials	13,014	12,276	738	36,787
Business & Transportation	144,840	144,087	753	218,416
Capital outlay	28,150	28,150	-	153,288
Construction contracts	10,387,759	4,337,614	6,050,145	2,269,005
Distributions to Municipalities	1,371,364	1,473,053	(101,689)	1,394,602
Other	86,769	86,769	-	17,406
Indirect cost allocation	94,773	94,773	-	55,438
<b>Total operations</b>	<b>13,473,761</b>	<b>6,985,383</b>	<b>6,488,378</b>	<b>4,715,439</b>
<b>Total expenditures</b>	<b>23,245,163</b>	<b>10,447,965</b>	<b>12,797,198</b>	<b>9,325,786</b>
Excess (deficiency) of revenues over (under) expenditures	(9,119,179)	837,113	9,956,292	(1,033,732)
<b>Other Financing Sources (Uses)</b>				
Transfers in	168,000	168,000	-	2,792,871
Transfers out	(2,939,655)	(2,939,655)	-	(2,055,000)
<b>Total other financing sources (uses)</b>	<b>(2,771,655)</b>	<b>(2,771,655)</b>	<b>-</b>	<b>737,871</b>
Net change in fund balance	(11,890,834)	(1,934,542)	9,956,292	(295,861)
<b>Fund balance at beginning of year</b>	<b>13,318,648</b>	<b>13,318,648</b>	<b>-</b>	<b>13,614,509</b>
<b>Fund balance at end of year</b>	<b>\$ 1,427,814</b>	<b>\$ 11,384,106</b>	<b>\$ 9,956,292</b>	<b>\$ 13,318,648</b>

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

JUNE 30, 2011  
 (with comparative amounts for June 30, 2010)

	2011	2010
<b>Assets</b>		
Pooled cash and investments	\$ 2,498,057	\$ 1,844,891
Receivables, net:		
Other	30,332	54,402
Interest receivable	3,090	2,780
Due from other funds	94,161	42,686
Total assets	\$ 2,625,640	\$ 1,944,759
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ -	\$ 12,329
Due to other funds	357,643	483,335
Total liabilities	357,643	495,664
 Fund balance:		
Restricted for culture, recreation and tourism	2,039,442	1,345,667
Committed to culture, recreation and tourism	228,555	103,428
Total fund balance	2,267,997	1,449,095
Total liabilities and fund balance	\$ 2,625,640	\$ 1,944,759



HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Accommodations tax	\$ 510,000	\$ 510,000	\$ -	\$ -
Local Accommodations tax	164,241	183,775	19,534	-
Interest	-	6,707	6,707	10,295
Other	-	19,879	19,879	-
Total revenues	<u>674,241</u>	<u>720,361</u>	<u>46,120</u>	<u>10,295</u>
<b>Expenditures</b>				
Current:				
Infrastructure and Regulation:				
Contractual services	214,907	94,963	119,944	51,010
Other	755,125	-	755,125	-
Total expenditures	<u>970,032</u>	<u>94,963</u>	<u>875,069</u>	<u>51,010</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(295,791)</u>	<u>625,398</u>	<u>921,189</u>	<u>(40,715)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	168,421	193,504	25,083	311,474
Total other financing sources (uses)	<u>168,421</u>	<u>193,504</u>	<u>25,083</u>	<u>311,474</u>
Net change in fund balance	(127,370)	818,902	946,272	270,759
Fund balance at beginning of year	1,449,095	1,449,095	-	1,178,336
Fund balance at end of year	<u>\$ 1,321,725</u>	<u>\$ 2,267,997</u>	<u>\$ 946,272</u>	<u>\$ 1,449,095</u>

HORRY COUNTY, SOUTH CAROLINA

GRANTS SPECIAL REVENUE FUND  
BALANCE SHEETS

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Pooled cash and investments	\$ 17,802	\$ 413,432
Receivables, net:		
Other	178	-
Interest receivable	533	578
Due from other governments	<u>1,683,002</u>	<u>958,323</u>
Total assets	<u>\$ 1,701,515</u>	<u>\$ 1,372,333</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 465,045	\$ 153,589
Accrued salaries and wages	<u>40,108</u>	<u>30,383</u>
Total liabilities	<u>505,153</u>	<u>183,972</u>
Fund balance:		
Restricted for public safety	755,163	549,757
Committed to public safety	<u>441,199</u>	<u>638,604</u>
Total fund balance	<u>1,196,362</u>	<u>1,188,361</u>
Total liabilities and fund balance	<u>\$ 1,701,515</u>	<u>\$ 1,372,333</u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
(with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Intergovernmental	\$ 5,361,289	\$ 3,084,658	\$ (2,276,631)	\$ 2,844,226
Interest	-	924	924	1,242
Other	36,428	35,301	(1,127)	159,200
Total revenues	5,397,717	3,120,883	(2,276,834)	3,004,668
<b>Expenditures</b>				
Current:				
General Government:				
Personal services	49,950	30,570	19,380	-
Contractual services	20	-	20	14,720
Business & Transportation	30	26	4	-
Grant projects	429,392	429,392	-	7,185
Capital outlay	1,924,304	764,137	1,160,167	377,306
Total general government	2,403,696	1,224,125	1,179,571	399,211
Public safety:				
Personal services	1,692,284	961,794	730,490	543,053
Contractual services	311,149	148,403	162,746	172,737
Supplies & Materials	450,968	257,902	193,066	598,559
Business & Transportation	40,816	11,908	28,908	18,241
Capital outlay	671,131	525,854	145,277	693,467
Other	29,228	15,759	13,469	8,003
Total public safety	3,195,576	1,921,620	1,273,956	2,034,060
Culture, Recreation and Tourism				
Personal services	-	-	-	20,065
Contractual services	3,839	3,377	462	900
Supplies & Materials	73,486	40,958	32,528	92,789
Capital outlay	22,420	22,420	-	-
Grant projects	417	314	103	150,689
Other	188	-	188	-
Total culture, recreation and tourism	100,350	67,069	33,281	264,443
Economic Development:				
Personal services	20,478	20,478	-	10,729
Supplies & Materials	3,150	646	2,504	-
Business & Transportation	-	-	-	2,296
Capital outlay	410,819	259,953	150,866	4,633
Grant projects	208,506	-	208,506	52,119
Construction contracts	-	-	-	352,948
Total economic development	642,953	281,077	361,876	422,725
Total expenditures	6,342,575	3,493,891	2,848,684	3,120,439
Excess (deficiency) of revenues over (under) expenditures	(944,858)	(373,008)	571,850	(115,771)
<b>Other Financing Sources (Uses)</b>				
Transfers in	381,009	381,009	-	371,943
Transfers out	-	-	-	(81,845)
Total other financing sources (uses)	381,009	381,009	-	290,098
Net change in fund balance	(563,849)	8,001	571,850	174,327
Fund balance at beginning of year	1,188,361	1,188,361	-	1,014,034
Fund balance at end of year	\$ 624,512	\$ 1,196,362	\$ 571,850	\$ 1,188,361

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

JUNE 30, 2011  
 (with comparative amounts for June 30, 2010)

<b>Assets</b>	<b>2011</b>	<b>2010</b>
Pooled cash and investments	<u>\$ 638,468</u>	<u>\$ 605,931</u>
Interest receivable	802	719
Due from other governments	-	15,657
Total assets	<u><u>\$ 639,270</u></u>	<u><u>\$ 622,307</u></u>
<b>Liabilities and Fund Balance</b>		
Fund balance		
Restricted for economic development	<u>\$ 639,270</u>	<u>\$ 622,307</u>
Total fund balance	<u>639,270</u>	<u>622,307</u>
Total liabilities and fund balance	<u><u>\$ 639,270</u></u>	<u><u>\$ 622,307</u></u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Intergovernmental	\$ 20,000	\$ 15,030	\$ (4,970)	\$ 225,617
Interest	-	1,933	1,933	2,288
Total revenues	<u>20,000</u>	<u>16,963</u>	<u>(3,037)</u>	<u>227,905</u>
<b>Expenditures</b>				
Current:				
Other	\$ 550,000	\$ -	550,000	\$ -
Total expenditures	<u>550,000</u>	<u>-</u>	<u>550,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(530,000)</u>	<u>16,963</u>	<u>546,963</u>	<u>227,905</u>
Net change in fund balance	(530,000)	16,963	546,963	227,905
Fund balance at beginning of year	622,307	622,307	-	394,402
Fund balance at end of year	<u>\$ 92,307</u>	<u>\$ 639,270</u>	<u>\$ 546,963</u>	<u>\$ 622,307</u>

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

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	2011	2010
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 1,529,644
Pooled cash and investments	-	863,564
Receivables, net:		
Fees	-	4,279,523
Interest receivable	-	2,921
Total assets	\$ -	\$ 6,675,652
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Due to other funds	\$ -	\$ 6,461,400
Deferred revenue	-	216,039
Total liabilities	-	6,677,439
Fund balance:		
Unassigned	-	(1,787)
Total fund balance (deficit)	-	(1,787)
Total liabilities and fund balance	\$ -	\$ 6,675,652

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Fees and fines	\$ -	\$ -	\$ -	\$ 28,021,492
Interest	-	1,787	1,787	16,908
Total revenues	-	1,787	1,787	28,038,400
Excess of revenues over expenditures	-	1,787	1,787	28,038,400
<b>Other Financing Sources (Uses)</b>				
Transfers out - RIDE Debt Service	-	-	-	(27,798,152)
Transfers out - General Fund	-	-	-	(275,621)
Total other financing sources (uses)	-	-	-	(28,073,773)
Net change in fund balance	-	1,787	1,787	(35,373)
Fund balance (deficit) at beginning of year	(1,787)	(1,787)	-	33,586
Fund balance (deficit) at end of year	<u>\$ (1,787)</u>	<u>\$ -</u>	<u>\$ 1,787</u>	<u>\$ (1,787)</u>

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

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	2011	2010
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 2,606,774
Pooled cash and investments	-	590,258
Receivables, net:		
Fees	-	829,551
Interest receivable	-	1,492
Total assets	\$ -	\$ 4,028,075
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Due to other funds	\$ -	\$ 593,474
Deferred revenues	-	83,818
Total liabilities	-	677,292
 Fund balance:		
Restricted for debt service	-	242,413
Restricted for culture, recreation and tourism	-	1,190,273
Restricted for infrastructure and regulation	-	1,918,097
Total fund balance	-	3,350,783
Total liabilities and fund balance	\$ -	\$ 4,028,075



HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Fees and fines	\$ -	\$ -	\$ -	\$ 5,847,581
Interest	-	-	-	9,157
Total revenues	-	-	-	5,856,738
<b>Expenditures</b>				
Current:				
General Government:				
Other	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	5,856,738
<b>Other Financing Sources (Uses)</b>				
Transfers out	(3,350,783)	(3,350,783)	-	(5,195,679)
Total other financing sources (uses)	(3,350,783)	(3,350,783)	-	(5,195,679)
Net change in fund balance	(3,350,783)	(3,350,783)	-	661,059
Fund balance at beginning of year	3,350,783	3,350,783	-	2,689,724
Fund balance at end of year	\$ -	\$ -	\$ -	\$ 3,350,783

HORRY COUNTY, SOUTH CAROLINA

VICTIM WITNESS ASSISTANCE SPECIAL REVENUE FUND  
BALANCE SHEETS

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Receivables, net:		
Accounts Receivable	\$ 33,810	\$ 36,769
Total assets	<u>\$ 33,810</u>	<u>\$ 36,769</u>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 254	\$ 2,015
Accrued salaries and wages	13,868	18,784
Due to other funds	96,076	105,157
Total liabilities	<u>110,198</u>	<u>125,956</u>
 Fund balance:		
Unassigned	<u>(76,388)</u>	<u>(89,187)</u>
Total fund balance (deficit)	<u>(76,388)</u>	<u>(89,187)</u>
Total liabilities and fund balance	<u>\$ 33,810</u>	<u>\$ 36,769</u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
(with comparative actual amounts for the year ended June 30, 2010)

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Fees and fines	\$ 514,756	\$ 457,403	\$ (57,353)	\$ 497,605
Interest	500	-	(500)	(52)
Total revenues	<u>515,256</u>	<u>457,403</u>	<u>(57,853)</u>	<u>497,553</u>
<b>Expenditures</b>				
Current:				
Public safety				
Detention:				
Personal services	199,772	216,900	(17,128)	253,622
Contractual services	5,000	3,213	1,787	2,704
Supplies & Materials	4,475	4,225	250	1,156
Business & Transportation	6,925	1,120	5,805	-
Other	81,107	-	81,107	-
Total detention	<u>297,279</u>	<u>225,458</u>	<u>71,821</u>	<u>257,482</u>
Police:				
Personal services	-	-	-	66,230
Total police	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,230</u>
Victim Witness:				
Personal services	55,056	55,150	(94)	55,152
Contractual services	-	292	(292)	-
Supplies & Materials	1,200	-	1,200	803
Business & Transportation	3,500	865	2,635	2,211
Total victim witness	<u>59,756</u>	<u>56,307</u>	<u>3,449</u>	<u>58,166</u>
Solicitor:				
Personal services	225,866	239,391	(13,525)	251,230
Contractual services	2,210	1,785	425	4,829
Supplies & Materials	3,817	1,563	2,254	-
Business & Transportation	7,435	1,207	6,228	2,952
Total solicitor	<u>239,328</u>	<u>243,946</u>	<u>(4,618)</u>	<u>259,011</u>
Total expenditures	<u>596,363</u>	<u>525,711</u>	<u>70,652</u>	<u>640,889</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(81,107)</u>	<u>(68,308)</u>	<u>12,799</u>	<u>(143,336)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	81,107	81,107	-	135,256
Total other financing sources (uses)	<u>81,107</u>	<u>81,107</u>	<u>-</u>	<u>135,256</u>
Net change in fund balance	-	12,799	12,799	(8,080)
Fund balance (deficit) at beginning of year	(89,187)	(89,187)	-	(81,107)
Fund balance (deficit) at end of year	<u>\$ (89,187)</u>	<u>\$ (76,388)</u>	<u>\$ 12,799</u>	<u>\$ (89,187)</u>

HORRY COUNTY, SOUTH CAROLINA  
 SENIOR CITIZEN SPECIAL REVENUE FUND  
 BALANCE SHEETS

JUNE 30, 2011  
 (with comparative amounts for June 30, 2010)

	2011	2010
<b>Assets</b>		
Pooled cash and investments	\$ 50,532	\$ 37,598
Receivables, net:		
Property taxes	37,340	45,487
Interest receivable	192	208
Total assets	\$ 88,064	\$ 83,293
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 21,146	\$ 15,823
Deferred revenues	31,908	34,772
Total liabilities	53,054	50,595
Fund balance:		
Restricted for health and social services	35,010	32,698
Total fund balance	35,010	32,698
Total liabilities and fund balance	\$ 88,064	\$ 83,293

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Real property taxes	\$ 677,760	\$ 695,223	\$ 17,463	\$ 673,238
Personal property taxes	58,100	55,164	(2,936)	58,697
Vehicle taxes	40,000	45,993	5,993	46,246
Interest	425	186	(239)	883
Total revenues	<u>776,285</u>	<u>796,566</u>	<u>20,281</u>	<u>779,064</u>
<b>Expenditures</b>				
Current:				
Health and Social Services:				
Contractual services	775,925	793,090	(17,165)	774,539
Indirect cost allocation	360	1,164	(804)	360
Total expenditures	<u>776,285</u>	<u>794,254</u>	<u>(17,969)</u>	<u>774,899</u>
Excess of revenues over expenditures	-	2,312	2,312	4,165
Net change in fund balance	-	2,312	2,312	4,165
Fund balance at beginning of year	32,698	32,698	-	28,533
Fund balance at end of year	<u>\$ 32,698</u>	<u>\$ 35,010</u>	<u>\$ 2,312</u>	<u>\$ 32,698</u>

HORRY COUNTY, SOUTH CAROLINA  
 BASEBALL STADIUM SPECIAL REVENUE FUND  
 BALANCE SHEETS

JUNE 30, 2011  
 (with comparative amounts for June 30, 2010)

	<b>2011</b>	2010
<b>Assets</b>		
Pooled cash and investments	<b>\$ 110,328</b>	\$ 88,599
Restricted assets	<b>101,268</b>	98,633
Total assets	<b>\$ 211,596</b>	\$ 187,232
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Due to other governments	<b>\$ 45,500</b>	\$ 54,680
Total liabilities	<b>\$ 45,500</b>	\$ 54,680
Fund balance:		
Restricted for culture, recreation and tourism	<b>\$ 166,096</b>	\$ 132,552
Total fund balance	<b>166,096</b>	132,552
Total liabilities and fund balance	<b>\$ 211,596</b>	\$ 187,232

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Fees and fines	\$ 10,000	\$ 12,776	\$ 2,776	\$ 24,799
Hospitality fees	101,230	75,923	(25,307)	-
Interest	-	3,121	3,121	-
Total revenues	<u>111,230</u>	<u>91,820</u>	<u>(19,410)</u>	<u>24,799</u>
<b>Expenditures</b>				
Current:				
Culture, Recreation and Tourism:				
Personal services	12,593	12,593	-	14,665
Contractual services	24,293	24,293	-	24,836
Supplies & Materials	21,330	21,330	-	26,775
Other	53,014	60	52,954	-
Total expenditures	<u>111,230</u>	<u>58,276</u>	<u>52,954</u>	<u>66,276</u>
Excess (deficiency) of revenues over (under) expenditures	-	<u>33,544</u>	<u>33,544</u>	<u>(41,477)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	92,918
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,918</u>
Net change in fund balance	-	<u>33,544</u>	<u>33,544</u>	51,441
Fund balance at beginning of year	<u>132,552</u>	<u>132,552</u>	-	81,111
Fund balance at end of year	<u>\$ 132,552</u>	<u>\$ 166,096</u>	<u>\$ 33,544</u>	<u>\$ 132,552</u>

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

JUNE 30, 2011  
 (with comparative amounts for June 30, 2010)

	<b>2011</b>	2010
<b>Assets</b>		
Pooled cash and investments	<b>\$ 57,411</b>	\$ 47,785
Receivables, net:		
Property taxes	<b>524</b>	3,347
Interest receivable	<b>69</b>	57
Total assets	<b>\$ 58,004</b>	\$ 51,189
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	<b>\$ 1,652</b>	\$ 865
Due to other funds	<b>266,664</b>	289,682
Deferred revenues	<b>890</b>	11
Total liabilities	<b>269,206</b>	290,558
Fund balance:		
Unassigned	<b>(211,202)</b>	(239,369)
Total fund balance (deficit)	<b>(211,202)</b>	(239,369)
Total liabilities and fund balance	<b>\$ 58,004</b>	\$ 51,189



HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
(with comparative actual amounts for the year ended June 30, 2010)

