

HORRY COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2009

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INTRODUCTORY SECTION

**HORRY COUNTY
FINANCE DEPARTMENT**

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



Post Office Box 296
Conway, South Carolina 29528-0296

Phone: (843) 915-6501
Fax: (843) 915-6180

**HORRY COUNTY, SOUTH CAROLINA
LETTER OF TRANSMITTAL
NOVEMBER 23, 2009**

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

We are pleased to submit the Comprehensive Annual Financial Report of the County of Horry for the fiscal year ended June 30, 2009. This report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials and other interested parties. The financial statements contain all disclosures necessary to enable the reader to gain an understanding of the County's financial activities.

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

Horry County financial statements have been audited by Elliott Davis L.L.C., Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for fiscal year ended June 30, 2009, are fairly stated in accordance with GAAP. The independent audit involved examining, on a test basis, evidence to support the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Horry County financial statements for the fiscal year ended June 30, 2009 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the Financial Section of the CAFR.

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

Profile of the Government

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

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

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

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

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

Horry County provides a full range of services, including police and fire protection, EMS and E-911 services, the construction and maintenance of highways, streets and other infrastructure, health and social services, recreational and cultural activities, economic development, 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 Horry County’s financial planning and control. All department heads present a departmental budget to the Department of Budget and Revenue Management, which is reviewed and a balanced financial plan is presented to the Administrator. Once the Administrator is satisfied with the recommended budget, it is forwarded to County Council. Council must, according to state law, have three readings of the financial plan ordinance and a public hearing before it can be passed and become law. The Administrator is authorized to transfer budgeted funds within a department and between departments, within the same fund. Budget transfers between funds require amendments to the original ordinance. Formal budgetary integration is employed as a management control device during the year. No department funded by Horry County shall spend or obligate funds in excess of the amount budgeted in total for each fund under any circumstance.

Factors Affecting Financial Condition

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

The following information was obtained from the U.S. Census Bureau, Center for Economic Studies.

Quarterly Workforce Indicators	Horry County 3 rd Quarter 2008	Horry County Average of the 4 quarters from Oct. 2007 – September 2008	South Carolina 3 rd Quarter 2008	South Carolina Average of the 4 quarters from Oct. 2007 – September 2008
Total Employment	121,887	115,918	1,840,472	1,856,650
Job Creation	5,724	8,826	92,400	103,763
New Hires	28,466	27,578	324,393	320,493
Turnover	14.0%	12.7%	10.5%	10.3%
Average Monthly Earnings	\$2,477.00	\$2,555.25	\$3,056.00	\$3,132.50
Average New Hire Earnings	\$1,608.00	\$1,642.50	\$1,935.00	\$1,959.50

Local Economy

The County's predominantly tourist-based economy continues to welcome visitors, in spite of the state of the national economy. Most of the County's sixty (60) miles of beaches stretching from Little River to Pawley's Island have been developed residentially or commercially while at least 32% of the remainder of the County is yet to be developed. This stretch of the beach is known as the "Grand Strand". Thirty-eight percent of the state's hotel and motel rooms are located in Horry County. Forty percent of the state's second homes are also located within the County.

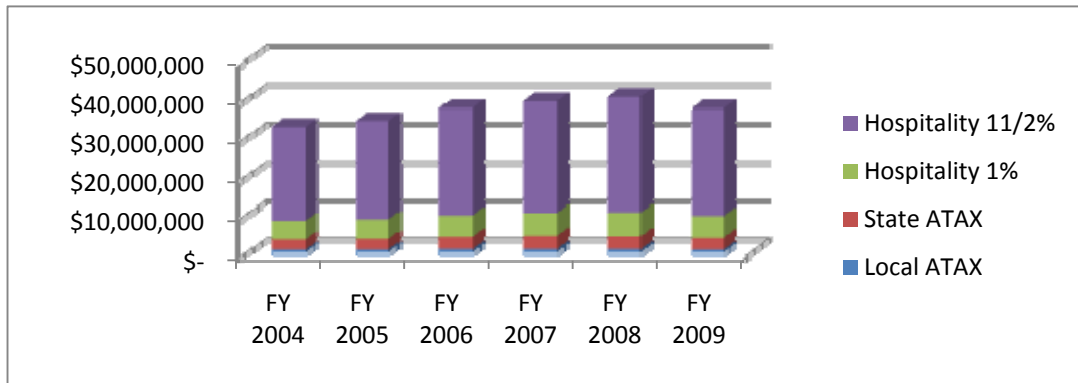
Despite an uncertain economic outlook, there is some positive news:

- Freestyle Music Park opened to the public on May 23, 2009. This represents a reopening of the area's largest amusement park, which initially opened under different management in 2008 as the Hard Rock Park.
- The City of Myrtle Beach passed a tourism fee which creates a recurring source of funding for tourism promotion. This helped to spur summer and fall promotions.
- Three new direct flights to Myrtle Beach International Airport (MYR) have been added in 2009, including daily service to/from Chicago, IL. This includes new routes by existing carriers, as well as new service via Allegiant Airlines, which began providing service to MYR in May 2009.
- A study conducted in October 2009 by the National Golf Foundation suggests that others see the Grand Strand as being atop the leader board in the national competition for notoriety as a golf destination.
- On November 11, 2009, a marketing researcher from the U.S. Travel Association described the tourism outlook for 2010 as "less bad." He stated that Myrtle Beach is well-positioned not only because of its aggressive marketing, but also because there are trends shown in some recent data that bode well for this destination.
- October 2009 real estate sales on the Grand Strand continued the upward swing of the past few months with a record percentage of properties purchased by cash buyers. Single-family home sales increased 8 percent and condominium sales were up 31 percent compared with the same month last year, according to statistics compiled by the Multiple Listing Service.
- October 2009 was the fourth month with some increases in the real estate market and the second month of consistent increases in both the condo and single-family home markets. If there is another month with similar results, then Tom Maeser, a research analyst for the Coastal Carolinas Association of Realtors, said he could call it a trend.

Among the amenities that create such a draw to the region, there are in excess of 90,000 rooms available for overnight guests, a variety of entertainment theaters and over 100 golf courses – not to mention miles of coastline, meandering rivers and abundant natural beauty, all available.

With area courses designed by some of the best-known names in golf, including Jack Nicklaus, Arnold Palmer, Rees Jones, Greg Norman, and Tom Fazio, Horry County boasts one of the largest concentrations of golf facilities in the nation. Golfers will be able to tee off on any of 1,800 golf holes in the county- playing nearly 4.0 million rounds of golf each year. The Golf industry has also been instrumental in the expansion of the tourist season, including early spring and late fall to our regular May through October peak. The Horry County area accounts for more than 34 percent of South Carolina's golf courses. According to Golf Digest, in its 2007 listing of "America's 100 Greatest Public Golf Courses," 10 of the 100 were on the Grand Strand.

The following graph shows that Horry County's revenues which are heavily reliant upon the tourism industry have not reflected a significant decline through these tough times. The graph reports actual revenues from State and Local Accommodations Tax (ATAX) as well as Hospitality Fees for FY 2004 – FY 2009.



Retail sales, employment and construction are all intimately tied to the tourism industry. The increasing diversity of geographic origin and economic profile of tourists will hopefully hedge this cyclical downturn in the national economy.

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

Commercial and Residential Development

In view of the economic slowdown, the County’s economy is showing a hint of stabilization and hopefully will move in to a recovery phase. A fast paced development environment in prior years has generated growth in the County’s assessable tax base.