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Real property taxes	\$ 59,200	\$ 61,644	\$ 2,444	\$ 60,553
Personal property taxes	-	-	-	8
Vehicle taxes	2,660	2,622	(38)	2,730
Interest	350	133	(217)	126
Other	-	500	500	-
Total revenues	<u>62,210</u>	<u>64,899</u>	<u>2,689</u>	<u>63,417</u>
<b>Expenditures</b>				
Current:				
Infrastructure and Regulation:				
Personal Services	602	602	-	602
Contractual services	11,710	10,371	1,339	10,138
Supplies and materials	11,626	10,506	1,120	9,462
Indirect cost allocation	1,194	1,194	-	3,365
Other	37,078	14,059	23,019	15,158
Total expenditures	<u>62,210</u>	<u>36,732</u>	<u>25,478</u>	<u>38,725</u>
Excess of revenues over expenditures	-	28,167	28,167	24,692
Net change in fund balance	-	28,167	28,167	24,692
Fund balance (deficit) at beginning of year	(239,369)	(239,369)	-	(264,061)
Fund balance (deficit) at end of year	<u>\$ (239,369)</u>	<u>\$ (211,202)</u>	<u>\$ 28,167</u>	<u>\$ (239,369)</u>

HORRY COUNTY, SOUTH CAROLINA

CDBG GRANT PROGRAM SPECIAL REVENUE FUND  
BALANCE SHEETS

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Due from other governments	\$ 225,546	\$ 149,892
Prepaid items	-	664
Total assets	<u>\$ 225,546</u>	<u>\$ 150,556</u>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 37,918	\$ 58,981
Due to other funds	181,768	86,645
Accrued salaries and wages	5,860	4,930
Total liabilities	<u>225,546</u>	<u>150,556</u>
Fund balance:		
Nonspendable	-	664
Restricted for economic development	910,938	1,062,388
Unassigned	<u>(910,938)</u>	<u>(1,063,052)</u>
Total fund balance	-	-
Total liabilities and fund balance	<u>\$ 225,546</u>	<u>\$ 150,556</u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Intergovernmental	\$ 3,388,888	\$ 1,831,174	\$ (1,557,714)	\$ 2,108,315
Total revenues	<u>3,388,888</u>	<u>1,831,174</u>	<u>(1,557,714)</u>	<u>2,108,315</u>
<b>Expenditures</b>				
Current:				
Economic Development:				
Personal services	216,103	191,285	24,818	155,928
Contractual services	2,262,186	918,312	1,343,874	1,052,791
Supplies & Materials	42,489	29,270	13,219	34,435
Business & Transportation	22,703	9,258	13,445	9,750
Construction contracts	176,000	176,000	-	128,205
Indirect cost allocation	64,440	8,998	55,442	4,446
Capital Outlay	42,049	42,049	-	283,963
Other	101,024	-	101,024	-
Other -CDBG community projects	74,633	68,741	5,892	214,880
Total expenditures	<u>3,001,627</u>	<u>1,443,913</u>	<u>1,557,714</u>	<u>1,884,398</u>
Excess (deficiency) of revenues over (under) expenditures	<u>387,261</u>	<u>387,261</u>	<u>-</u>	<u>223,917</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(387,261)	(387,261)	-	(223,917)
Total other financing sources (uses)	<u>(387,261)</u>	<u>(387,261)</u>	<u>-</u>	<u>(223,917)</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  
 STORMWATER SPECIAL REVENUE FUND  
 BALANCE SHEETS

JUNE 30, 2011  
 (with comparative amounts for June 30, 2010)

	2011	2010
<b>Assets</b>		
Pooled cash and investments	<b>\$ 2,801,356</b>	\$ 3,860,836
Receivables, net:		
Fees	<b>68,626</b>	303,387
Accounts Receivable	<b>42</b>	26,126
Interest receivable	<b>5,132</b>	5,733
Total assets	<b>\$ 2,875,156</b>	<b>\$ 4,196,082</b>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	<b>\$ 80,971</b>	\$ 263,573
Accrued salaries and wages	<b>41,075</b>	36,516
Due to component unit	<b>771</b>	514
Deferred revenues	<b>33,651</b>	262,531
Other liabilities	<b>51</b>	27
Total liabilities	<b>156,519</b>	563,161
Fund balance:		
Restricted for infrastructure and regulation	<b>2,718,637</b>	3,632,921
Total fund balance	<b>2,718,637</b>	3,632,921
Total liabilities and fund balance	<b>\$ 2,875,156</b>	<b>\$ 4,196,082</b>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Fees	\$ 4,500,000	\$ 4,455,825	\$ (44,175)	\$ 4,442,968
Interest	30,000	8,077	(21,923)	15,032
Other	-	(3)	(3)	26,123
Total revenues	<u>4,530,000</u>	<u>4,463,899</u>	<u>(66,101)</u>	<u>4,484,123</u>
<b>Expenditures</b>				
Current:				
Infrastructure and Regulation:				
Personal services	1,653,756	1,558,010	95,746	1,529,006
Contractual services	1,266,898	1,127,963	138,935	899,778
Supplies & Materials	309,175	270,769	38,406	317,191
Business & Transportation	262,890	255,038	7,852	306,432
Construction contracts	672,814	596,204	76,610	1,440,066
Capital Outlay	244,845	251,270	(6,425)	157,433
Indirect cost allocation	306,814	266,534	40,280	253,550
Other	168,649	168,649	-	42,663
Total expenditures	<u>4,885,841</u>	<u>4,494,437</u>	<u>391,404</u>	<u>4,946,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(355,841)</u>	<u>(30,538)</u>	<u>325,303</u>	<u>(461,996)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	479,789
Transfers out	(883,746)	(883,746)	-	(368,047)
Total other financing sources (uses)	<u>(883,746)</u>	<u>(883,746)</u>	<u>-</u>	<u>111,742</u>
Net change in fund balance	<u>(1,239,587)</u>	<u>(914,284)</u>	<u>325,303</u>	<u>(350,254)</u>
Fund balance at beginning of year	3,632,921	3,632,921	-	3,983,175
Fund balance at end of year	<u>\$ 2,393,334</u>	<u>\$ 2,718,637</u>	<u>\$ 325,303</u>	<u>\$ 3,632,921</u>

HORRY COUNTY, SOUTH CAROLINA

GIS/IT SPECIAL REVENUE FUND  
BALANCE SHEETS

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Pooled cash and investments	\$ 65,395	\$ 35,749
Interest receivable	46	25
Total assets	<u>\$ 65,441</u>	<u>\$ 35,774</u>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 1,534	\$ 22
Total liabilities	<u>1,534</u>	<u>22</u>
Fund balance:		
Committed to public safety	<u>63,907</u>	<u>35,752</u>
Total fund balance	<u>63,907</u>	<u>35,752</u>
Total liabilities and fund balance	<u>\$ 65,441</u>	<u>\$ 35,774</u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Fees and fines	\$ -	\$ 7,569	\$ 7,569	\$ 7,659
Intergovernmental	22,500	27,500	(5,000)	22,500
Interest	-	131	131	75
Total revenues	<u>22,500</u>	<u>35,200</u>	<u>2,700</u>	<u>30,234</u>
<b>Expenditures</b>				
Current:				
Public safety:				
Contractual services	22,500	1,470	21,030	7,038
Other	-	5,575	(5,575)	-
Total expenditures	<u>22,500</u>	<u>7,045</u>	<u>21,030</u>	<u>7,038</u>
Excess (deficiency) of revenues over (under) expenditures	-	28,155	23,730	23,196
Net change in fund balance	-	28,155	23,730	23,196
<b>Fund balance at beginning of year</b>	35,752	35,752	-	12,556
<b>Fund balance at end of year</b>	<u>\$ 35,752</u>	<u>\$ 63,907</u>	<u>\$ 23,730</u>	<u>\$ 35,752</u>

HORRY COUNTY, SOUTH CAROLINA

MULTI-COUNTY BUSINESS PARK ROLLBACK SPECIAL REVENUE FUND  
BALANCE SHEETS

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Pooled cash and investments	\$ 896,835	\$ 1,900,662
Receivables, net:		
Accounts receivable	-	8,344
Interest receivable	2,458	3,412
Total assets	<u>\$ 899,293</u>	<u>\$ 1,912,418</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - other	\$ -	\$ 100,073
Deferred revenues	-	8,344
Total liabilities	<u>-</u>	<u>108,417</u>
Fund balance:		
Restricted for infrastructure and regulation	\$ 899,293	\$ 1,804,001
Total fund balance	<u>899,293</u>	<u>1,804,001</u>
Total liabilities and fund balance	<u>\$ 899,293</u>	<u>\$ 1,912,418</u>



HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 107,870
Interest	-	3,578	3,578	11,437
Total revenues	-	3,578	3,578	119,307
<b>Expenditures</b>				
Current:				
Infrastructure and Regulation:				
Construction contracts	-	908,286	(908,286)	683,533
Total expenditures	-	908,286	(908,286)	683,533
Excess (deficiency) of revenues over (under) expenditures	-	(904,708)	(904,708)	(564,226)
Net change in fund balance	-	(904,708)	(904,708)	(564,226)
<b>Fund balance at beginning of year</b>	<b>1,804,001</b>	<b>1,804,001</b>	-	2,368,227
<b>Fund balance at end of year</b>	<b>\$ 1,804,001</b>	<b>\$ 899,293</b>	<b>\$ (904,708)</b>	\$ 1,804,001

HORRY COUNTY, SOUTH CAROLINA

E-911 SPECIAL REVENUE FUND  
BALANCE SHEETS

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Pooled cash and investments	\$ 2,237,189	\$ 452,456
Receivables, net:		
Fees	65,874	67,334
Due from other governments	249,649	1,123,085
Interest receivable	1,611	422
Total assets	<u>\$ 2,554,323</u>	<u>\$ 1,643,297</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 48	\$ 1,282
Accrued salaries and wages	4,452	3,956
Total liabilities	<u>4,500</u>	<u>5,238</u>
Fund balance:		
Restricted for public safety	2,549,823	1,638,059
Total fund balance	<u>2,549,823</u>	<u>1,638,059</u>
Total liabilities and fund balance	<u>\$ 2,554,323</u>	<u>\$ 1,643,297</u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Intergovernmental	\$ 900,000	\$ 967,522	\$ 67,522	\$ 1,587,307
Fees and fines	850,000	919,212	69,212	827,453
Interest	-	4,919	4,919	2,298
Total revenues	<u>1,750,000</u>	<u>1,891,653</u>	<u>141,653</u>	<u>2,417,058</u>
<b>Expenditures</b>				
Current:				
Public safety:				
Personal services	183,726	153,308	30,418	155,288
Contractual services	1,291,000	820,889	470,111	1,058,995
Supplies & Materials	4,445	979	3,466	992
Business & Transportation	8,425	4,713	3,712	3,541
Other	262,404	-	262,404	-
Total expenditures	<u>1,750,000</u>	<u>979,889</u>	<u>770,111</u>	<u>1,218,816</u>
Excess (deficiency) of revenues over (under) expenditures	-	911,764	911,764	1,198,242
Net change in fund balance	-	911,764	911,764	1,198,242
Fund balance at beginning of year	1,638,059	1,638,059	-	439,817
Fund balance at end of year	<u>\$ 1,638,059</u>	<u>\$ 2,549,823</u>	<u>\$ 911,764</u>	<u>\$ 1,638,059</u>

HORRY COUNTY, SOUTH CAROLINA

LOCAL ACCOMMODATIONS TAX SPECIAL REVENUE FUND  
BALANCE SHEETS

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 406,824
Pooled cash and investments	-	21
Receivables, net:		
Other	-	149,410
Interest receivable	-	67
Total assets	<u>\$ -</u>	<u>\$ 556,322</u>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ -	\$ 106,521
Due to other funds	-	109,473
Total liabilities	<u>-</u>	<u>215,994</u>
Fund balance:		
Restricted for culture and recreation	-	340,328
Total fund balance	<u>-</u>	<u>340,328</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 556,322</u>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011			2010
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues</b>				
Accommodations tax	\$ -	\$ -	\$ -	\$ 845,104
Interest	-	-	-	1,204
Other	-	-	-	3,126
Total revenues	-	-	-	849,434
<b>Expenditures</b>				
Current:				
Culture, Recreation and Tourism:				
Other	-	-	-	250,996
Total culture, recreation and tourism	-	-	-	250,996
Total expenditures	-	-	-	250,996
Excess of revenues over expenditures	-	-	-	598,438
<b>Other Financing Sources (Uses)</b>				
Transfers out	(340,328)	(340,328)	-	(594,109)
Total other financing sources (uses)	(340,328)	(340,328)	-	(594,109)
Net change in fund balance	(340,328)	(340,328)	-	4,329
Fund balance at beginning of year	340,328	340,328	-	335,999
Fund balance at end of year	\$ -	\$ -	\$ -	\$ 340,328

HORRY COUNTY, SOUTH CAROLINA  
RECREATION SPECIAL REVENUE FUND  
BALANCE SHEETS

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	2011	2010
<b>Assets</b>		
Cash	\$ 100	\$ 100
Pooled cash and investments	3,378,400	3,118,559
Receivables, net:		
Property taxes	201,780	251,150
Other	32,740	1,074
Interest receivable	5,139	5,214
Prepaid items	-	125
<b>Total assets</b>	<b>\$ 3,618,159</b>	<b>\$ 3,376,222</b>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 58,986	\$ 86,795
Accrued salaries and wages	61,191	55,440
Deferred revenues	172,129	189,688
<b>Total liabilities</b>	<b>292,306</b>	<b>331,923</b>
Fund balance:		
Nonspendable	-	125
Restricted for culture, recreation and tourism	3,325,853	3,044,174
<b>Total fund balance</b>	<b>3,325,853</b>	<b>3,044,299</b>
<b>Total liabilities and fund balance</b>	<b>\$ 3,618,159</b>	<b>\$ 3,376,222</b>

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
(with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Real property taxes	\$ 3,767,685	\$ 3,828,408	\$ 60,723	\$ 3,867,550
Personal property taxes	336,000	303,206	(32,794)	336,714
Vehicle taxes	250,000	258,937	8,937	266,015
Intergovernmental	-	262	262	-
Interest	35,000	9,554	(25,446)	16,742
Other	735,000	618,064	(116,936)	453,483
Total revenues	<u>5,123,685</u>	<u>5,018,431</u>	<u>(105,254)</u>	<u>4,940,504</u>
<b>Expenditures</b>				
Current:				
Culture, Recreation and Tourism:				
Personal services	2,002,436	1,598,918	403,518	1,529,122
Contractual services	316,625	300,129	16,496	281,644
Supplies & Materials	1,293,620	795,724	497,896	731,428
Business & Transportation	115,005	111,918	3,087	96,919
Capital Outlay	1,062,829	296,787	766,042	343,830
Indirect cost allocation	618,537	615,607	2,930	744,786
Distributions to Municipalities	200,000	200,000	-	200,000
Other	183,648	22,000	161,648	27,729
Total expenditures	<u>5,792,700</u>	<u>3,941,083</u>	<u>1,851,617</u>	<u>3,955,458</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(669,015)</u>	<u>1,077,348</u>	<u>1,746,363</u>	<u>985,046</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Assets	-	1,707	(1,707)	-
Transfers in	146,209	146,209	-	117,760
Transfers out	(943,322)	(943,710)	(388)	(1,153,843)
Total other financing sources (uses)	<u>(797,113)</u>	<u>(795,794)</u>	<u>(2,095)</u>	<u>(1,036,083)</u>
Net change in fund balance	(1,466,128)	281,554	1,744,268	(51,037)
Fund balance at beginning of year	3,044,299	3,044,299	-	3,095,336
Fund balance at end of year	<u>\$ 1,578,171</u>	<u>\$ 3,325,853</u>	<u>\$ 1,744,268</u>	<u>\$ 3,044,299</u>

HORRY COUNTY, SOUTH CAROLINA  
INDUSTRIAL PARKS SPECIAL REVENUE FUND  
BALANCE SHEETS

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	2011	2010
<b>Assets</b>		
Pooled cash and investments	\$ 3,023,126	\$ 3,848,145
Receivables, net:		
Other	-	235
Interest receivable	5,320	5,928
Prepaid items	716	819
Total assets	\$ 3,029,162	\$ 3,855,127
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Due to other funds	\$ -	\$ 500,000
Total liabilities	-	500,000
 Fund balance:		
Nonspendable	716	819
Committed to economic development	2,428,446	3,354,308
Committed to Department of Airports	600,000	-
Total fund balance	3,029,162	3,355,127
Total liabilities and fund balance	\$ 3,029,162	\$ 3,855,127



HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Fees	\$ 64,656	\$ 315,044	\$ 250,388	\$ 64,655
Interest	44,000	10,551	(33,449)	13,263
Total revenues	<u>108,656</u>	<u>325,595</u>	<u>216,939</u>	<u>77,918</u>
<b>Expenditures</b>				
Current:				
Infrastructure and Regulation:				
Contractual services	524,280	512,161	12,119	429,762
Materials and supplies	-	-	-	5,864
Indirect cost allocation	11,748	48,699	(36,951)	11,784
Other	92,628	-	92,628	127
Total expenditures	<u>628,656</u>	<u>560,860</u>	<u>67,796</u>	<u>447,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(520,000)</u>	<u>(235,265)</u>	<u>284,735</u>	<u>(369,619)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(90,700)	(90,700)	-	-
Total other financing sources (uses)	<u>(90,700)</u>	<u>(90,700)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(610,700)	(325,965)	284,735	(369,619)
Fund balance at beginning of year	3,355,127	3,355,127	-	3,724,746
Fund balance at end of year	<u>\$ 2,744,427</u>	<u>\$ 3,029,162</u>	<u>\$ 284,735</u>	<u>\$ 3,355,127</u>

HORRY COUNTY, SOUTH CAROLINA

## CAPITAL PROJECTS FUNDS

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

MAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET

June 30, 2011

	Major Funds		
	General Improvement Capital Projects	Capital Projects Sales Tax	Total Major Funds
<b>Assets</b>			
Pooled cash and investments	\$ 24,022,440	\$ 173,853,364	\$ 197,875,804
Receivables, net:			
Accounts and other	91,314	-	91,314
Interest receivable	72,966	305,305	378,271
Due from other governments	432,793	14,858,462	15,291,255
Prepaid contracts	832,542	-	832,542
Restricted assets	682,110	-	682,110
Total assets	<u>\$ 26,134,165</u>	<u>\$ 189,017,131</u>	<u>\$ 215,151,296</u>
<b>Liabilities and Fund Balance</b>			
Liabilities:			
Accounts payable - trade	\$ 2,331,228	\$ 6,102,836	\$ 8,434,064
Retainage payable	821,238	-	821,238
Other accrued liabilities	29,081	-	29,081
Total liabilities	<u>3,181,547</u>	<u>6,102,836</u>	<u>9,284,383</u>
Fund balance :			
Nonspendable	832,542	-	832,542
Restricted for capital	9,163,434	-	9,163,434
Restricted for infrastructure and regulation	-	182,914,295	182,914,295
Committed to public safety	2,942,389	-	2,942,389
Committed to culture, recreation and tourism	6,757,886	-	6,757,886
Committed to infrastructure and regulation	2,924,047	-	2,924,047
Committed to other capital projects	332,320	-	332,320
Total fund balance	<u>22,952,618</u>	<u>182,914,295</u>	<u>205,866,913</u>
Total liabilities and fund balance	<u>\$ 26,134,165</u>	<u>\$ 189,017,131</u>	<u>\$ 215,151,296</u>

Note: Separation is for presentation purposes only.

HORRY COUNTY, SOUTH CAROLINA

MAJOR CAPITAL PROJECTS FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2011

	<b>Major Funds</b>		
	<b>General Improvement Capital Projects</b>	<b>Capital Projects Sales Tax</b>	<b>Total Major Funds</b>
<b>Revenues</b>			
Intergovernmental	\$ 819,731	\$ 61,476,930	\$ 62,296,661
Disposal fee	714,924	-	714,924
Interest	340,199	436,439	776,638
Other- donations	165,000	-	165,000
Total revenues	<u>2,039,854</u>	<u>61,913,369</u>	<u>63,953,223</u>
<b>Expenditures</b>			
Capital outlay:			
Construction contracts	2,870,545	-	2,870,545
Capital outlay	24,847,196	-	24,847,196
Total economic development	<u>27,717,741</u>	<u>-</u>	<u>27,717,741</u>
Infrastructure and regulation:			
Construction contracts	-	21,081,123	21,081,123
Capital outlay	-	7,784,598	7,784,598
Total infrastructure & regulation	<u>-</u>	<u>28,865,721</u>	<u>28,865,721</u>
Total expenditures	<u>27,717,741</u>	<u>28,865,721</u>	<u>56,583,462</u>
Excess (deficiency) of revenue over expenditures	<u>(25,677,887)</u>	<u>33,047,648</u>	<u>7,369,761</u>
<b>Other Financing Sources (Uses)</b>			
Sale of assets	166,158	-	166,158
Capital lease	1,000,000	-	1,000,000
Transfers in	5,464,007	-	5,464,007
Transfers out	(1,815,838)	-	(1,815,838)
Total other financing sources (uses)	<u>4,814,327</u>	<u>-</u>	<u>4,814,327</u>
Net change in fund balance	<u>(20,863,560)</u>	<u>33,047,648</u>	<u>12,184,088</u>
Fund balance at beginning of year	<u>43,816,178</u>	<u>149,866,647</u>	<u>193,682,825</u>
Fund balance at end of year	<u>\$ 22,952,618</u>	<u>\$ 182,914,295</u>	<u>\$ 205,866,913</u>

Note: Separation is for presentation purposes only.

Horry County, South Carolina  
 General Improvement Capital Projects Fund  
 Balance Sheets

June 30, 2011  
 (with comparative total amounts for June 30, 2010)

	2011	2010
<b>Assets</b>		
Pooled cash and investments	\$ 24,022,440	\$ 46,905,610
Receivables, net:		
Accounts and other	91,314	119,187
Interest receivable	72,966	67,750
Prepaid contracts	832,542	1,561,182
Due from component unit	-	66,795
Due from other governments	432,793	363,032
Restricted assets	682,110	272,478
Total assets	\$ 26,134,165	\$ 49,356,034
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	\$ 2,331,228	\$ 2,868,205
Retainage payable	821,238	2,642,569
Other accrued liabilities	29,081	29,082
Total liabilities	3,181,547	5,539,856
 Fund balance :		
Nonspendable	832,542	1,561,182
Restricted for capital	9,163,434	26,049,427
Committed to public safety	2,942,389	4,320,379
Committed to culture, recreation and tourism	6,757,886	9,503,123
Committed to infrastructure and regulation	2,924,047	390,556
Committed to other capital projects	332,320	1,991,511
Total fund balance	22,952,618	43,816,178
Total liabilities and fund balance	\$ 26,134,165	\$ 49,356,034

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2011  
(With comparative actual amounts for the year ended June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Revenues</b>		
Disposal fee	\$ 714,924	\$ 692,856
Intergovernmental	819,731	888,807
Interest	340,199	1,259,471
Other -donations	165,000	230,000
Total revenues	<u>2,039,854</u>	<u>3,071,134</u>
<b>Expenditures</b>		
Capital outlay:		
Construction contracts	2,870,545	860,713
Capital outlay	24,847,196	36,119,907
Other	-	119,780
Total expenditures	<u>27,717,741</u>	<u>37,100,400</u>
Excess (deficiency) of revenue over expenditures	<u>(25,677,887)</u>	<u>(34,029,266)</u>
<b>Other Financing Sources (Uses)</b>		
Sale of assets	166,158	-
Bond proceeds	-	12,350,000
Capital lease	1,000,000	-
Transfers in	5,464,007	5,359,977
Transfers out	(1,815,838)	(386,029)
Total other financing sources (uses)	<u>4,814,327</u>	<u>17,323,948</u>
Net change in fund balance	<u>(20,863,560)</u>	<u>(16,705,318)</u>
Fund balance at beginning of year	<u>43,816,178</u>	<u>60,521,496</u>
Fund balance at end of year	<u>\$ 22,952,618</u>	<u>\$ 43,816,178</u>

HORRY COUNTY, SOUTH CAROLINA  
 CAPITAL PROJECTS SALES TAX FUND  
 BALANCE SHEETS

June 30, 2011  
 (with comparative total amounts for June 30, 2010)

	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Pooled cash and investments	<b>\$ 173,853,364</b>	\$ 139,067,362
Interest Receivable	<b>305,305</b>	212,791
Due from other governments	<b>14,858,462</b>	12,949,889
Total assets	<b><u>\$ 189,017,131</u></b>	<b><u>\$ 152,230,042</u></b>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable - trade	<b>\$ 6,102,836</b>	\$ 2,295,026
Retainage payable	<b>-</b>	68,369
Total liabilities	<b><u>6,102,836</u></b>	<b><u>2,363,395</u></b>
 Fund balance :		
Restricted for infrastructure and regulation	<b><u>182,914,295</u></b>	<u>149,866,647</u>
Total fund balance	<b><u>182,914,295</u></b>	<u>149,866,647</u>
Total liabilities and fund balance	<b><u>\$ 189,017,131</u></b>	<b><u>\$ 152,230,042</u></b>



HORRY COUNTY, SOUTH CAROLINA  
 CAPITAL PROJECTS SALES TAX FUND  
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2011  
 (With comparative actual amounts for the year ended June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Revenues</b>		
Sales tax	\$ 61,476,930	\$ 58,069,572
Interest	436,439	998,749
Total revenues	<u>61,913,369</u>	<u>59,068,321</u>
<b>Expenditures</b>		
Infrastructure and regulation:		
Construction contracts	21,081,123	9,834,092
Capital outlay	7,784,598	7,610,308
Total expenditures	<u>28,865,721</u>	<u>17,444,400</u>
Net change in fund balance	<u>33,047,648</u>	<u>41,623,921</u>
Fund balance at beginning of year	<u>149,866,647</u>	<u>108,242,726</u>
Fund balance at end of year	<u>\$ 182,914,295</u>	<u>\$ 149,866,647</u>

HORRY COUNTY, SOUTH CAROLINA

VOLUNTARY DEVELOPER CONTRIBUTIONS CAPITAL PROJECTS FUND  
BALANCE SHEETS

June 30, 2011  
(with comparative total amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Pooled cash and investments	\$ 269,471	\$ 199,775
Interest receivable	329	287
Total assets	<u>\$ 269,800</u>	<u>\$ 200,062</u>
 <b>Liabilities and Fund Balance</b>		
Fund balance :		
Restricted for culture, recreation and tourism	92,578	88,732
Restricted for infrastructure and regulation	<u>177,222</u>	<u>111,330</u>
Total fund balance	<u>269,800</u>	<u>200,062</u>
Total liabilities and fund balance	<u>\$ 269,800</u>	<u>\$ 200,062</u>

HORRY COUNTY, SOUTH CAROLINA

VOLUNTARY DEVELOPER CONTRIBUTIONS CAPITAL PROJECTS FUND  
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2011  
 (With comparative actual amounts for the year ended June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Revenues</b>		
Interest	\$ 738	\$ (825)
Other- donations	72,000	8,500
Total revenues	<u>72,738</u>	<u>7,675</u>
<b>Expenditures</b>		
Culture, recreation and tourism:		
Construction contracts	3,000	200
Total expenditures	<u>3,000</u>	<u>200</u>
Excess of revenue over expenditures	<u>69,738</u>	<u>7,475</u>
Net change in fund balance	<u>69,738</u>	<u>7,475</u>
Fund balance at beginning of year	<u>200,062</u>	<u>192,587</u>
Fund balance at end of year	<u>\$ 269,800</u>	<u>\$ 200,062</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:

**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.

**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.

**HGTC** – 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 the balance remitted 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.

HORRY COUNTY, SOUTH CAROLINA

RIDE PROGRAM DEBT SERVICE FUND - MAJOR FUND  
BALANCE SHEETS

June 30, 2011  
(with comparative amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Funds held in trust ( restricted):		
Loan Reserve Account	\$ 37,331,836	\$ 36,001,446
Equity in pooled cash and investments	2,631,732	-
Receivables (net):		
Accounts receivable	4,431,063	6,439,716
Interest Receivable	669	-
Total assets	<u>\$ 44,395,300</u>	<u>\$ 42,441,162</u>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Deferred revenue	\$ 228,607	\$ -
Total Liabilities	<u>228,607</u>	<u>-</u>
Fund balance:		
Restricted for debt service	44,166,693	42,441,162
Total fund balance	<u>44,166,693</u>	<u>42,441,162</u>
Total liabilities and fund balance	<u>\$ 44,395,300</u>	<u>\$ 42,441,162</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Hospitality Fees	\$ 27,730,329	\$ 29,909,746	\$ 2,179,417	\$ -
Interest	1,475,000	1,158,778	(316,222)	1,486,218
Other	-	693	693	-
Total revenues	<u>29,205,329</u>	<u>31,069,217</u>	<u>1,863,888</u>	<u>1,486,218</u>
<b>Expenditures</b>				
Debt Service:				
Principal				
Insured	12,105,364	12,105,364	-	11,719,803
Uninsured	8,527,153	8,437,502	89,651	6,732,459
Interest				
Insured	2,894,637	2,894,637	-	3,280,197
Uninsured	5,816,532	5,906,183	(89,651)	6,482,622
Total debt service	<u>29,343,686</u>	<u>29,343,686</u>	<u>-</u>	<u>28,215,081</u>
Excess (deficiency) of revenue over expenditures	<u>(138,357)</u>	<u>1,725,531</u>	<u>1,863,888</u>	<u>(26,728,863)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in - Hospitality	-	-	-	27,996,685
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,996,685</u>
Net change in fund balance	(138,357)	1,725,531	1,863,888	1,267,822
Fund balance, beginning of year	<u>42,441,162</u>	<u>42,441,162</u>	<u>-</u>	<u>41,173,340</u>
Fund balance, end of year	<u>\$ 42,302,805</u>	<u>\$ 44,166,693</u>	<u>\$ 1,863,888</u>	<u>\$ 42,441,162</u>

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET

June 30, 2011

	<b>Non-Major Funds</b>				<b>Total Non-Major Funds</b>
	<b>General Debt</b>	<b>Higher Education</b>	<b>Horry Georgetown TECH</b>	<b>Special Obligation Debt</b>	
<b>ASSETS</b>					
Pooled cash and investments	\$ 14,354,760	\$ 95,125	\$ 120,254	\$ 2,160,510	\$ 16,730,649
Restricted assets	-	-	-	203,902	203,902
Receivables, net:					
Taxes	478,349	65,442	170,156	-	713,947
Interest receivable	22,343	1,070	995	-	24,408
<b>Total Assets</b>	<b>\$ 14,855,452</b>	<b>\$ 161,637</b>	<b>\$ 291,405</b>	<b>\$ 2,364,412</b>	<b>\$ 17,672,906</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable - trade	\$ 400	\$ -	\$ 400	\$ -	\$ 800
Deferred Revenue	410,467	55,934	145,736	-	612,137
<b>Total Liabilities</b>	<b>410,867</b>	<b>55,934</b>	<b>146,136</b>	<b>-</b>	<b>612,937</b>
Fund Balance:					
Restricted for debt service	\$ 14,444,585	\$ 105,703	\$ 145,269	\$ 2,364,412	\$ 17,059,969
<b>Total Fund Balance</b>	<b>14,444,585</b>	<b>105,703</b>	<b>145,269</b>	<b>2,364,412</b>	<b>17,059,969</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 14,855,452</b>	<b>\$ 161,637</b>	<b>\$ 291,405</b>	<b>\$ 2,364,412</b>	<b>\$ 17,672,906</b>



HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2011

	<b>Non- Major Funds</b>				
	<b>General Debt</b>	<b>Higher Education</b>	<b>Horry Georgetown TECH</b>	<b>Special Obligation Debt</b>	<b>Total Non-Major Funds</b>
<b>Revenues</b>					
Real property taxes	\$ 8,711,087	\$ 1,216,668	\$ 3,135,111	\$ -	\$ 13,062,866
Personal property taxes	691,623	96,687	248,881	-	1,037,191
Vehicle taxes	593,095	80,762	213,092	-	886,949
Intergovernmental	35,026	10,638	13,881	-	59,545
Hospitality fees	-	-	-	2,162,241	2,162,241
Interest	173,761	1,378	1,501	4,073	180,713
Total revenues	<u>10,204,592</u>	<u>1,406,133</u>	<u>3,612,466</u>	<u>2,166,314</u>	<u>17,389,505</u>
<b>Expenditures</b>					
Debt service:					
Principal	8,539,638	135,000	120,000	1,860,000	10,654,638
Interest	5,328,308	55,069	116,712	300,772	5,800,861
Agents fees	3,065	425	400	-	3,890
Total debt service	<u>13,871,011</u>	<u>190,494</u>	<u>237,112</u>	<u>2,160,772</u>	<u>16,459,389</u>
Current:					
Horry Georgetown TECH	-	-	3,415,000	-	3,415,000
Higher education commission	-	1,325,000	-	-	1,325,000
Total current	<u>-</u>	<u>1,325,000</u>	<u>3,415,000</u>	<u>-</u>	<u>4,740,000</u>
Total expenditures	<u>13,871,011</u>	<u>1,515,494</u>	<u>3,652,112</u>	<u>2,160,772</u>	<u>21,199,389</u>
Excess (deficiency) of revenues over expenditures	<u>(3,666,419)</u>	<u>(109,361)</u>	<u>(39,646)</u>	<u>5,542</u>	<u>(3,809,884)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	2,803,775	-	-	2,160,510	4,964,285
Total other financing sources (uses)	<u>2,803,775</u>	<u>-</u>	<u>-</u>	<u>2,160,510</u>	<u>4,964,285</u>
Net change in fund balance	(862,644)	(109,361)	(39,646)	2,166,052	1,154,401
Fund balance at beginning of year	15,307,229	215,064	184,915	198,360	15,905,568
Fund balance at end of year	<u>\$ 14,444,585</u>	<u>\$ 105,703</u>	<u>\$ 145,269</u>	<u>\$ 2,364,412</u>	<u>\$ 17,059,969</u>

HORRY COUNTY, SOUTH CAROLINA

GENERAL DEBT SERVICE FUND  
BALANCE SHEETS

June 30, 2011  
(with comparative total amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Pooled cash and investments	<b>\$ 14,354,760</b>	\$ 15,137,487
Receivables, net:		
Property taxes	<b>478,349</b>	610,668
Other	-	3,914
Interest receivable	<b>22,343</b>	23,693
Total assets	<b><u>\$ 14,855,452</u></b>	<b><u>\$ 15,775,762</u></b>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts Payable - trade	<b>\$ 400</b>	\$ -
Deferred Revenue	<b>410,467</b>	468,533
Total Liabilities	<b><u>\$ 410,867</u></b>	<b><u>\$ 468,533</u></b>
 Fund balance:		
Restricted for debt service	<b>14,444,585</b>	15,307,229
Total fund balance	<b><u>14,444,585</u></b>	<b><u>15,307,229</u></b>
Total liabilities and fund balance	<b><u>\$ 14,855,452</u></b>	<b><u>\$ 15,775,762</u></b>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2011  
(with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Real property taxes	\$ 8,656,940	\$ 8,711,087	\$ 54,147	\$ 8,923,417
Personal property taxes	772,500	691,623	(80,877)	778,592
Vehicle taxes	555,000	593,095	38,095	613,167
Intergovernmental	35,026	35,026	-	35,028
Interest	125,000	173,761	48,761	203,772
Total revenues	<u>10,144,466</u>	<u>10,204,592</u>	<u>60,126</u>	<u>10,553,976</u>
<b>Expenditures</b>				
Debt Service:				
Principal	8,496,275	8,539,638	(43,363)	7,874,513
Interest	5,624,116	5,328,308	295,808	5,491,604
Agents fees	4,107	3,065	1,042	3,044
Bond issuance costs	-	-	-	1,277,130
Other	-	-	-	1,005
Total expenditures	<u>14,124,498</u>	<u>13,871,011</u>	<u>253,487</u>	<u>14,647,296</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,980,032)</u>	<u>(3,666,419)</u>	<u>313,613</u>	<u>(4,093,320)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,804,472	2,803,775	(697)	2,234,995
Issuance of debt	-	-	-	12,020,000
Bond Premium	-	-	-	1,040,330
Payment to refunded bond escrow agent	-	-	-	(11,645,000)
Total other financing sources	<u>2,804,472</u>	<u>2,803,775</u>	<u>(697)</u>	<u>3,650,325</u>
Net change in fund balance	(1,175,560)	(862,644)	312,916	(442,995)
Fund balance at beginning of year	<u>15,307,229</u>	<u>15,307,229</u>	-	<u>15,750,224</u>
Fund balance at end of year	<u>\$ 14,131,669</u>	<u>\$ 14,444,585</u>	<u>\$ 312,916</u>	<u>\$ 15,307,229</u>

HORRY COUNTY, SOUTH CAROLINA

HIGHER EDUCATION DEBT SERVICE FUND  
BALANCE SHEETS

June 30, 2011  
(with comparative total amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Pooled cash and investments	\$ 95,125	\$ 194,715
Receivables, net:		
Property taxes	65,442	80,535
Interest Receivable	1,070	939
Total assets	<u>\$ 161,637</u>	<u>\$ 276,189</u>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Deferred Revenue	\$ 55,934	\$ 61,125
Total Liabilities	<u>55,934</u>	<u>61,125</u>
 Fund balance:		
Restricted for debt service	105,703	215,064
Total fund balance	<u>105,703</u>	<u>215,064</u>
Total liabilities and fund balance	<u>\$ 161,637</u>	<u>\$ 276,189</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Real property taxes	\$ 1,134,831	\$ 1,216,668	\$ 81,837	\$ 1,178,173
Personal property taxes	101,500	96,687	(4,813)	102,833
Vehicle taxes	75,000	80,762	5,762	81,206
Intergovernmental	10,640	10,638	(2)	10,636
Interest	4,500	1,378	(3,122)	18,202
Total revenues	<u>1,326,471</u>	<u>1,406,133</u>	<u>79,662</u>	<u>1,391,050</u>
<b>Expenditures</b>				
Debt Service:				
Principal	135,000	135,000	-	130,000
Interest	90,125	55,069	35,056	95,975
Agents fees	425	425	-	425
Bond issuance costs	-	-	-	177,029
Other	-	-	-	2,843
Total debt service	<u>225,550</u>	<u>190,494</u>	<u>35,056</u>	<u>406,272</u>
Current:				
Higher education commission	1,100,921	1,325,000	(224,079)	1,140,000
Total expenditures	<u>1,326,471</u>	<u>1,515,494</u>	<u>(189,023)</u>	<u>1,546,272</u>
Excess of revenues over expenditures	<u>-</u>	<u>(109,361)</u>	<u>(109,361)</u>	<u>(155,222)</u>
<b>Other Financing Sources (Uses)</b>				
Issuance of debt	-	-	-	1,670,000
Bond Premium	-	-	-	110,325
Payment to refunded bond escrow agent	-	-	-	(1,615,000)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,325</u>
Net change in fund balance	-	(109,361)	(109,361)	10,103
Fund balance at beginning of year	215,064	215,064	-	204,961
Fund balance at end of year	<u>\$ 215,064</u>	<u>\$ 105,703</u>	<u>\$ (109,361)</u>	<u>\$ 215,064</u>