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

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

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

Coastal Grand Mall on US 501 and US 17 Bypass opened in March of 2004 and houses anchor stores such as Belk, Sears, Dillards, Dick’s Sporting Goods, and Bed Bath & Beyond. In addition to the mall, space is available for up to 20 out parcels for free standing business. Shopping opportunities continue to be bountiful by improvements to the Grand Strand – From the Tanger Outlet Stores on US 501 to the Tanger Outlet Center located in the northernmost section of Myrtle Beach on US 17. Outlet shops such as SAKS, GAP, Osh Kosh, Sketchers, and

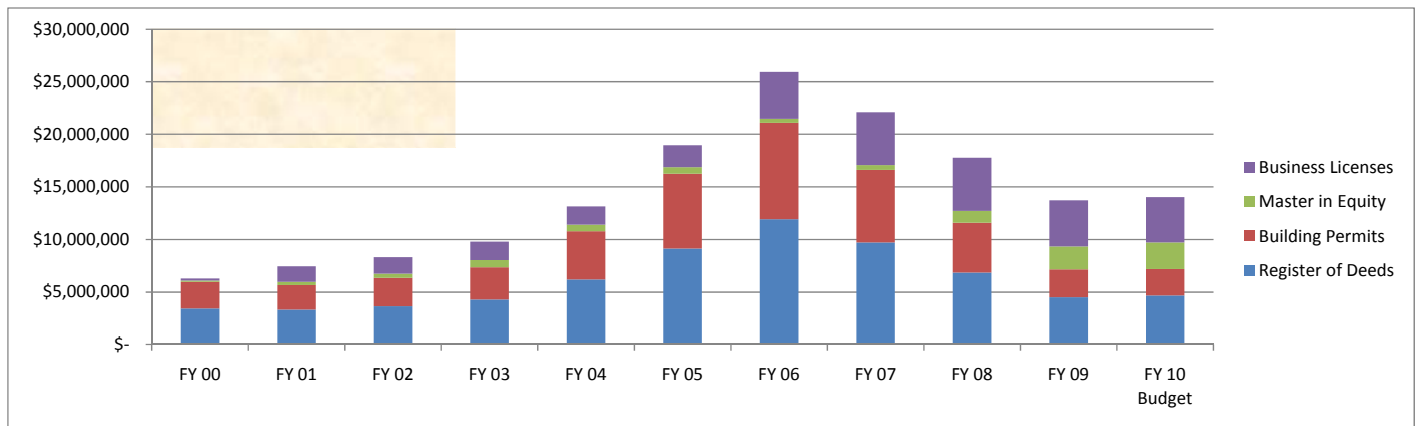
Croscill make either of these retail gems a must see. Myrtle Beach Mall (formerly known as Colonial Mall), Barefoot Landing and Broadway on the Beach continue to make enhancements to the shopping arena by adding specialty shops, the Pavilion Nostalgia Park and increasing the number of new restaurants.

Building Permits Issued

The following table shows that the unincorporated area of the County experienced a peak in construction during FY 2006, with almost 12,000 building permits being issued during that year. As the housing and construction markets began to slow-down during FY 2007, the impact of the collapse in the banking industry towards the end of FY 2008 drove building permits issued to a five year low of 6,679.

<u>Fiscal Year</u>	<u>Number of Permits Issued</u>	<u>Revenue</u>
2005	9,647	\$7,095,552
2006	11,981	\$9,141,771
2007	9,909	\$6,905,055
2008	8,459	\$4,726,984
2009	6,679	\$2,460,389

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 FY 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. The FY 2010 budget anticipates revenue levels from these sources to be comparable to FY 2009 actual revenues.



Long-term Financial Planning

Unreserved, undesignated fund balance in the general fund (18.8% of the FY10 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).

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

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

Major Initiatives

Expanding transportation, infrastructure, and service needs are a constant strain on the government entity. In spite of the difficulty of predicting such needs, an attempt has been made to anticipate the County's growth and to create opportunities and expand services to accommodate the demands of the citizens.

Economic Development

A strong commitment to building and diversifying our economy is evident through our emphasis on economic development. The County currently operates three (3) industrial parks. Overall, community commitment exists to bring in new industry – as demonstrated by the example of Horry Electric Cooperative's contributions, through the Rural Development Act, to assist in the infrastructure development of one of these parks. Through these contributions, the County has funded the construction which is currently in process of a shell building with the County's "Certified Park" known as Cool Spring Business Park. The County also has a vision to bring an Aviation and Technology Park to the County on 467 acres located adjacent to the County-owned Myrtle Beach International Airport. This project is in the conceptual planning stages.