HORRY COUNTY, SOUTH CAROLINA

HORRY-GEORGETOWN TECH DEBT SERVICE FUND  
BALANCE SHEETS

June 30, 2011  
(with comparative total amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Pooled cash and investments	\$ 120,254	\$ 132,864
Receivables, net:		
Property taxes	170,156	216,404
Interest Receivable	995	1,124
Total assets	<u>\$ 291,405</u>	<u>\$ 350,392</u>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts Payable - trade	\$ 400	\$ -
Deferred Revenue	145,736	165,477
Total Liabilities	<u>146,136</u>	<u>165,477</u>
Fund balance:		
Restricted for debt service	145,269	184,915
Total fund balance	<u>145,269</u>	<u>184,915</u>
Total liabilities and fund balance	<u>\$ 291,405</u>	<u>\$ 350,392</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Real property taxes	\$ 3,177,915	\$ 3,135,111	\$ (42,804)	\$ 3,197,871
Personal property taxes	276,100	248,881	(27,219)	279,004
Vehicle taxes	215,000	213,092	(1,908)	219,969
Intergovernmental	13,880	13,881	1	13,880
Interest	12,500	1,501	(10,999)	1,023
Total revenues	<u>3,695,395</u>	<u>3,612,466</u>	<u>(82,929)</u>	<u>3,711,747</u>
<b>Expenditures</b>				
Debt Service:				
Principal	120,000	120,000	-	120,000
Interest	116,713	116,712	1	121,513
Agents fees	400	400	-	800
Total debt service	<u>237,113</u>	<u>237,112</u>	<u>1</u>	<u>242,313</u>
Current:				
Horry Georgetown Tech	<u>3,458,282</u>	<u>3,415,000</u>	<u>43,282</u>	<u>3,973,442</u>
Total expenditures	<u>3,695,395</u>	<u>3,652,112</u>	<u>43,283</u>	<u>4,215,755</u>
Excess (deficit) of revenues over (under) expenditures	<u>-</u>	<u>(39,646)</u>	<u>(39,646)</u>	<u>(504,008)</u>
Net change in fund balance	-	(39,646)	(39,646)	(504,008)
Fund balance at beginning of year	<u>184,915</u>	<u>184,915</u>	-	688,923
Fund balance at end of year	<u>\$ 184,915</u>	<u>\$ 145,269</u>	<u>\$ (39,646)</u>	<u>\$ 184,915</u>

HORRY COUNTY, SOUTH CAROLINA

SPECIAL OBLIGATION DEBT SERVICE FUND  
BALANCE SHEETS

June 30, 2011  
(with comparative total amounts for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 2,160,510	\$ -
Funds held in trust (restricted)	203,902	199,945
Total assets	<u>\$ 2,364,412</u>	<u>\$ 199,945</u>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Due to other funds	\$ -	\$ 1,585
Total Liabilities	<u>-</u>	<u>1,585</u>
Fund balance:		
Restricted for debt service	2,364,412	198,360
Total fund balance	<u>2,364,412</u>	<u>198,360</u>
Total liabilities and fund balance	<u>\$ 2,364,412</u>	<u>\$ 199,945</u>



HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2011  
 (with comparative actual amounts for the year ended June 30, 2010)

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
<b>Revenues</b>				
Hospitality fees	\$ 2,160,510	\$ 2,162,241	\$ 1,731	\$ 40,564
Interest	118	4,073	3,955	-
Total revenues	<u>2,160,628</u>	<u>2,166,314</u>	<u>5,686</u>	<u>40,564</u>
<b>Expenditures</b>				
Debt Service:				
Principal	1,860,000	1,860,000	-	1,207,500
Interest	300,510	300,772	(262)	313,620
Agents fees	-	-	-	1,587
Other	118	-	118	-
Other-Contingency	2,160,510	-	2,160,510	-
Total debt service	<u>4,321,138</u>	<u>2,160,772</u>	<u>2,160,366</u>	<u>1,522,707</u>
Excess (deficiency) of revenues over expenditures	<u>(2,160,510)</u>	<u>5,542</u>	<u>2,166,052</u>	<u>(1,482,143)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in - Hospitality	2,160,510	2,160,510	-	1,337,560
Total other financing sources	<u>2,160,510</u>	<u>2,160,510</u>	<u>-</u>	<u>1,337,560</u>
Net change in fund balance	-	2,166,052	2,166,052	(144,583)
Fund balance at beginning of year	198,360	198,360	-	342,943
Fund balance at end of year	<u>\$ 198,360</u>	<u>\$ 2,364,412</u>	<u>\$ 2,166,052</u>	<u>\$ 198,360</u>

HORRY COUNTY, SOUTH CAROLINA

## PROPRIETARY (ENTERPRISE) FUND

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

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

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

JUNE 30, 2011  
(with comparative amounts for June 30, 2010)

	2011	2010
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 39,610,679	\$ 22,723,316
Investments	5,782,882	22,420,456
Accounts receivable (net of allowance of \$266,844 in 2011 and \$294,358 in 2010)	1,049,502	693,478
Interest receivable	177,249	253,278
Due from other governments	6,080,555	1,394,624
Inventories	364,190	399,883
Prepaid items	99,410	67,961
Total current assets	53,164,467	47,952,996
Non-current assets:		
Restricted assets:		
Cash and cash equivalents	45,229,754	1,690,251
Investments	40,436,052	28,480,680
Due from Industrial Park	-	500,000
Receivables - PFC's and CFC's	830,115	647,782
Total restricted assets	86,495,921	31,318,713
Capital assets:		
Land, easements and infrastructure	32,501,993	32,114,890
Depreciable buildings, runways, taxiways, aprons, machinery and equipment, net	71,906,877	61,252,660
Construction-in-progress	30,662,440	21,644,370
Total capital assets, net	135,071,310	115,011,920
Bond issuance costs, net	984,574	251,916
Total assets	\$ 275,716,272	\$ 194,535,545

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND  
BALANCE SHEETS

- CONTINUED -

	<u>2011</u>	<u>2010</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 225,900	\$ 203,614
Construction accounts and retainage payable	6,645,041	2,743,619
Accrued salaries, wages and compensated absences	459,893	427,193
Other accrued expenses	700,822	826,067
Unearned revenue	239,139	203,946
Due to other funds	771,374	842,108
Capital leases payable - current portion	43,275	41,809
Amounts due to tenants	837,300	766,833
Total current liabilities	<u>9,922,744</u>	<u>6,055,189</u>
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	-	575,000
Accrued interest payable	1,920,299	275,335
Total current liabilities payable from restricted assets	<u>1,920,299</u>	<u>850,335</u>
Non-current liabilities:		
Revenue bonds payable	60,382,941	9,115,741
Compensated absences - long term	854,497	833,997
Net other post-employment benefits obligation	575,254	446,786
Due to tenants for capital improvements	50,000	100,000
Capital leases	180,417	223,692
Total non-current liabilities	<u>62,043,109</u>	<u>10,720,216</u>
Total liabilities	<u>73,886,152</u>	<u>17,625,740</u>
Net assets:		
Investment in capital assets, net of related debt	116,287,073	104,452,424
Restricted for:		
Debt service	14,669,800	4,508,799
Capital projects	27,732,979	25,959,582
Unrestricted	43,140,268	41,989,000
Total net assets	<u>201,830,120</u>	<u>176,909,805</u>
Total liabilities and net assets	<u>\$ 275,716,272</u>	<u>\$ 194,535,545</u>

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2011  
(with comparative amounts for the year ended June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Operating Revenues</b>		
Landing fees	\$ 1,505,817	\$ 551,637
Airline terminal rents	4,000,939	4,087,447
Concessions and rentals	6,434,595	5,950,119
Security fees	205,902	209,056
Leases	855,861	1,102,719
Fuel sales - FBO	4,858,623	3,487,256
Other Airline Services	643,432	591,997
Federal revenue- TSA LEO reimbursement program	115,953	114,756
Other	509,791	574,408
Total operating revenues	<u>19,130,913</u>	<u>16,669,395</u>
Less, signatory airline contract operating rebate	<u>(504,486)</u>	<u>(432,574)</u>
Net operating revenues	<u>18,626,427</u>	<u>16,236,821</u>
<b>Operating Expenses</b>		
Salaries and benefits	6,052,288	5,858,592
Utilities	984,280	924,736
Outside and professional services	776,897	767,866
Maintenance and supplies	632,142	598,364
Fuel cost of sales	3,558,675	2,410,014
Vehicle and equipment (non-capital) expense	370,441	366,681
Insurance	248,802	249,162
Dues, memberships, and travel	200,051	148,545
Office supplies	34,368	26,455
Horry County administrative costs	280,000	355,418
Depreciation and amortization	5,593,193	4,966,380
Bad debt expense	1,425	-
Total operating expenses	<u>18,732,562</u>	<u>16,672,213</u>
Operating income (loss)	<u>(106,135)</u>	<u>(435,392)</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	<u>2011</u>	<u>2010</u>
<b>Non-Operating Revenues (Expenses)</b>		
Passenger Facility Charges (PFC's)	<b>3,381,906</b>	287,472
Contract Facility Charges (CFC's)	<b>2,647,016</b>	2,378,146
Intergovernmental revenues	<b>2,102,222</b>	2,028,157
Gain (loss) on disposal/sale of capital assets	<b>5,500</b>	(352,180)
Redevelopment Authority grant revenue	<b>4,789,000</b>	563,821
Revenue - utility companies for ITAP	<b>300,000</b>	625,000
Bond redemption expense	<b>(678,799)</b>	-
Interest income	<b>452,996</b>	731,142
Interest expense	<b>(407,029)</b>	(592,283)
Building demolition expense	-	(94,138)
Interest subsidy on "RZEDB"	<b>199,439</b>	-
Net non-operating revenues (expenses)	<u><b>12,792,251</b></u>	<u>5,575,137</u>
Income before capital contributions	<u><b>12,686,116</b></u>	<u>5,139,745</u>
<b>Capital Contributions</b>		
State grants - capital projects	<b>816,567</b>	704,776
Contributed capital - City of Myrtle Beach - land	-	73,699
Federal grants - capital projects	<b>11,298,444</b>	11,707,114
<b>Transfers In</b>	<b>119,188</b>	-
Net change in net assets	<u><b>24,920,315</b></u>	<u>17,625,334</u>
Net assets, beginning of year	<u><b>176,909,805</b></u>	<u>159,284,471</u>
Net assets, end of year	<u><b>\$ 201,830,120</b></u>	<u>\$ 176,909,805</u>

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND  
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2011  
(with comparative amounts for the year ended June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities</b>		
Cash received for:		
Landing fees, terminal rents, and concessions leases	\$ 12,408,886	\$ 11,426,609
FBO sales and airline services	5,449,044	4,440,838
Other	516,707	537,096
Cash paid for:		
Salaries and benefits	(5,870,619)	(5,849,301)
Maintenance, supplies, fuel, utilities and equipment	(7,255,106)	(5,553,790)
Net cash provided by operating activities	<u>5,248,912</u>	<u>5,001,452</u>
<b>Cash flows from non-capital financing activities</b>		
Building demolition	-	(94,138)
Net cash (used in) non-capital financing activities	<u>-</u>	<u>(94,138)</u>
<b>Cash flows from capital and related financing activities</b>		
Receipt of passenger and contract facility charges	5,846,589	2,273,045
Acquisition and construction of capital assets	(20,053,967)	(21,508,694)
Bond proceeds	60,378,915	-
Bond Issuance Cost	(1,003,719)	-
Sale of capital assets	5,500	-
Principal payments on bonds and notes	(575,000)	(545,000)
Interest paid on bonds and notes	(468,311)	(573,392)
Bonds redeemed with airport cash	(9,500,000)	-
Call premium on cash redemption	(60,400)	-
Interest subsidy on "RZEDB"	199,439	-
Principal payments on capital lease obligation	(41,809)	(40,394)
Receipt of intergovernmental and private grants	6,961,352	3,476,219
Proceeds from Airport Improvement Program and State grants	7,778,138	11,954,560
Receipt of transfer from Industrial Park	500,000	-
Net cash provided by (used in) capital and related financing activities	<u>49,966,727</u>	<u>(4,963,656)</u>
<b>Cash flows from investing activities</b>		
Investment purchases	(46,218,934)	(50,901,136)
Investment sales	50,901,136	63,972,114
Interest on investments	529,025	782,935
Net cash provided by investing activities	<u>5,211,227</u>	<u>13,853,913</u>
Net increase in cash and cash equivalents	<u>60,426,866</u>	<u>13,797,571</u>
Cash and cash equivalents, beginning of year		
Unrestricted	22,723,316	8,938,283
Restricted	1,690,251	1,677,713
	<u>24,413,567</u>	<u>10,615,996</u>
Cash and cash equivalents, end of year		
Unrestricted	39,610,679	22,723,316
Restricted	45,229,754	1,690,251
	<u>\$ 84,840,433</u>	<u>\$ 24,413,567</u>

- CONTINUED -



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

- CONTINUED -

	<b>2011</b>	2010
<b>Reconciliation of operating income to cash flows from operating activities</b>		
Operating (loss) income	\$ (106,135)	\$ (435,392)
Adjustments to reconcile operating income to net cash provided by:		
Depreciation and amortization	5,593,193	4,966,380
Bad debt expense	1,425	-
(Increase) decrease in certain assets:		
Accounts receivable	(357,449)	(38,307)
Prepaid items	(31,450)	13,286
Inventories	35,693	(66,934)
(Increase) decrease in certain liabilities:		
Accounts payable	22,286	(38,115)
Accrued salaries, wages and compensated absences	53,200	9,290
Net other post-employment benefit obligation	128,468	130,885
Other accrued expenses	(125,245)	196,549
Due to other funds	(70,734)	57,782
Unearned Revenue	35,193	(28,073)
Amounts due to airlines and car rental companies	70,467	234,101
Net cash provided by operating activities	\$ 5,248,912	\$ 5,001,452

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 replacement of County vehicles including heavy and light equipment.

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

June 30, 2011  
(with comparative amounts for June 30, 2010)

	2011	2010
<b>Assets</b>		
Current assets:		
Pooled cash and investments	\$ 14,790,179	\$ 8,954,245
Petty Cash	100	100
Interest receivable	15,219	12,752
Inventory	359,918	335,358
Total current assets	15,165,416	9,302,455
Non-current assets:		
Capital assets:		
Machinery and Equipment	24,241,318	13,494,688
Less, accumulated depreciation	(13,462,450)	(8,355,911)
Net capital assets	10,778,868	5,138,777
Total assets	\$ 25,944,284	\$ 14,441,232
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 38,546	\$ 48,237
Accrued salaries, wages and compensated absences	21,912	20,929
Total current liabilities	60,458	69,166
Net Assets:		
Invested in capital assets	10,778,868	5,138,777
Restricted for capital	15,104,958	9,233,289
Total net assets	25,883,826	14,372,066
Total liabilities and net assets	\$ 25,944,284	\$ 14,441,232

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2011  
(with comparative amounts for the year ended June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Operating Revenues</b>		
Charges for services	\$ 6,049,751	\$ 4,706,962
Other	83,119	17,665
Total operating revenues	<u>6,132,870</u>	<u>4,724,627</u>
<b>Operating Expenses</b>		
Personal services	805,955	828,403
Contractual services	30,973	33,071
Supplies and materials	34,565	31,853
Business and transportation	1,175,957	1,259,914
Indirect Cost Allocation Plan	2,506	11,636
Depreciation	2,734,152	1,786,341
Other	21,534	21,534
Total operating expenses	<u>4,805,642</u>	<u>3,972,752</u>
Operating income	<u>1,327,228</u>	<u>751,875</u>
<b>Non-operating revenues (expenses)</b>		
Gain (loss) on disposal of assets	224,619	135,290
Interest	31,518	40,537
Net non-operating revenues (expenses)	<u>256,137</u>	<u>175,827</u>
Income before transfers	<u>1,583,365</u>	<u>927,702</u>
Transfers in	<u>3,671,641</u>	<u>-</u>
Net change in net assets	5,255,006	927,702
Net assets, beginning of year (as restated)	<u>20,628,820</u>	<u>13,444,364</u>
Net assets, end of year	<u>\$ 25,883,826</u>	<u>\$ 14,372,066</u>

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2011  
(with comparative amounts for the year ended June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities</b>		
Cash received from:		
Services	\$ 6,049,751	\$ 4,706,962
Miscellaneous charges	83,119	17,665
Cash paid for:		
Fleet maintenance	(2,070,193)	(2,153,326)
Other supplies and miscellaneous costs	(34,565)	(31,853)
Net cash provided by operating activities	<u>4,028,112</u>	<u>2,539,448</u>
<b>Cash flows from non-capital and related financing activities</b>		
Transfers in	<u>3,671,641</u>	-
Net cash provided by non-capital and related financing activities	<u>3,671,641</u>	-
<b>Cash flows from capital and related financing activities</b>		
Purchase of capital assets	(2,198,270)	(1,829,109)
Proceeds from disposition of capital assets	<u>305,400</u>	<u>218,241</u>
Net cash provided by (used in) capital and other related financing activities	<u>(1,892,870)</u>	<u>(1,610,868)</u>
<b>Cash flows from investing activities</b>		
Interest income	<u>29,051</u>	<u>69,312</u>
Net cash provided by investing activities	<u>29,051</u>	<u>69,312</u>
Net change in cash and cash equivalents	<u>5,835,934</u>	<u>997,892</u>
Cash and cash equivalents, beginning of year	<u>8,954,345</u>	<u>7,956,453</u>
Cash and cash equivalents, end of year	<u>\$ 14,790,279</u>	<u>\$ 8,954,345</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating income	\$ 1,327,228	\$ 751,875
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,734,152	1,786,341
(Increase) decrease in assets:		
Inventories	(24,560)	(6,071)
Increase (decrease) in liabilities		
Accounts payable	(9,691)	5,245
Accrued salaries, wages and compensated absences	983	2,058
Net cash provided by operating activities	<u>\$ 4,028,112</u>	<u>\$ 2,539,448</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

FOR THE YEAR ENDED JUNE 30, 2011

	<b>Balance June 30, 2010</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2011</b>
<b>Totals-Agency Funds</b>				
Assets:				
Cash	\$ 8,656,151	\$ 17,331,885	\$ 11,004,265	\$ 14,983,771
Pooled cash and investments	177,660,212	479,990,907	457,511,563	200,139,556
Interest receivable	6,974	6,780	6,974	6,780
Taxes receivable	98,692,182	496,892,662	482,074,301	113,510,543
Total assets	\$ 285,015,519	\$ 994,222,234	\$ 950,597,103	\$ 328,640,650
Liabilities:				
Due to others	\$ 285,015,519	\$ 994,222,234	\$ 950,597,103	\$ 328,640,650
Total liabilities	\$ 285,015,519	\$ 994,222,234	\$ 950,597,103	\$ 328,640,650



HORRY COUNTY, SOUTH CAROLINA

ALL AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

-CONTINUED-

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<b><u>City of Conway</u></b>				
Assets:				
Pooled cash and investments	\$ 42,512	\$ 5,020,661	\$ 5,010,383	\$ 52,790
Taxes receivable	2,223,124	5,060,298	5,020,661	2,262,761
Total	<u>\$ 2,265,636</u>	<u>\$ 10,080,959</u>	<u>\$ 10,031,044</u>	<u>\$ 2,315,551</u>
Liabilities:				
Due to others	<u>\$ 2,265,636</u>	<u>\$ 10,080,959</u>	<u>\$ 10,031,044</u>	<u>\$ 2,315,551</u>
<b><u>City of Myrtle Beach</u></b>				
Assets:				
Pooled cash and investments	\$ 71,136	\$ 25,802,148	\$ 25,646,735	\$ 226,549
Taxes receivable	6,721,423	25,736,996	25,802,148	6,656,271
Total	<u>\$ 6,792,559</u>	<u>\$ 51,539,144</u>	<u>\$ 51,448,883</u>	<u>\$ 6,882,820</u>
Liabilities:				
Due to others	<u>\$ 6,792,559</u>	<u>\$ 51,539,144</u>	<u>\$ 51,448,883</u>	<u>\$ 6,882,820</u>
<b><u>Town of Loris</u></b>				
Assets:				
Pooled cash and investments	\$ 110,379	\$ 882,839	\$ 846,043	\$ 147,175
Taxes receivable	518,273	979,690	882,839	615,124
Total	<u>\$ 628,652</u>	<u>\$ 1,862,529</u>	<u>\$ 1,728,882</u>	<u>\$ 762,299</u>
Liabilities:				
Due to others	<u>\$ 628,652</u>	<u>\$ 1,862,529</u>	<u>\$ 1,728,882</u>	<u>\$ 762,299</u>
<b><u>City of North Myrtle Beach</u></b>				
Assets:				
Pooled cash and investments	\$ 109,738	\$ 11,905,455	\$ 11,907,353	\$ 107,840
Taxes receivable	1,893,804	11,961,425	11,905,455	1,949,774
Total	<u>\$ 2,003,542</u>	<u>\$ 23,866,880</u>	<u>\$ 23,812,808</u>	<u>\$ 2,057,614</u>
Liabilities:				
Due to others	<u>\$ 2,003,542</u>	<u>\$ 23,866,880</u>	<u>\$ 23,812,808</u>	<u>\$ 2,057,614</u>
<b><u>Town of Surfside</u></b>				
Assets:				
Pooled cash and investments	\$ 20,443	\$ 2,376,246	\$ 2,367,861	\$ 28,828
Taxes receivable	610,315	2,390,330	2,376,246	624,399
Total	<u>\$ 630,758</u>	<u>\$ 4,766,576</u>	<u>\$ 4,744,107</u>	<u>\$ 653,227</u>
Liabilities:				
Due to others	<u>\$ 630,758</u>	<u>\$ 4,766,576</u>	<u>\$ 4,744,107</u>	<u>\$ 653,227</u>
<b><u>Town of Atlantic Beach</u></b>				
Assets:				
Pooled cash and investments	\$ 5,357	\$ 229,114	\$ 219,993	\$ 14,478
Taxes receivable	86,271	276,952	229,114	134,109
Total	<u>\$ 91,628</u>	<u>\$ 506,066</u>	<u>\$ 449,107</u>	<u>\$ 148,587</u>
Liabilities:				
Due to others	<u>\$ 91,628</u>	<u>\$ 506,066</u>	<u>\$ 449,107</u>	<u>\$ 148,587</u>

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

-CONTINUED-

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<b><u>Town of Aynor</u></b>				
Assets:				
Pooled cash and investments	\$ 5,005	\$ 170,501	\$ 173,323	\$ 2,183
Taxes receivable	156,457	161,537	170,501	147,493
Total	<u>\$ 161,462</u>	<u>\$ 332,038</u>	<u>\$ 343,824</u>	<u>\$ 149,676</u>
Liabilities:				
Due to others	<u>\$ 161,462</u>	<u>\$ 332,038</u>	<u>\$ 343,824</u>	<u>\$ 149,676</u>
<b><u>Town of Briarcliff</u></b>				
Assets:				
Pooled cash and investments	\$ 3,429	\$ 291,106	\$ 291,041	\$ 3,494
Taxes receivable	75,051	295,431	291,106	79,376
Total	<u>\$ 78,480</u>	<u>\$ 586,537</u>	<u>\$ 582,147</u>	<u>\$ 82,870</u>
Liabilities:				
Due to others	<u>\$ 78,480</u>	<u>\$ 586,537</u>	<u>\$ 582,147</u>	<u>\$ 82,870</u>
<b><u>Horry County School District</u></b>				
<b><u>Operations/Debt</u></b>				
Assets:				
Pooled cash and investments	\$ 175,082,855	\$ 431,959,597	\$ 408,981,531	\$ 198,060,921
Taxes receivable	86,202,872	446,526,462	431,959,597	100,769,737
Total	<u>\$ 261,285,727</u>	<u>\$ 878,486,059</u>	<u>\$ 840,941,128</u>	<u>\$ 298,830,658</u>
Liabilities:				
Due to others	<u>\$ 261,285,727</u>	<u>\$ 878,486,059</u>	<u>\$ 840,941,128</u>	<u>\$ 298,830,658</u>
<b><u>Murrells Inlet-Garden City</u></b>				
<b><u>Operation/Debt Fire District</u></b>				
Assets:				
Pooled cash and investments	\$ 29,541	\$ 1,298,631	\$ 1,307,962	\$ 20,210
Taxes receivable	123,937	1,293,031	1,298,631	118,337
Total	<u>\$ 153,478</u>	<u>\$ 2,591,662</u>	<u>\$ 2,606,593</u>	<u>\$ 138,547</u>
Liabilities:				
Due to others	<u>\$ 153,478</u>	<u>\$ 2,591,662</u>	<u>\$ 2,606,593</u>	<u>\$ 138,547</u>
<b><u>Grand Strand Water and Sewer</u></b>				
Assets:				
Pooled cash and investments	\$ -	\$ 8,699	\$ 8,699	\$ -
Front footage assessment	10,564	7,907	8,699	9,772
Total	<u>\$ 10,564</u>	<u>\$ 16,606</u>	<u>\$ 17,398</u>	<u>\$ 9,772</u>
Liabilities:				
Due to others	<u>\$ 10,564</u>	<u>\$ 16,606</u>	<u>\$ 17,398</u>	<u>\$ 9,772</u>
<b><u>Fireman's Fund</u></b>				
Assets:				
Cash	<u>\$ 168,410</u>	<u>\$ 1,439,769</u>	<u>\$ 1,424,803</u>	<u>\$ 183,376</u>
Liabilities:				
Due to others	<u>\$ 168,410</u>	<u>\$ 1,439,769</u>	<u>\$ 1,424,803</u>	<u>\$ 183,376</u>

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

-CONTINUED-

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<b><u>Police Asset Forfeiture Fund</u></b>				
Assets:				
Cash	\$ 158,753	\$ 94,548	\$ 146,882	\$ 106,419
Liabilities:				
Due to others	\$ 158,753	\$ 94,548	\$ 146,882	\$ 106,419
<b><u>Police Fund</u></b>				
Assets:				
Cash	\$ 13,146	\$ 140,331	\$ 137,808	\$ 15,669
Liabilities:				
Due to others	\$ 13,146	\$ 140,331	\$ 137,808	\$ 15,669
<b><u>Police Federal Forfeiture Fund</u></b>				
Assets:				
Cash	\$ 263,425	\$ 19,667	\$ 181,236	\$ 101,856
Liabilities:				
Due to others	\$ 263,425	\$ 19,667	\$ 181,236	\$ 101,856
<b><u>Environmental Services</u></b>				
Assets:				
Cash	\$ 45,215	\$ 335	\$ -	\$ 45,550
Liabilities:				
Due to others	\$ 45,215	\$ 335	\$ -	\$ 45,550
<b><u>Library Endowment</u></b>				
Assets:				
Cash	\$ 36,773	\$ 2,128	\$ 55	\$ 38,846
Liabilities:				
Due to others	\$ 36,773	\$ 2,128	\$ 55	\$ 38,846
<b><u>Inmate Trust</u></b>				
Assets:				
Cash	\$ 58,483	\$ 14,510	\$ 60,307	\$ 12,686
Liabilities:				
Due to others	\$ 58,483	\$ 14,510	\$ 60,307	\$ 12,686
<b><u>Solicitor DEU</u></b>				
Assets:				
Cash	\$ 6,707	\$ 185,461	\$ 170,883	\$ 21,285
Liabilities:				
Due to others	\$ 6,707	\$ 185,461	\$ 170,883	\$ 21,285

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

-CONTINUED-

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<b><u>Solicitor DEU Forfeiture</u></b>				
Assets:				
Cash	\$ 272,721	\$ 284,986	\$ 391,910	\$ 165,797
Liabilities:				
Due to others	\$ 272,721	\$ 284,986	\$ 391,910	\$ 165,797
<b><u>Police Flower Fund</u></b>				
Assets:				
Cash	\$ -	\$ 1,423	\$ 650	\$ 773
Liabilities:				
Due to others	\$ -	\$ 1,423	\$ 650	\$ 773
<b><u>B&amp;C MCBP- Infrastructure</u></b>				
Assets:				
Pooled cash and investments	\$ (32,910)	\$ 21,309	\$ -	\$ (11,601)
Cash	5,776,911	2,129,304	1,599,101	6,307,114
Taxes receivable	70,091	2,202,603	2,129,304	143,390
Total	<u>\$ 5,814,092</u>	<u>\$ 4,353,216</u>	<u>\$ 3,728,405</u>	<u>\$ 6,438,903</u>
Liabilities:				
Due to others	\$ 5,814,092	\$ 4,353,216	\$ 3,728,405	\$ 6,438,903
<b><u>Developer LOC</u></b>				
Assets:				
Pooled cash and investments	\$ 2,212,727	\$ 24,601	\$ 750,639	\$ 1,486,689
Interest Receivable	6,974	-	6,974	-
Total	<u>\$ 2,219,701</u>	<u>\$ 24,601</u>	<u>\$ 757,613</u>	<u>\$ 1,486,689</u>
Liabilities:				
Due to others	\$ 2,219,701	\$ 24,601	\$ 757,613	\$ 1,486,689
<b><u>Magistrates &amp; Clerk of Court</u></b>				
Assets:				
Cash	\$ 1,855,607	\$ 13,019,423	\$ 6,890,630	\$ 7,984,400
Interest Receivable	-	6,780	-	6,780
Total	<u>\$ 1,855,607</u>	<u>\$ 13,026,203</u>	<u>\$ 6,890,630</u>	<u>\$ 7,991,180</u>
Liabilities:				
Due to others	\$ 1,855,607	\$ 13,026,203	\$ 6,890,630	\$ 7,991,180

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS

These schedules present only the capital asset balances (which include land, buildings, betterments, and equipment owned by the County) related to governmental-type funds. Accordingly, the capital assets reported in proprietary-type funds (enterprise and internal service funds) and excluded from these amounts. Infrastructure capital assets represent 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, 2011

(With comparative amounts for June 30, 2010)

<b>Governmental funds- capital assets</b>	<b>2011</b>	<b>2010</b>
Land	<b>\$ 26,922,703</b>	\$ 24,251,870
Buildings	<b>200,284,326</b>	141,172,512
Furniture and equipment	<b>52,851,407</b>	62,953,108
Vehicles	<b>27,948,095</b>	22,985,104
Intangible Assets	<b>407,113</b>	20,000
Infrastructure	<b>446,605,413</b>	419,807,026
Construction-in-progress	<b>22,400,722</b>	90,814,908
	<hr/>	<hr/>
Total governmental funds capital assets	<b>\$ 777,419,779</b>	\$ 762,004,528
	<hr/> <hr/>	<hr/> <hr/>
<b>Investment in governmental funds capital assets by source</b>		
General Obligations Bonds	<b>\$ 176,783,378</b>	\$ 158,739,617
General Fund Revenue	<b>102,600,935</b>	98,973,624
Special Revenue Fund Revenue	<b>33,698,943</b>	36,056,184
Certificates of Participation	<b>10,050,303</b>	10,050,303
Capital Projects Fund	<b>454,286,220</b>	458,184,800
	<hr/>	<hr/>
Total investment in governmental funds capital assets	<b>\$ 777,419,779</b>	\$ 762,004,528
	<hr/> <hr/>	<hr/> <hr/>

HORRY COUNTY, SOUTH CAROLINA

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

JUNE 30, 2011

	Land	Buildings	Furniture and Equipment	Vehicles	Intangible Assets	Infrastructure	Construction in Progress	Totals
<b>Function and Activity:</b>								
General government	\$ 13,938,820	\$ 69,967,169	\$ 21,746,944	\$ 347,280	\$ 407,113	\$ -	\$ -	\$ 106,407,326
Public safety	1,908,183	101,796,368	28,951,166	20,140,747	-	-	-	152,796,464
Infrastructure	1,441,400	3,612,649	612,227	7,030,222	-	446,605,413	-	459,301,911
Health and social services	90,000	2,305,927	-	-	-	-	-	2,395,927
Cultural and recreation	9,544,300	22,602,213	1,541,070	429,846	-	-	-	34,117,429
Construction-in-progress	-	-	-	-	-	-	22,400,722	22,400,722
Total governmental funds capital assets	\$ 26,922,703	\$ 200,284,326	\$ 52,851,407	\$ 27,948,095	\$ 407,113	\$ 446,605,413	\$ 22,400,722	\$ 777,419,779

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2011

	Balances		Deletions/ Transfers	Balances
	June 30, 2010	Additions		June 30, 2011
Functions and Activity:				
General government	\$ 96,542,547	\$ 10,483,340	\$ (618,561)	\$ 106,407,326
Public Safety	99,567,793	54,114,062	(885,391)	152,796,464
Infrastructure & Regulation	439,926,623	30,122,537	(10,747,249)	459,301,911
Health and Social Services	2,371,127	24,800	-	2,395,927
Cultural and Recreation	32,781,530	1,360,530	(24,631)	34,117,429
Construction-in-progress	90,814,908	30,234,985	(98,649,171)	22,400,722
Total governmental funds capital assets	<u>\$ 762,004,528</u>	<u>\$ 126,340,254</u>	<u>\$ (110,925,003)</u>	<u>\$ 777,419,779</u>
Class:				
Land	\$ 24,251,870	\$ 2,730,733	\$ (59,900)	\$ 26,922,703
Buildings	141,172,512	59,149,966	(38,152)	200,284,326
Furniture and equipment	50,644,076	3,031,544	(824,213)	52,851,407
Vehicles	35,294,136	3,546,614	(10,892,655)	27,948,095
Intangible Assets	20,000	387,113	0	407,113
Infrastructure	419,807,026	30,045,831	(3,247,444)	446,605,413
Construction-in-progress	90,814,908	30,234,985	(98,649,171)	22,400,722
Total governmental funds capital assets	<u>\$ 762,004,528</u>	<u>\$ 129,126,786</u>	<u>\$ (113,711,535)</u>	<u>\$ 777,419,779</u>



## VICTIMS' RIGHTS

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

FOR THE YEAR ENDED JUNE 30, 2011  
(with comparison for the year ended June 30, 2010)

	<b>Clerk of Court</b>	<b>Magistrate</b>	<b>Probate</b>	<b>Total 2011</b>	<b>Total 2010</b>
Fines collected	\$ 2,533,469	\$ 4,097,756	\$ 73,520	\$ 6,704,745	\$ 6,878,637
Assessments collected	107,115	529,724	-	636,839	671,001
Surcharges collect	105,244	1,059,093	-	1,164,337	1,198,679
<b>Total fines and assessments collected</b>	<b>\$ 2,745,828</b>	<b>\$ 5,686,573</b>	<b>\$ 73,520</b>	<b>\$ 8,505,921</b>	<b>\$ 8,748,317</b>
Fines retained by County	638,058	2,591,700	-	3,229,758	3,287,151
Assessments retained by County	37,494	191,339	-	228,833	243,281
Surcharges retained by County	82,857	91,653	-	174,510	198,213
<b>Total fines and assessments retained by County</b>	<b>\$ 758,409</b>	<b>\$ 2,874,692</b>	<b>\$ -</b>	<b>\$ 3,633,101</b>	<b>\$ 3,728,645</b>
Fines remitted to State Treasurer	1,895,411	1,506,056	73,520	3,474,987	3,591,486
Assessments remitted to State Treasurer	69,621	338,385	-	408,006	427,720
Surcharges remitted to State Treasurer	22,387	967,440	-	989,827	1,000,466
<b>Total fines and assessments remitted to State Treasurer</b>	<b>\$ 1,987,419</b>	<b>\$ 2,811,881</b>	<b>\$ 73,520</b>	<b>\$ 4,872,820</b>	<b>\$ 5,019,672</b>

CAPITAL PROJECTS SALES TAX

Horry County, South Carolina  
 Budgetary Comparison Schedules  
 Capital Projects Sales Tax  
 For Year Ended June 30, 2011

<u>Projects</u>	<u>Project Title</u>	<u>Project Budget</u>	<u>Project Actual</u>	<u>Variance</u>
Project #1	Pave 20 miles - DR	\$ 19,600,000	\$ 11,374,698	\$ 8,225,302
Project #2	Resurface 12 miles	945,000	839,422	105,578
Project #3	Backgate Interchange	49,500,000	26,928,883	22,571,117
Project #4	Widen 707	132,250,000	6,029,368	126,220,632
Project #5	Pave 25 miles - DR	25,750,000	10,522,064	15,227,936
Project #6	Resurface 12 miles	990,000	1,095,578	(105,578)
Project #7	Aynor Overpass	46,000,000	7,089,760	38,910,240
Project #8	Resurface 12 miles	1,035,000	-	1,035,000
Project #9	Widen Glens Bay	76,000,000	2,437,688	73,562,312
Project #10	Resurface 12 miles	1,080,000	-	1,080,000
Project #11	Pave 25 miles - DR	27,750,000	-	27,750,000
Project #12	Resurface 12 miles	1,125,000	-	1,125,000
Project #13	International Dr	6,500,000	334,885	6,165,115
Project #14	Resurface 7 miles	682,500	-	682,500
Project #15	Pave 30 miles - DR	<u>36,100,000</u>	<u>-</u>	<u>36,100,000</u>
Total		<u>\$ 425,307,500</u>	<u>\$ 66,652,345</u>	<u>\$ 358,655,155</u>

DR=Dirt Road

Note: From inception through June 30, 2011.