Airport

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

The County initiated commercial air service operations at Myrtle Beach Air Force Base under a joint use agreement with the U.S. Air Force in 1975 in response to the growing demand for air services to the Myrtle Beach area. In 1993, the Air Force Base closed and the airfield was given to the County and renamed Myrtle Beach International Airport. MYR consists of over 1,900 acres of land, located within the City of Myrtle Beach. MYR is a County facility consisting of a passenger terminal complex, a 9,500-foot runway and related taxiways, a general aviation apron and supporting buildings and hangers. Conway, Grand Strand and Loris Airports are general aviation airports. The Department of Airports is moving forward with numerous expansion projects both at MYR and its general aviation facilities. In October 2009, the MYR – General Aviation terminal (GAT) will open its new facility, with a focus on delivering unparalleled service to the growing general aviation community in South Carolina. The new GAT, which was funded through State of South Carolina grants, a Myrtle Beach Air Force Base Redevelopment Authority grant and Airport funds, was completed on time with an approved budget of \$4.5 million. Additionally, HCDA was awarded a \$6.9 million grant in April 2009 from the American Recovery and Reinvestment Act of 2009 ("ARRA Stimulus") to complete a re-lighting project at Grand Strand Airport and initiate a ramp expansion/rehabilitation project at Myrtle Beach International Airport.

In order to ensure the greater Myrtle Beach region has sufficient capacity to meet current and future aviation demands, County Council has initiated a program to revise the Airport Layout Plan, which includes a significant expansion of the commercial airport facility at MYR. In the fall of 2009, the Myrtle Beach Community Appearance Board approved a footprint plan to begin the Terminal Capacity Enhancement Program (TCEP), a \$129.8 million expansion that will construct a new terminal and increase passenger facilities and gates to provide better air service for the Myrtle Beach community. Additionally Harrelson Boulevard will be extended creating an airport entrance from Highway Business 17 and connecting to Bypass 17. In total, the Department's capital investment projects are in excess of \$174 million and will create an additional 900 jobs for the citizens of Horry County. The projects range from security upgrades, taxiway and apron rehabilitation, to the development of T-hangar and a new facility for fire and rescue. Fuel farm improvements will also be completed at HYW, obstruction removal at CRE is underway and purchasing of land in the runway protection zone at 5J9 will continue.

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

Roads

Horry 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.

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.Glenns Bay Rd widening & interchge(0.43 mi) - funded by RIDE II	
6. International Drive (4.70 miles) - funded by RIDE II	11.Fries Bay Road (3.40 miles)



On November 7, 2006, the voters of Horry County passed a one-cent capital projects sales tax that went into effect May 2007, and by state law, will end seven years later. Horry County is slated to receive \$425.3 million over this seven-year period, which will be used to

fund one of the largest local road improvement program in the history of Horry County. The proceeds

Estimated Cost as presented in referendum	Prioritized Road Projects
1. \$ 19,600,000	Pave 20 miles of County dirt roads – completed at a cost of approximately \$11.5 million
2. \$ 915,000	Resurface 12 miles of County roads – completed at a cost of \$839,422.
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 and easement acquisition in process; current estimate of project cost is \$95-105 million
4. \$132,250,000	Widen SC Hwy. 707 from Enterprise Road to the County line including intersection improvements at SC Hwy 544 – public hearing completed; current estimate of project cost is \$100-\$120 million
5. \$ 25,750,000	Pave 25 miles of County dirt roads – in process
6. \$ 990,000	Resurface 12 miles of County roads – completed at a cost of \$1,004,682
7. \$ 46,000,000	Construct Aynor overpass – design and right-of-way acquisition in progress; current estimate of project cost is \$20-30 million
8. \$ 1,035,000	Resurface 12 miles of County roads
9. \$ 76,000,000	Widen Glenns Bay Road to 3 lanes and construct a grade separated interchange at US Hwy. 17 Bypass – design in progress; current estimate of project cost is \$90-\$100mil
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 contract in negotiation
14. \$ 682,500	Resurface 7 miles of County roads
15. \$36,100,000	Pave 30 miles of County dirt roads

will be used for the following projects:

With this new 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. Horry County has also entered into an agreement with RPM Engineers to manage the construction of the first two groups of County dirt roads comprising of the paving of approximately 40 miles of County maintained paved roads which were included in the referendum.