GENERAL IMPROVEMENTS CAPITAL PROJECTS FUND

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2011  
(With comparative actual amounts for the year ended June 30, 2010)

	2011			Variance Positive (Negative)	2010
	Budget		Actual Amounts		Actual
	Original	Final			
<b>Revenues</b>					
Disposal fee	\$ 699,975	\$ 699,975	\$ 714,924	\$ 14,949	\$ 692,856
Intergovernmental	625,000	625,000	819,731	194,731	888,807
Interest	-	-	340,199	340,199	1,259,471
Other-donations	-	-	165,000	165,000	230,000
Total revenues	<u>1,324,975</u>	<u>1,324,975</u>	<u>2,039,854</u>	<u>714,879</u>	<u>3,071,134</u>
<b>Expenditures</b>					
Capital outlay:					
Construction contracts	1,926,523	1,926,523	2,870,545	(944,022)	860,713
Capital outlay	4,922,270	44,942,193	24,847,196	20,094,997	36,119,907
Other	903,705	2,941,665	-	2,941,665	119,780
Total expenditures	<u>7,752,498</u>	<u>49,810,381</u>	<u>27,717,741</u>	<u>22,092,640</u>	<u>37,100,400</u>
Excess (deficiency) of revenue over expenditures	<u>(6,427,523)</u>	<u>(48,485,406)</u>	<u>(25,677,887)</u>	<u>22,807,519</u>	<u>(34,029,266)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of assets	-	166,157	166,158	1	-
Bond proceeds	-	-	-	-	12,350,000
Capital lease	-	1,000,000	1,000,000	-	-
Transfers in	4,891,007	5,714,007	5,464,007	(250,000)	5,359,977
Transfers out	(1,651,650)	(1,815,838)	(1,815,838)	-	(386,029)
Total other financing sources (uses)	<u>3,239,357</u>	<u>5,064,326</u>	<u>4,814,327</u>	<u>(249,999)</u>	<u>17,323,948</u>
Net change in fund balance	<u>(3,188,166)</u>	<u>(43,421,080)</u>	<u>(20,863,560)</u>	<u>22,557,520</u>	<u>(16,705,318)</u>
Fund balance at beginning of year	<u>43,816,178</u>	<u>43,816,178</u>	<u>43,816,178</u>	<u>-</u>	<u>60,521,496</u>
Fund balance at end of year	<u>\$ 40,628,012</u>	<u>\$ 395,098</u>	<u>\$ 22,952,618</u>	<u>\$ 22,557,520</u>	<u>\$ 43,816,178</u>

## STATISTICAL SECTION

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

### **Contents**

#### Financial Trends

*These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.*

#### Revenue Capacity

*These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.*

#### Debt Capacity

*These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.*

#### Demographic and Economic Information

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.*

#### Operating Information

*These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.*

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

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

	For the Fiscal Year Ended June 30									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u> as restated	<u>2007</u>	<u>2008</u> as restated	<u>2009</u> as restated	<u>2010</u>	<u>2011</u>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$305,896	\$339,241	\$360,367	\$364,396	\$387,935	\$406,013	\$386,522	\$488,550	\$ 532,927	\$ 551,832
Restricted	51,500	30,647	41,368	27,465	38,317	64,674	186,578	206,516	231,335	309,063
Unrestricted	(388,949)	(343,802)	(346,365)	(298,109)	(264,451)	(251,630)	(241,001)	(255,722)	(218,404)	(256,844)
<b>Total governmental activities net assets</b>	<u><u>(\$31,553)</u></u>	<u><u>\$26,086</u></u>	<u><u>\$55,370</u></u>	<u><u>\$93,752</u></u>	<u><u>\$161,801</u></u>	<u><u>\$219,057</u></u>	<u><u>\$332,099</u></u>	<u><u>\$439,344</u></u>	<u><u>\$ 545,858</u></u>	<u><u>\$ 604,051</u></u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$68,475	\$68,768	\$73,877	\$81,247	\$84,760	\$72,687	\$80,109	\$87,137	\$104,452	\$116,287
Restricted	16,116	18,149	20,955	24,705	29,635	34,046	26,679	26,894	30,469	42,403
Unrestricted	19,918	24,599	27,395	33,920	36,054	32,682	41,020	45,253	41,989	43,140
<b>Total business-type activities net assets</b>	<u><u>\$104,509</u></u>	<u><u>\$111,516</u></u>	<u><u>\$122,227</u></u>	<u><u>\$139,872</u></u>	<u><u>\$150,449</u></u>	<u><u>\$139,415</u></u>	<u><u>\$147,808</u></u>	<u><u>\$159,284</u></u>	<u><u>\$176,910</u></u>	<u><u>\$201,830</u></u>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$374,371	\$408,009	\$434,244	\$445,643	\$472,695	\$478,700	\$466,631	\$575,687	\$637,378	\$668,119
Restricted	67,616	48,796	62,323	52,170	67,952	98,719	213,257	233,410	261,804	351,466
Unrestricted (deficit)	(369,031)	(319,203)	(318,970)	(264,189)	(228,397)	(218,948)	(199,981)	(210,469)	(176,415)	(213,704)
<b>Total primary government net assets</b>	<u><u>\$72,956</u></u>	<u><u>\$137,602</u></u>	<u><u>\$177,597</u></u>	<u><u>\$233,624</u></u>	<u><u>\$312,250</u></u>	<u><u>\$358,471</u></u>	<u><u>\$479,907</u></u>	<u><u>\$598,628</u></u>	<u><u>\$722,767</u></u>	<u><u>\$805,881</u></u>

Source: Horry County Finance Department



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

	For the Fiscal Year Ended June 30									
	2002	2003	2004	2005	2006 as restated	2007	2008 as restated	2009 as restated	2010	2011
<b>Expenses</b>										
Governmental activities:										
General government	\$ 25,805	\$ 32,590	\$ 27,978	\$ 25,724	\$ 27,960	\$ 40,691	\$ 38,239	\$ 37,914	\$ 34,971	\$ 34,962
Public safety	44,839	44,667	54,201	63,171	68,799	72,570	98,133	101,642	91,214	101,668
Health and social services	3,296	3,457	1,987	2,089	920	980	2,542	2,432	2,354	2,504
Infrastructure and regulation	26,209	85,910	23,631	25,797	30,145	14,126	18,910	23,492	31,037	34,998
Improvements to state roadways	-	-	-	-	-	-	-	-	-	35,731
Culture, recreation and tourism	4,959	5,985	6,497	8,211	8,534	9,133	10,836	9,426	4,629	9,307
Economic development	1,581	1,626	209	58	843	312	383	2,292	2,019	1,366
Conservation/natural resources	961	442	342	213	561	1	47	-	-	-
Other	6,589	1,352	-	-	4,077	-	-	-	-	-
RIDE IGA #3 contribution	2,280	-	-	-	-	-	-	-	-	-
Debt service	7,002	18,714	11,480	16,180	15,454	16,193	16,767	7,530	8,964	11,970
Horry-Georgetown TECH	-	1,950	1,950	2,154	2,591	2,800	3,000	3,000	3,973	3,415
Higher Education Commission	-	270	290	303	500	410	910	1,170	1,140	1,325
Total governmental activities expenses	<u>123,521</u>	<u>196,963</u>	<u>128,565</u>	<u>143,900</u>	<u>160,384</u>	<u>157,216</u>	<u>189,767</u>	<u>188,898</u>	<u>180,301</u>	<u>237,246</u>
Business-type activities:										
Airport	13,519	13,917	14,978	18,190	18,483	26,663	19,714	17,440	17,264	19,818
Industrial Parks	568	577	612	1,400	-	-	-	-	-	-
Baseball Stadium	390	372	365	369	334	376	-	-	-	-
Total business-type activities expenses	<u>14,477</u>	<u>14,866</u>	<u>15,955</u>	<u>19,959</u>	<u>18,817</u>	<u>27,039</u>	<u>19,714</u>	<u>17,440</u>	<u>17,264</u>	<u>19,818</u>
Total primary government expenses	<u>137,998</u>	<u>211,829</u>	<u>144,520</u>	<u>163,859</u>	<u>179,201</u>	<u>184,255</u>	<u>209,481</u>	<u>206,338</u>	<u>197,565</u>	<u>257,064</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	2,139	11,410	7,702	7,822	20,635	2,206	12,295	10,203	11,899	12,346
Public safety	13,396	7,748	4,733	4,807	4,002	12,559	15,687	16,918	17,875	17,988
Health and social services	-	100	-	-	-	101	49	71	70	69
Infrastructure and regulation	5,641	6,627	5,546	12,729	10,596	11,936	4,177	4,387	11,666	12,165
Culture, recreation and tourism	55	288	-	-	-	97	593	99	108	91
Economic Development	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,210	2,330	688	2,462	1,991	641	597	5,196	4,800	2,769
Capital grants and contributions	2,593	732	1,384	1,344	2,400	358	666	317	1,908	10,702
Total governmental activities program revenues	<u>25,034</u>	<u>29,235</u>	<u>20,053</u>	<u>29,164</u>	<u>39,624</u>	<u>27,898</u>	<u>34,064</u>	<u>37,191</u>	<u>48,326</u>	<u>56,130</u>

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

	For the Fiscal Year Ended June 30									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u> as restated	<u>2007</u>	<u>2008</u> as restated	<u>2009</u> as restated	<u>2010</u>	<u>2011</u>
Business-type activities:										
Charges for services:										
Airport	12,157	12,469	14,790	21,394	23,403	26,539	24,634	19,726	18,902	24,661
Industrial Parks	322	277	174	265	-	-	-	-	-	-
Baseball Stadium	-	8	7	9	-	9	-	-	-	-
Operating grants and contributions	-	143	-	-	-	-	-	2,992	3,217	7,191
Capital grants and contributions	9,074	9,444	9,203	8,731	7,031	-	-	-	12,486	12,115
Total business-type activities program revenues	<u>21,553</u>	<u>22,341</u>	<u>24,174</u>	<u>30,399</u>	<u>30,434</u>	<u>26,548</u>	<u>24,634</u>	<u>22,718</u>	<u>34,605</u>	<u>43,967</u>
Total primary government program revenues	<u>46,587</u>	<u>51,576</u>	<u>44,227</u>	<u>59,563</u>	<u>70,058</u>	<u>54,446</u>	<u>58,698</u>	<u>59,909</u>	<u>82,931</u>	<u>100,097</u>
<b>Net (Expense)/Revenues</b>										
Governmental activities	(98,487)	(167,728)	(108,512)	(114,736)	(120,760)	(129,318)	(155,703)	(151,707)	(131,975)	(181,116)
Business-type activities	7,076	7,475	8,219	10,440	11,617	(491)	4,920	5,278	17,341	24,149
Total primary government program net expense	<u>(91,411)</u>	<u>(160,253)</u>	<u>(100,293)</u>	<u>(104,296)</u>	<u>(109,143)</u>	<u>(129,809)</u>	<u>(150,783)</u>	<u>(146,429)</u>	<u>(114,634)</u>	<u>(156,967)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Property taxes and Fees-in-lieu of taxes	83,856	73,218	73,217	81,679	86,459	105,141	104,702	117,673	115,546	165,944
Investment earnings	2,903	2,168	1,847	2,945	5,676	8,030	7,880	6,717	4,656	2,382
Other	35,046	54,835	61,930	68,756	75,504	73,706	156,476	145,733	118,287	69,982
Transfers	207	(43)	(237)	(262)	(313)	(305)	(312)	(500)	-	(119)
Extraordinary item	-	-	-	-	-	-	-	-	-	1,120
Total governmental activities	<u>122,012</u>	<u>130,178</u>	<u>136,757</u>	<u>153,118</u>	<u>167,326</u>	<u>186,572</u>	<u>268,746</u>	<u>273,704</u>	<u>238,489</u>	<u>239,309</u>
Business-type activities:										
Other	1,809	(1,127)	1,664	5,940	2,224	(14,474)	-	4,091	(446)	652
Investment earnings	848	694	591	1,003	2,350	3,626	3,161	1,607	731	-
Transfers	(207)	124	237	262	313	305	312	500	-	119
Total business-type activities	<u>2,450</u>	<u>(309)</u>	<u>2,492</u>	<u>7,205</u>	<u>4,887</u>	<u>(10,543)</u>	<u>3,473</u>	<u>6,198</u>	<u>285</u>	<u>771</u>
Total primary government	<u>124,462</u>	<u>129,869</u>	<u>139,249</u>	<u>160,323</u>	<u>172,213</u>	<u>176,029</u>	<u>272,219</u>	<u>279,902</u>	<u>238,774</u>	<u>240,080</u>
<b>Change in Net Assets</b>										
Governmental activities:	23,525	(37,549)	28,245	38,382	46,566	57,255	113,043	121,997	106,514	58,193
Business-type activities:	9,526	7,166	10,711	17,645	16,504	(11,034)	8,393	11,476	17,626	24,920
Total primary government	<u>\$33,051</u>	<u>\$(30,383)</u>	<u>\$ 38,956</u>	<u>\$ 56,027</u>	<u>\$ 63,070</u>	<u>\$ 46,221</u>	<u>\$ 121,436</u>	<u>\$133,473</u>	<u>\$ 124,140</u>	<u>\$ 83,113</u>

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

Source: Horry County Finance Department

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

	For the Fiscal Year Ended June 30									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u> as restated	<u>2009</u> as restated	<u>2010</u>	<u>2011*</u>
General fund										
Reserved	\$ 794	\$ 828	\$ 620	\$ 482	\$ 2,395	\$ 1,273	\$ 1,250	\$ 1,174	\$ 3,649	\$ -
Unreserved/designated	651	1,592	5,758	10,910	13,547	3,567	3,254	5,309	8,375	-
Unreserved/undesignated	15,137	17,597	19,832	18,962	19,102	22,089	24,579	24,341	24,739	-
Nonspendable	-	-	-	-	-	-	-	-	-	1,532
Committed	-	-	-	-	-	-	-	-	-	25,392
Assigned	-	-	-	-	-	-	-	-	-	343
Unassigned	-	-	-	-	-	-	-	-	-	9,797
Total general fund	<u>16,582</u>	<u>20,017</u>	<u>26,210</u>	<u>30,354</u>	<u>35,044</u>	<u>26,929</u>	<u>29,083</u>	<u>30,824</u>	<u>36,763</u>	<u>37,064</u>
All other governmental funds										
Reserved	58,204	38,997	50,819	44,791	56,734	70,700	196,056	272,586	256,012	-
Unreserved for:										
Special revenue funds	10,705	20,595	22,970	22,985	23,092	33,671	33,327	3,721	38,972	-
Capital project funds (deficit)	-	-	-	6,347	7,944	19,080	12,415	(7,235)	2,016	-
Nonspendable	-	-	-	-	-	-	-	-	-	857
Restricted	-	-	-	-	-	-	-	-	-	291,148
Committed	-	-	-	-	-	-	-	-	-	16,719
Unassigned	-	-	-	-	-	-	-	-	-	(1,199)
Total all other governmental funds	<u>68,909</u>	<u>59,592</u>	<u>73,789</u>	<u>74,123</u>	<u>87,770</u>	<u>123,451</u>	<u>241,798</u>	<u>269,072</u>	<u>297,000</u>	<u>307,525</u>
Total governmental fund balances	<u>\$ 85,491</u>	<u>\$ 79,609</u>	<u>\$ 99,999</u>	<u>\$ 104,477</u>	<u>\$ 122,814</u>	<u>\$ 150,380</u>	<u>\$ 270,881</u>	<u>\$ 299,896</u>	<u>\$ 333,763</u>	<u>\$ 344,589</u>

\*As of June 30, 2011, fund balance classifications changed with the implementation of GASB 54.

Source: Horry County Finance Department

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

	For the Fiscal Year Ended June 30									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
	as restated									
<b>Revenues</b>										
Property Taxes	\$ 67,928	\$ 72,818	\$ 75,519	\$ 78,844	\$ 87,680	\$ 93,557	\$ 104,607	\$ 114,821	\$ 118,249	\$ 115,241
Licenses and permits	4,389	4,982	6,434	9,348	13,841	12,128	9,999	7,551	6,572	6,272
Intergovernmental	19,018	16,890	18,010	18,093	18,913	22,570	21,210	22,296	24,025	19,701
Sales Tax Major Capital Projects (3)	-	-	-	-	-	-	63,537	63,549	58,070	61,477
Fees and fines	45,073	46,874	51,030	54,003	58,817	61,679	64,570	65,709	66,446	34,081
Hospitality & Local Accommodations fees (4)	-	-	-	-	-	-	-	-	-	36,867
Charges for services	2,139	2,443	3,889	6,472	8,962	6,966	4,356	2,406	2,469	2,305
Interest on investments	2,903	2,168	1,847	2,945	5,650	8,030	7,880	7,834	4,658	2,383
Accommodation tax (1)	214	787	834	861	969	1,014	996	865	845	3,835
Cost allocation	1,122	991	2,115	1,142	1,697	1,426	1,685	2,100	3,077	3,055
Other	1,453	2,734	1,749	1,652	2,368	3,553	5,585	4,617	4,018	3,864
Total revenues	<u>144,239</u>	<u>150,687</u>	<u>161,427</u>	<u>173,360</u>	<u>198,897</u>	<u>210,923</u>	<u>284,425</u>	<u>291,748</u>	<u>288,429</u>	<u>289,081</u>
<b>Expenditures</b>										
General government	25,966	28,250	20,102	20,866	23,570	27,254	30,143	30,810	28,070	28,687
Public safety	43,353	44,177	56,573	60,478	67,878	73,533	79,117	84,810	87,461	93,942
Public works	18,198	17,144	-	-	-	-	-	-	-	-
Infrastructure and regulation (2)	-	-	23,631	28,367	29,028	31,078	32,898	29,208	31,611	54,991
Economic development	1,581	1,895	208	58	774	312	383	2,292	2,019	1,423
Health and social services	3,296	3,475	1,987	2,069	894	861	822	867	2,232	2,382
Culture and recreation	4,959	5,912	6,497	7,825	8,033	8,387	8,699	8,821	9,807	8,863
Capital outlay	24,298	15,161	8,780	20,563	13,544	11,175	28,822	50,118	56,796	37,060
Conservation and natural resources	962	955	342	517	561	1	47	-	-	-
Horry-Georgetown Tech	1,825	1,950	1,950	2,153	2,591	2,800	3,000	3,000	3,973	3,415
Higher Education	3,267	270	290	303	500	410	910	1,170	1,140	1,325
Debt service:										
Principal	30,043	32,033	30,391	18,798	20,150	19,455	21,704	28,130	27,675	31,198
Interest and fees	4,867	5,038	4,680	16,597	15,659	15,377	14,477	16,075	17,359	14,605
Other charges	2,349	1,352	1,356	1,371	1,457	6,419	10,925	5,008	1,025	44
Total expenditures	<u>164,964</u>	<u>157,612</u>	<u>156,787</u>	<u>179,965</u>	<u>184,639</u>	<u>197,062</u>	<u>231,947</u>	<u>260,309</u>	<u>269,168</u>	<u>277,935</u>
Excess of revenues over (under) expenditures	<u>(20,725)</u>	<u>(6,925)</u>	<u>4,640</u>	<u>(6,605)</u>	<u>14,258</u>	<u>13,861</u>	<u>52,478</u>	<u>31,439</u>	<u>19,261</u>	<u>11,146</u>

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

	For the Fiscal Year Ended June 30									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u> as restated	<u>2010</u>	<u>2011</u>
Transfers in	37,971	37,092	41,013	47,638	57,682	55,044	50,686	48,717	45,103	16,176
Transfers out	(38,806)	(37,216)	(41,470)	(48,087)	(57,995)	(55,349)	(50,997)	(49,221)	(45,103)	(19,967)
Refunding bonds issued	1,290	-	-	-	35,326	-	-	-	-	-
Issuance of debt	24,585	-	14,000	-	-	11,000	62,000	8,155	26,040	-
Premium on bonds issued	211	-	47	-	(439)	-	1,496	-	1,151	-
Payments to refunded bond escrow agent	(2,866)	-	-	-	(34,883)	-	-	(10,671)	(13,260)	-
Capital leases	507	985	1,032	11,606	7,488	-	4,442	-	-	-
Sale of assets	101	182	89	176	101	44	330	400	94	259
Other	-	-	-	(250)	(3,111)	-	-	-	580	2,091
Total other financing sources (uses)	<u>22,993</u>	<u>1,043</u>	<u>14,711</u>	<u>11,083</u>	<u>4,169</u>	<u>10,739</u>	<u>67,957</u>	<u>(2,620)</u>	<u>14,605</u>	<u>(1,441)</u>
Extraordinary item	-	-	-	-	-	-	-	-	-	1,120
Net change in fund balances (3)	<u>\$ 2,268</u>	<u>\$ (5,882)</u>	<u>\$ 19,351</u>	<u>\$ 4,478</u>	<u>\$ 18,427</u>	<u>\$ 24,600</u>	<u>\$ 120,435</u>	<u>\$ 28,819</u>	<u>\$ 33,866</u>	<u>\$ 10,825</u>
Debt service as a percentage of noncapital expenditures	24.8%	26.0%	23.7%	22.2%	20.9%	18.7%	17.6%	21.0%	21.2%	19.3%

(1) Accommodation taxes are considered Special Assessments.

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

(3) Major Capital Projects Sales Tax added 2008.

(4) Prior to fiscal year ended June 30, 2011, Hospitality and Local Accommodations fees were classified as Intergovernmental.

Source: Horry County Finance Department

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

TAX YEAR	FOR THE FISCAL YEAR ENDED JUNE 30	REAL PROPERTY (1) (2) (3)			PERSONAL PROPERTY (2) (4)		TOTAL TAXABLE ASSESSED VALUE (2) (8)	TOTAL DIRECT TAX RATE (6) (8)	ESTIMATED ACTUAL TAXABLE VALUE (5) (8)	ASSESSED VALUE (2) AS A PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE (5)
		RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	FARM	MOTOR VEHICLES	OTHER				
2001	2002	214,406	622,014	4,917	145,638	110,911	1,097,886	50.9	18,327,452	5.99%
2002	2003	225,111	647,943	4,917	141,518	119,455	1,138,944	50.9	19,177,387	5.94%
2003	2004	238,038	663,391	4,953	146,019	115,338	1,167,739	50.9	19,882,193	5.87%
2004	2005	249,986	681,439	4,919	144,584	116,445	1,197,373	50.9	20,592,643	5.81%
2005	2006	309,446	888,857	5,068	146,222	132,501	1,482,094	46.3	25,877,845	5.73%
2006	2007	326,176	980,924	5,031	148,820	145,614	1,606,565	46.3	28,190,764	5.70%
2007	2008	354,361	1,107,275	5,167	142,105	160,068	1,768,976	47.3	31,163,189	5.68%
2008	2009	394,601	1,264,297	5,088	133,789	172,811	1,970,586	47.3	34,797,636	5.66%
2009	2010	419,503	1,278,502	5,162	128,942	174,070	2,006,179	47.3	35,591,828	5.64%
2010	2011	465,852	1,282,410	5,524	109,872	165,332	2,028,990	44.9	36,448,278	5.57%

Notes:

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

Source/s:

Horry County Finance Department  
 Horry County Assessor  
 Horry County Auditor

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

	Tax Year (1)									
	<u>2001 (1)</u>	<u>2002 (1)</u>	<u>2003 (1)</u>	<u>2004 (1)</u>	<u>2005 (1)</u>	<u>2006 (1)</u>	<u>2007 (1)</u>	<u>2008 (1)</u>	<u>2009 (1)</u>	<u>2010 (1)</u>
<b>County Direct Rates (2)</b>										
General Fund	39.4	39.4	40.2	40.2	36.7	36.7	36.7	36.7	36.7	34.8
Debt Retirement	7.0	7.0	6.2	6.2	5.3	5.3	5.3	5.3	5.3	5.0
Senior Citizens Fund	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Horry Georgetown Tech	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.8
Higher Education (Began in 2000)	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Recreation (Began in 2001)	1.5	1.5	1.5	1.5	1.3	1.3	2.3	2.3	2.3	2.2
<b>Total Direct Rate</b>	<b>50.9</b>	<b>50.9</b>	<b>50.9</b>	<b>50.9</b>	<b>46.3</b>	<b>46.3</b>	<b>47.3</b>	<b>47.3</b>	<b>47.3</b>	<b>44.9</b>
<b>Unincorp. County Rates (2)</b>										
Rural Fire (Began in 2003)	-	-	18.3	18.3	16.3	16.3	16.3	16.3	16.3	15.2
Waste Management (Began in 2003)	-	-	5.1	7.1	6.4	6.4	6.4	6.4	6.4	6.0
<b>School District Rates (2)</b>	<b>124.9</b>	<b>124.9</b>	<b>130.4</b>	<b>130.4</b>	<b>129.7</b>	<b>135.3</b>	<b>143.3</b>	<b>143.3</b>	<b>139.3</b>	<b>132.2</b>
<b>Other Fire Districts Rates (2)</b>										
Aynor Fire Contract (Began in 2003)	-	-	18.3	18.3	16.3	16.3	16.3	16.3	16.3	15.2
Atlantic Beach Fire Contract (Began in 2003)	-	-	18.3	18.3	16.3	16.3	16.3	16.3	16.3	15.2
Murrells Inlet /Garden City Contract (Began in 2003)	-	-	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
<b>City Rates (2)</b>										
Town of Atlantic Beach	0.1100	0.1100	0.0900	0.0900	0.0900	0.0900	0.0945	0.0945	0.0945	0.0945
Town of Aynor	0.0900	0.0900	0.0900	0.0900	0.0708	0.0708	0.0722	0.0722	0.0722	0.0608
Town of Briarcliff Acres	0.0750	0.0420	0.0570	0.0560	0.0470	0.0500	0.0528	0.0556	0.0556	0.0508
City of Conway	0.0939	0.0939	0.0939	0.0967	0.0866	0.0866	0.0866	0.0866	0.0866	0.0793
City of Loris	0.1150	0.1150	0.1150	0.1150	0.1050	0.1050	0.1050	0.1050	0.1050	0.1037
City of Myrtle Beach	0.0632	0.0632	0.0632	0.0632	0.0614	0.0614	0.0614	0.0644	0.0629	0.0661
City of N. Myrtle Beach	0.0357	0.0357	0.0357	0.0357	0.0305	0.0305	0.0305	0.0322	0.0322	0.0320
City of Surfside Beach	0.0440	0.0440	0.0550	0.0550	0.0440	0.0440	0.0440	0.0440	0.0440	0.0400

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

	Tax Year (1)									
	<u>2001 (1)</u>	<u>2002 (1)</u>	<u>2003 (1)</u>	<u>2004 (1)</u>	<u>2005 (1)</u>	<u>2006 (1)</u>	<u>2007 (1)</u>	<u>2008 (1)</u>	<u>2009 (1)</u>	<u>2010 (1)</u>
<b>Special District Rates (2)</b>										
Conway	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227	0.0227	0.0212
Crabtree	0.0252	0.0277	0.0277	0.0297	0.0263	0.0263	0.0263	0.0263	0.0263	0.0244
Loris	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227	0.0227	0.0212
Todd Swamp	0.0252	0.0277	0.0277	0.0297	0.0262	0.0262	0.0262	0.0262	0.0262	0.0243
Buck Creek	0.0252	0.0277	0.0277	0.0297	0.0265	0.0265	0.0265	0.0265	0.0265	0.0244
Simpson Creek	0.0252	0.0277	0.0277	0.0297	0.0261	0.0261	0.0261	0.0261	0.0261	0.0241
Green Sea	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227	0.0227	0.0212
Aynor	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227	0.0227	0.0212
Little River	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227	0.0227	0.0212
Socastee	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227	0.0227	0.0212
Mt Gilead	0.0451	0.0391	0.0391	0.0411	0.0338	0.0338	0.0338	0.0238	0.0238	0.0230
Socastee Rec	0.0229	0.0254	0.0254	0.0274	0.0247	0.0247	0.0247	0.0247	0.0247	0.0230
Murrells Inlet/G.C.	0.0151	0.0151	0.0151	0.0171	0.0164	0.0164	0.0164	0.0164	0.0164	0.0160
Floyds	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227	0.0227	0.0212
Cartwheel	0.0252	0.0277	0.0277	0.0297	0.0266	0.0266	0.0266	0.0266	0.0266	0.0246
Gapway	0.0252	0.0277	0.0277	0.0297	0.0265	0.0265	0.0265	0.0265	0.0265	0.0243
Myrtle Beach	0.0209	0.0234	0.0234	0.0254	0.0227	0.0227	0.0227	0.0227	0.0227	0.0212
Arcadian Shores (Began in 2000)	0.0559	0.0584	0.0584	0.0604	0.0577	0.0577	0.0577	0.0577	0.0577	0.0535

- Notes:
- (1) Taxes for each tax year are due and payable the following fiscal year.
  - (2) Rates are per \$1,000 of assessed value.
  - (3) A property reappraisal was performed in Tax Year 2005. This reappraisal was delayed by one (1) tax year.
  - (4) A property reappraisal was performed in Tax Year 2010. This reappraisal was delayed by one (1) tax year.
  - (5) A reappraisal is performed every five years. The County's next scheduled reappraisal date is Tax Year 2014 due to the prior one (1) year delay of reappraisal in Tax Year 2010.

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



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

TAXPAYER	Fiscal Year 2011 (Tax Year 2010)			Fiscal Year 2002 (Tax Year 2001)		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE (1)	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE (1)
Burroughs & Chapin Inc Subsidiaries (2)	28,344,287	1	1.39%	23,495,372	1	2.12%
Horry Electric Co-operative	18,200,387	2	0.89%	8,030,370	2	0.72%
Horry Telephone Co-operative/HTC	9,413,680	3	0.46%	6,580,654	4	0.59%
Winchester North Beach Towers LLC	8,611,756	4	0.42%			
Verizon South, Inc.	6,422,490	5	0.32%			
Bluegreen Vacations Unlimited Inc.	5,929,401	6	0.29%			
Lawyers Title Insurance Corp	5,713,926	7	0.28%			
Time Warner Ent.-Advance/Newhouse	4,010,690	8	0.20%			
Marriott Ownership Resorts Inc.	3,984,234	9	0.20%			
Wal-Mart Real Estate Business Trust	3,281,946	10	0.16%			
GTE South (General Telephone)				8,335,900	3	0.75%
AVX Corporation				7,415,462	5	0.67%
Broadway at the Beach (3)				4,132,974	6	0.37%
Grand Strand Regional Medical Center				3,347,446	7	0.30%
Ocean Lakes Family Campground				2,547,739	8	0.23%
Conbraco Industries Inc.				2,767,570	9	0.25%
Advance Newhouse Partnership				2,648,660	10	0.24%
<b>Totals</b>	<u>93,912,797</u>		<u>4.63%</u>	<u>69,302,147</u>		<u>6.31%</u>

Notes:

- (1) Property that is exempt from the County portion of taxes have been subtracted from Assessed Value.
- (2) 2011 data for Burroughs & Chapin Inc. Subsidiaries includes Myrtle Beach Farms and Broadway At The Beach
- (3) 2002 data for Myrtle Beach Farms (in Burroughs & Chapin Inc Subsidiaries for 2011) does not include Broadway at the Beach

Source: Horry County Treasurer

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

<u>TAX YEAR</u>	<u>FOR THE FISCAL YEAR ENDED JUNE 30</u>	<u>TOTAL TAX LEVY FOR FISCAL YEAR</u>	<u>COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY</u>		<u>COLLECTIONS IN SUBSEQUENT YEARS</u>	<u>TOTAL COLLECTIONS TO DATE</u>	
			<u>AMOUNT</u>	<u>PERCENTAGE OF LEVY</u>		<u>AMOUNT</u>	<u>PERCENTAGE OF LEVY</u>
2001	2002	62,665	\$ 59,068	94.26%	2,424	\$ 61,492	98.13%
2002	2003	67,605	\$ 63,812	94.39%	1,894	\$ 65,706	97.19%
2003	2004	75,692	\$ 72,650	95.98%	2,113	\$ 74,763	98.77%
2004	2005	78,211	\$ 75,544	96.59%	1,490	\$ 77,034	98.50%
2005	2006	86,977	\$ 85,237	98.00%	1,741	\$ 86,978	100.00%
2006	2007	93,573	\$ 91,215	97.48%	2,215	\$ 93,430	99.85%
2007	2008	104,866	\$ 101,674	96.96%	2,509	\$ 104,183	99.35%
2008	2009	117,588	\$ 110,329	93.83%	4,688	\$ 115,017	97.81%
2009	2010	116,592	\$ 111,623	95.74%	4,672	\$ 116,295	99.75%
2010	2011	114,240	\$ 109,436	95.80%	-	\$ 109,436	95.80%

Notes:

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

Sources:

Horry County property tax database

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

FOR THE FISCAL YEAR ENDED JUNE 30	GOVERNMENTAL ACTIVITIES					BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME (1) (2)	PER CAPITA (1) (2)
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	RIDE IGA LOANS	CAPITAL LEASES	BASEBALL STADIUM COPS BONDS	REVENUE BONDS	CAPITAL LEASES			
2002	\$ 79,685	\$ 18,490	\$ 425,086	\$ 1,435	\$ 2,775	\$ 31,551	\$ 69	\$ 559,091	11.04%	2,714
2003	73,945	17,440	396,623	1,875	2,662	30,855	50	523,450	9.83%	2,484
2004	81,950	16,340	387,234	2,402	2,546	29,355	30	519,857	9.13%	2,389
2005	76,435	15,190	376,159	10,872	2,423	27,765	9	508,853	8.37%	2,242
2006	72,920	13,985	364,791	14,722	2,295	26,080	426	495,219	7.47%	2,076
2007	80,120	12,725	350,132	12,027	2,162	24,300	383	481,849	6.39%	1,920
2008	137,920	11,405	334,103	13,115	2,024	11,140	345	510,052	6.58%	1,971
2009	129,840	10,035	315,760	9,828	1,880	10,620	306	478,269	6.23%	1,813
2010	134,670	7,105	297,308	6,726	1,570	10,075	266	457,720	not available	1,700
2011	125,967	5,410	276,765	4,908	1,405	60,590 (3)	224	475,269	not available	not available

Notes:

- (1) See the schedule of Demographic and Economic Statistics for personal income and population data.
- (2) Percentage of Personal Income and Per Capita data have been updated based on new data for 2007, 2008 and 2009 from the U.S. Census Bureau and the Bureau of Economic Analysis
- (3) Series 1997 and Series 2000 Bonds were fully redeemed in FY2011 and Series 2010 Bonds were issued.

Source: Horry County Finance Department

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

FOR THE FISCAL YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS (4)	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY (2)	NET BONDED DEBT PER CAPITA (3)
2002	79,685	3,939	75,746	0.41%	368
2003	73,945	4,430	69,515	0.36%	337
2004	81,950	4,249	77,701	0.39%	370
2005	76,435	4,417	72,018	0.35%	330
2006	72,920	6,107	66,813	0.26%	294
2007	63,915	9,306	54,609	0.19%	229
2008	122,890	15,441	107,449	0.34%	428
2009	116,050	14,129	101,921	0.29%	394
2010	122,175	13,226	108,949	0.31%	413
2011	114,797	12,310	102,487	0.28%	381

Notes:

- (1) The restricted for debt service principal column has not been included because there are no restricted assets for general obligation bonds.
- (2) Percentage Estimated Actual Taxable Value of Property = Total Column (above) / the Estimated Actual Taxable Value (see the schedule of Assessed Value and Estimated Actual Value of Taxable Property for Est. Actual Taxable Value).
- (3) Net Bonded Debt per capita = Total column (above) / the prior year's (rounded) County Population (see the schedule of Demographic and Economic Statistics for population data).
- (4) General obligation bonds total excludes \$11,170 in Fire Protection G.O. bonds: 2004 (Series A) & 2005 (Series A).

Source: Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2011  
(AMOUNTS EXPRESSED IN THOUSANDS)**

<u>ENTITY</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
School District	\$ 386,305	100.00%	\$ 386,305
City of Myrtle Beach	43,325	100.00%	43,325
City of Conway	2,590	100.00%	2,590
City of North Myrtle Beach	4,393	100.00%	4,393
City of Loris	105	100.00%	105
Town of Surfside	815	100.00%	815
Subtotal, overlapping debt			437,533
Horry County direct debt	114,797	100.00%	114,797
Total direct and overlapping debt		100.00%	<u>\$ 552,330</u>

Notes:

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

Source: Finance Department of each entity.

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

	For the Fiscal Year Ended June 30,									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt limit	\$ 89,006	\$ 91,850	\$ 94,790	\$ 97,281	\$ 119,413	\$ 129,371 (2)	\$ 142,364	\$ 158,493	\$ 161,340	\$ 163,165
Total net debt applicable to limit	<u>70,080</u>	<u>65,310</u>	<u>63,315</u>	<u>58,178</u>	<u>55,565</u>	<u>63,915 (2)</u>	<u>122,890 (2)</u>	<u>116,050 (2)</u>	<u>122,175</u>	<u>114,797</u>
Legal debt margin	<u>18,926</u>	<u>26,540</u>	<u>31,475</u>	<u>39,103</u>	<u>63,848</u>	<u>65,456 (2)</u>	<u>19,474 (2)</u>	<u>42,443 (2)</u>	<u>39,165</u>	<u>48,368</u>
Total net debt applicable to the limit as a percentage of debt limit	78.74%	71.11%	66.80%	59.80%	46.53%	49.40%	86.32%	73.22%	75.73%	70.36%

**Legal Debt Margin Calculation for Fiscal Year 2011**

Assessed value (1)	\$ 2,033,569
Less: Exempt industrial personal and real property (1)	(4,579)
Plus: Assessed value - Merchant's inventory	<u>10,572</u>
Total assessed value	<u>\$ 2,039,562</u>
Debt limit(8% of total assessed value)	\$ 163,165
Debt application to limit:	
General obligation bonds (3)	<u>114,797</u>
Total net debt application to limit	<u>114,797</u>
Legal debt margin	<u>\$ 48,368</u>

Notes:

- (1) Assessed value includes exempt industrial personal and real property  
(2) Total net debt applicable to limit and Legal Debt Margin are restated for fiscal years 2007, 2008 and 2009 and the Debt Limit is restated for fiscal year 2007.  
(3) General obligation bonds total excludes \$11,170 in Fire Protection G.O. bonds: 2004 (Series A) & 2005 (Series A), 2009 Special Hospitality Fee bonds and 1998 Certificates of Participation.

Source: Horry County Finance Department

**HORRY COUNTY, SOUTH CAROLINA  
PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

FOR THE FISCAL YEAR ENDED JUNE 30	AIRPORT REVENUE BONDS						HOSPITALITY FEE SPECIAL OBLIGATION BONDS (AMOUNTS EXPRESSED IN THOUSANDS )			
	AIRPORT CHARGES AND OTHER	LESS: OPERATING EXPENSES	NET AVAILABLE REVENUE	DEBT SERVICE		COVERAGE	HOSPITALITY FEE ASSESSMENT COLLECTIONS (1)	DEBT SERVICE		COVERAGE
				PRINCIPAL	INTEREST			PRINCIPAL	INTEREST	
2002	13,889,728	7,397,052	6,492,676	1,420,000	1,945,227	1.93	5,132	1,000	1,029	2.53
2003	14,478,453	7,750,046	6,728,407	1,500,000	1,862,042	2.00	5,063	1,050	979	2.50
2004	17,278,746	8,619,635	8,659,111	1,590,000	1,773,010	2.57	5,351	1,100	927	2.64
2005	19,595,565	9,967,999	9,627,566	1,685,000	1,677,588	2.86	5,642	1,150	876	2.78
2006	22,238,758	11,525,965	10,712,793	1,780,000	1,575,513	3.19	6,159	1,205	823	3.04
2007 (3)	22,219,021	9,747,615	12,471,406	1,890,000	379,830	5.49	6,638	1,260	766	3.28
2008 (2) (3)	21,362,501	10,185,879	11,176,622	520,000	816,180	8.36	6,632	1,320	707	3.27
2009 (3)	18,001,822	9,541,170	8,460,652	545,000	576,508	7.54	6,179	1,390	641	3.04
2010 (3)	16,677,679	9,316,136	7,361,543	575,000	550,666	6.54	5,847	1,050	230	4.57
2011(3)	18,557,302	10,679,650	7,877,652	-	40,920	192.51	6,101	1,695	223	3.18

Notes:

(1) Does not include interest, fund balance usage or transfers in.

(2) On January 9, 2008, Horry County Redeemed \$11,270,000 of Airport Revenue Bonds

(3) Calculations based on 2010 Airport Bond Ordinance (all Airport Revenue Bond numbers are restated for FY 2007 through FY 2010), Series 1997 and 2000 Bonds were redeemed in FY 2011.

Source: Horry County Airport Finance and Horry County Finance Departments

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

<u>YEAR</u>	<u>COUNTY POPULATION (5B)</u>	<u>PERSONAL INCOME (2A) (AMOUNTS EXPRESSED IN THOUSANDS)</u>	<u>PER CAPITA PERSONAL INCOME</u>	<u>SCHOOL ENROLLMENT (1A) (4B) (7B)</u>	<u>LABOR FORCE (6B)</u>	<u>EMPLOYMENT (2B) (6B)</u>	<u>COUNTY % UNEMP. (6B)</u>	<u>STATE % UNEMP. (5A) (6B)</u>
2001	201,088	4,830,335	24,021 (2B)	29,009	102,440	97,400	4.9	5.2
2002	206,039	5,065,263	24,584 (2B)	29,931	105,523	100,043	5.2	6.0
2003	210,757	5,324,986	25,266 (2B)	31,018	111,541	105,203	5.7	6.7
2004	217,608	5,694,801	26,170 (3B)	32,840	115,957	109,090	5.9	6.8
2005	226,992	6,080,889	26,789 (3B)	34,480	120,996 **	113,984 **	5.8	** 6.8
2006	238,493	6,632,252	27,809 (3B)	36,068	127,974 **	120,985 **	5.5	** 6.4
2007	250,904	7,545,657	30,074 (3B)	36,068	129,881 **	123,401 **	5.0	** 5.6
2008	258,790	7,754,020	29,963 (3B)	37,735	130,818 **	121,585 **	7.1	** 6.8
2009	263,868	7,678,701	29,101 (3B)	37,421	131,642 **	116,129 **	11.8	** 11.3
2010	269,291	not available	not available	38,206	131,995 **	116,231 **	11.9	** 11.2

Notes (A):

- (1) Enrollment is as of Spring of that year.
- (2) Personal Income = County Population (above) x Per Capita Personal Income (above).
- (3) County Population, Personal Income and Per Capita Personal Income have been updated for 2007, 2008 and 2009 based on new data from the U.S. Census Bureau and the Bureau of Economic Analysis
- (4) Labor Force, Employment and County Unemployment are averaged on a calendar year basis.
- (5) State Unemployment Rates are an annual average and have been revised to incorporate updated population controls and re-estimation.

Sources (B):

- (1) S. C. Statistical Abstract
- (2) S. C. Employment Security Commission, Labor Market Research Division
- (3) Bureau of Economic Analysis
- (4) Horry County Schools website
- (5) U.S. Census Bureau
- (6) U.S. Department of Labor
- (7) Horry County Schools Annual Report 2010

\*\* Reflects revised inputs, reestimation, and new statewide controls



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

EMPLOYER	2011			2002 (4)		
	EMPLOYEES (6)	RANK (6)	PERCENTAGE OF TOTAL EMPLOYMENT (3)	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Horry County School District	4,870	1	3.69%	3,900	1	3.72%
Wal-Mart	2,061	2	1.56%	1,702	2	1.62%
Horry County Government (5)	2,024	3	1.53%	1,425	4	1.36%
Grand Strand Regional Medical Center	1,200	4	0.91%	950	8	0.91%
Conway Hospital	1,150	5	0.87%	1,000	6	0.95%
Coastal Carolina University	1,057	6	0.80%	-		0.00%
Myrtle Beach National	980	7	0.74%	1,000	5	0.95%
City of Myrtle Beach	902	8	0.68%	800	10	0.76%
Loris Health Care System	900	9	0.68%	821	9	0.78%
Blue Cross Blue Sheild	827	10	0.63%	960	7	0.92%
AVX Corporation				1,515	3	1.45%
Totals	<u>15,971</u>		<u>12.10%</u>	<u>14,073</u>		<u>13.43%</u>

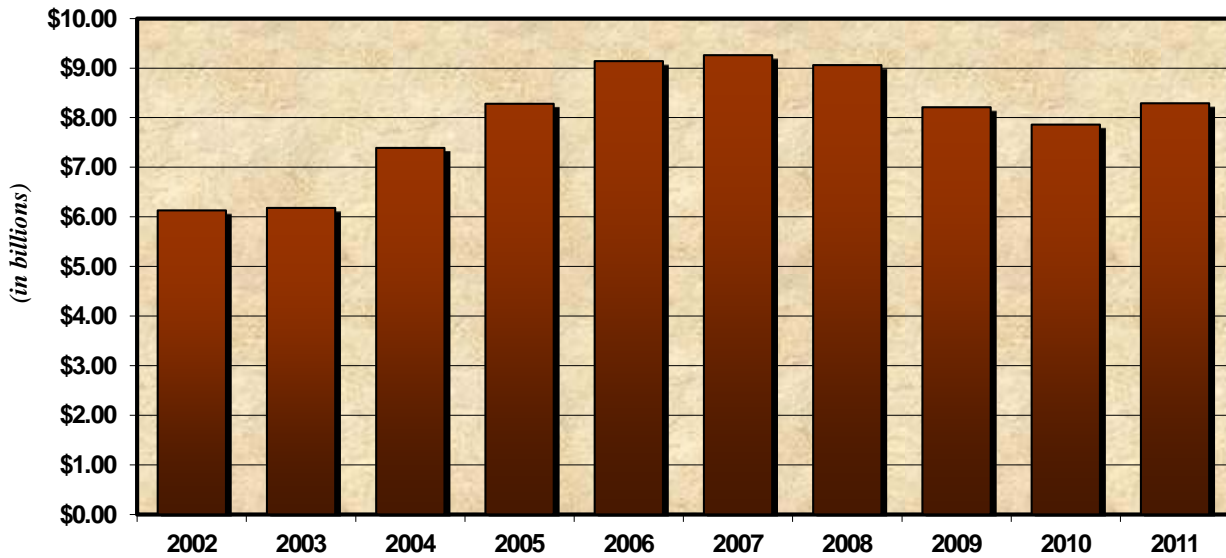
Notes:

The Total Employment is as of June of that year

Source:

- (1) Mytle Beach Regional Economic Development
- (2) SC Employment Security Commission
- (3) U.S Department of Labor Bureau of Labor Statistics
- (4) 2002 Horry County Comprehensive Annual Financial Report
- (5) Horry County Human Resources Department
- (6) Myrtle Beach Chamber of Commerce - January, 2011

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



<u>YEAR</u>	<u>GROSS SALES (in Billions)</u>	<u>PERCENTAGE CHANGE</u>
2002	\$6.13	1.7
2003	\$6.18	1.0
2004	\$7.39	19.5
2005	\$8.28	12.0
2006	\$9.14	10.4
2007	\$9.26	1.3
2008	\$9.06	(2.2)
2009	\$8.21	(9.4)
2010	\$7.86	(4.3)
2011	\$8.29	5.5

Notes:

- (1) Gross Sales information is reported on a Fiscal Year basis from 2008 forward due to accounting method, software and tracking changes at The Department of Revenue.

Sources:

S. C. Statistical Abstract

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

	Full-time Equivalent Employees as of June 30,									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009 (2)</u>	<u>2010</u>	<u>2011</u>
<b>Functions and Programs</b>										
<b><u>Governmental Activities:</u></b>										
<b>General Government</b>	801	794	831	865	921	940	964	354	341	340
<b>Public Safety</b>										
Police	289	288	299	320	337	342	347	263	261	262
Fire (1)	259	258	273	272	279	291	288	136	151	151
EMS	-	-	-	-	-	-	-	171	185	182
Sheriff & Detention Center	-	-	-	-	-	-	-	274	320	347
Courts	-	-	-	-	-	-	-	196	203	201
Other	-	-	-	-	-	-	-	98	100	110
<b>Health and Social Services</b>	-	-	-	-	-	-	-	3	3	5
<b>Infrastructure and Regulation</b>										
Public Works	122	122	122	121	122	136	127	79	79	81
Code Enforcement	-	-	-	-	-	-	-	47	44	42
Fleet	17	17	17	17	17	17	15	16	15	14
Other	-	-	-	-	-	-	-	79	68	62
<b>Culture, Recreation and Tourism</b>										
Libraries	42	42	47	48	48	57	50	54	62	60
Parks	8	12	15	18	18	18	18	40	55	57
Other	-	-	-	-	-	-	-	5	4	4
<b>Economic Development</b>										
CDBG	-	-	-	-	-	-	-	2	3	3
<b><u>Business-type Activities:</u></b>										
<b>Airports</b>	104	132	132	131	132	133	118	112	105	104
<b>Total Primary Government</b>	<u>1642</u>	<u>1665</u>	<u>1736</u>	<u>1792</u>	<u>1874</u>	<u>1934</u>	<u>1927</u>	<u>1929</u>	<u>1999</u>	<u>2025</u>

Source: Horry County Human Resources Department

(1) Fire/EMS was combined prior to FY2009 for reporting only.

(2) Increased detail level of functional staffing; prior actual comparisons not available.

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

**Functions and Programs**

For the Fiscal Year Ended June 30,

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>Governmental Activities:</u></b>										
<b>General Government</b>										
Information Technology/GIS:										
# of GIS Parcels Maintained (6)	N/A	177,603	187,924	199,653	210,710	218,282	227,572	231,344	232,551	233,563
# of Servers Maintained	7	15	35	52	81	98	98	123	103	100
Register of Deeds:										
Total Documents Filed	124,906	147,773	176,586	196,108	209,675	184,043	177,261	150,260	130,657	128,533
Assessor:										
Assessments of Building Permits	9,723	11,635	9,235	11,314	13,561	16,630	15,294	12,854	10,228	9,835
Special Assessments	17,774	23,722	23,434	26,206	22,998	19,391	21,054	17,507	10,346	10,566
Real Property Parcels	172,472	177,906	184,466	189,956	203,304	207,221	226,799	237,276	241,974	244,624
Human Resources:										
# of Applications Taken	5,000	5,500	6,456	5,637	7,500	8,735	7,392	8,322	4,777	12,209
<b>Public Safety</b>										
Police:										
# of Calls for Service	98,612	102,765	100,389	114,269	117,079	132,328	139,302	134,514	129,909	130,532
# of Index Crimes (1) (6)	7,911	8,228	8,374	9,312	N/A	8,586	9,752	9,164	10,045	9,539
Index Crime Clearance Rate (1) (6)	28.50%	25.04%	22.30%	24.70%	N/A	16.85%	20.45%	19.00%	19.50%	19.75%
# of Call Responsive Officers Per Shift	15	17	17	17	18	18	18	20	20	16
Fire:										
# of Calls for Service	31,640	32,313	33,597	35,210	38,424	40,910	43,188	42,594	42,612	40,631
# of Structure Fires	641	631	620	617	667	654	721	674	651	581
# of Ambulance Transports	9,880	15,117	14,989	16,171	18,138	21,478	20,510	20,961	20,982	23,600
# of Career Fire Fighters Per Shift	48	57	61	73	73	81	85	93	97	93
Emergency 911:										
# of 911 Calls	196,385	193,045	222,345	204,195	212,511	228,418	225,530	221,693	214,880	234,944
# of Radio Dispatches	162,889	162,943	162,576	173,537	177,758	170,482	189,244	190,962	187,323	189,471
# of Telecommunicators per shift	8	8	9	10	10	10	10	10	10	10
Sheriff's Office/Jail:										
# of Bookings	12,927	12,546	12,782	13,934	13,867	14,804	16,172	15,880	13,400	13,380
Average daily population	475	502	525	550	619	650	632	632	641	579
<b>Infrastructure and Regulation</b>										
Code Enforcement:										
# Building Permits	7,873	7,544	8,070	9,647	11,981	9,909	8,459	6,673	7,397	7,258
Public Works:										
Miles of Dirt Road Scraped	994	1,025	843	843	900	880	793	779	748	701
Dirt Roads Paved	11.64	5.43	16.00	1.76	11.13	11.63	2.69	1.77	13.99	13.71
Signage Replaced/Installed (6)	N/A	N/A	N/A	802	849	968	1,364	1,421	1,500	1,887
Miles of Ditches Cleaned	2,658	2,660	2,660	2,666	2,666	2,666	2,700	1,123	268	252

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

**Functions and Programs**

For the Fiscal Year Ended June 30,

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>Governmental Activities (Continued):</u></b>										
Engineering:										
Dirt Roads Paved	7.39	2.52	4.05	11.07	4.30	9.19	9.07	9.72	19.01	28.47
Fleet:										
# Vehicles Maintained	538	550	573	608	649	659	695	700	824	831
# Heavy Equipment Vehicles Maintained	217	220	223	223	306	310	259	270	229	266
# Vehicles Repaired or Work Orders	8,060	8,324	7,284	8,190	7,849	8,236	8,501	8,277	8,111	7,872
<b>Culture, Recreation and Tourism</b>										
Library:										
Circulation	678,703	740,816	824,341	903,583	943,501	969,542	1,041,436	1,141,871	1,095,571	1,182,823
Patron Traffic Count	464,646	500,199	561,870	653,643	652,584	662,494	758,719	772,354	749,652	716,092
New Patrons Registered	12,679	15,345	21,757	24,371	25,125	28,487	28,780	26,572	23,555	15,764
Parks & Recreation:										
# Programs	57	68	84	91	141	153	161	180	187	193
Baseball Stadium:										
Paid Tickets (2)	171,192	174,211	176,659	167,293	170,285	163,056	187,009	183,094	167,334	155,076
<b><u>Business-type Activities:</u></b>										
<b>Airports</b>										
Deplanements	644,834	622,251	748,225	777,936	719,744	783,241	835,496	740,602	772,733	900,286
<b>Industrial parks - (Three Parks) (3) (4) (5) (6)</b>										
Atlantic Business Center - Leased/Sold/Transferred (acres)	"	"	"	"	22.50	6.32	62.20	6.32	-	-
Atlantic Business Center - % of County owned acres	"	"	"	"	24.48%	6.88%	67.67%	6.88%	0.00%	0.00%
Cool Springs Business Pk. - Sold/Transferred (acres)	"	"	"	"	-	12.98	-	-	-	-
Cool Springs Business Pk. - % of County owned acres	"	"	"	"	0.00%	14.81%	0.00%	0.00%	0.00%	0.00%
Pineridge Business Center - Sold/Transferred (acres)	"	"	"	"	4.63	2.00	4.00	17.80	-	-
Pineridge Business Center - % of County owned acres	"	"	"	"	6.71%	2.90%	5.79%	25.78%	0.00%	0.00%
Total Land Sold / Transferred (acres)	N/A	N/A	N/A	N/A	27.13	21.30	66.20	24.12	-	-
Total % of County owned acres in three parks	N/A	N/A	N/A	N/A	10.13%	7.95%	24.71%	9.00%	0.00%	0.00%

Notes:

- (1) # of Index Crimes & Clearance Rates not available due to software migration issues.
- (2) Fiscal Year is January through December. Revenue months are April through September.
- (3) Operating indicators are not available for the Industrial Parks prior to FY2006.
- (4) Operating indicators were changed and restated in FY2009 for FY2006 - FY2009 to accommodate and illustrate Owners changing needs.
- (5) The beginning balance of total acreage owned by the County (used in the calculation of % of County owned acres) is as of July 1, 2005.
- (6) Operating Indicators that are not available are indicated with N/A

Source: Various County Departments

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

For the Fiscal Year Ended June 30,

<b>Functions and Programs</b>	<u>2005 (1)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>Governmental Activities:</u></b>							
<b>General Government</b>							
Building Complexes	4	4	4	4	4	4	4
<b>Public Safety</b>							
Police:							
Patrol units	213	315	351	368	352	320	299
Sheriff/Detention Center(2):							
Transport Vehicles							102
Fire/Rescue:							
Stations	40	40	40	41	41	39	39
Trucks(Fire/Pumpers)	59	61	67	66	66	67	68
Ambulances	21	27	33	32	36	36	28
<b>Health and Social Services</b>							
Health Departments (bldg)	3	3	3	4	4	3	3
Social Services (bldg)	1	1	1	1	1	1	1
<b>Infrastructure and Regulation</b>							
Highways and streets:							
Roads (miles)	1281	1271	1369	1334	1413	1426	1431
Heavy equipment:							
Motorgraders	23	23	25	25	25	24	21
Dump trucks	20	23	22	21	24	17	26
Other	87	92	133	139	206	173	155
<b>Culture, Recreation and Tourism</b>							
Museums	1	1	1	1	1	2	2
Libraries	9	9	9	9	9	9	9
Bookmobile	1	1	1	1	1	1	1
Parks:							
Parks	20	20	20	20	35	35	35
Tennis Courts	15	15	15	15	7	7	13
Ball Fields	28	28	28	28	34	34	35
Soccer Fields	15	15	15	15	19	20	22
<b>Conservation/Natural Resources</b>							
Off Site Facilities:							
Boat Landings	27	27	27	27	27	27	27
Watersheds	6	6	6	6	6	6	6
<b><u>Business-type Activities:</u></b>							
<b>Airports</b>							
Locations	4	4	4	4	4	4	4
Runways	4	4	4	4	4	4	4
<b>Industrial Parks</b>							
Locations	4	4	4	4	4	4	4
<b>Baseball Stadium</b>							
Baseball field (30% ownership)	1	1	1	1	1	1	1

Notes:

- (1) Capital Asset data is not available prior to FY2005; however, ten years of data will be accumulated over time.  
(2) Added the Sheriff department vehicle count in FY11.

Source: Horry County Finance Department