Road Improvement and Development Effort (RIDE)

The most aggressive road construction program in the history of Horry County, Road Improvement and Development Effort (RIDE), was approved by Governor Beasley in September 1996. The RIDE Project is the initiation of a comprehensive solution for transportation problems which pairs significant funding from the local level with funding provided by the State of South Carolina. Horry County enacted an ordinance in the fall of 1996 that implemented a 1½ percent hospitality fee (accommodations, restaurants, amusements, golf and theaters) effective January 1, 1997. The purpose of this fee is to provide the financial ability for Horry County to partner with the State of South Carolina to meet the infrastructure needs of the County.

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

The total committed for the RIDE project is \$1.4 billion. Pursuant to the Horry County Road Improvement and Development Effort Program (the “RIDE Program”), Horry County entered into various long-term loan agreements with the South Carolina Transportation Infrastructure Bank (the “SIB”) to provide funding for various road construction projects in the County. The State Infrastructure Bank has made available financial assistance, in the form of both loans and grants, to Horry County under several intergovernmental agreements (IGA). The following three loans were made under these agreements: IGA Loan #1 - \$300,000,000, IGA Loan #2 - \$247,577,000 and IGA Loan #3 - \$2,279,950 for a total of \$549,856,950. Horry County is required to make payments from its Hospitality 1½% Special Revenue Fund to repay loans #1 and #2. Loan #3 has been repaid from Admissions Tax revenue. Horry County is not obligated to make payments from any other source of funds and Horry County’s full faith, credit and taxing power are not pledged in connection with the loans from the State Infrastructure Bank. The current and long-term portion of outstanding debt service related to the RIDE project as of June 30, 2009 is \$316 million. Future debt service payments for the RIDE project are expected to be \$379 million.

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

In June of 2007, the County entered into an intergovernmental agreement with the State Infrastructure Bank in which the County received a funding commitment for the widening of Highway 707 of \$150 million from the State Infrastructure Bank. A portion of the local sales tax (\$93.6 million) serves as the local match for the funds. Additionally, in November of 2007 the State Infrastructure Bank approved to provide funding of \$85 million, without a local match requirement, for the continued extension of Highway 707 widening. All funds have been made available for construction of designated projects and, as of October 31, 2009, Horry County has spent \$3.9 million of the required matching funds on the widening of Highway 707.

Capital Projects Completed and Under Construction



The J. Reuben Long Detention Center expansion program continued with the completion of the minimum security addition and the issuance of \$50 million in general obligation bonds in FY2008 for the project. The project consists of a 536 bed four-story detention building, an administration building that houses courts, video visitation and administrative offices, a food service facility, and renovations to the existing building. During fiscal year 2008 the county contracted with Brennan

Management Services Associates, Inc. for design and construction management of Phase II of the jail expansion. As of June 30, 2009, new construction was about 45% complete. All new construction and renovations to existing facilities are expected to be completed in early 2011.

In the FY 2008 budget, County Council approved an additional revenue stream of 1 mill in the Recreation Fund so that three recreation centers could be added throughout the County. Council has identified the following three locations for these centers, which were in the capital budget for FY 2008: North Strand Park, Carolina Forest, and the South Strand complex. These three community centers will be approximately 20,000 square feet each. The sites themselves range in size from 20 to 38 acres. The buildings will be constructed of masonry and steel with a useful life 30-50 years. The North Strand Park recreation center went under construction during FY 2009 with a planned completion date in FY 2010. Construction on the other two locations is planned for FY 2010. The County is also funding an addition to the Bucksport Community Center through a Community Development Block Grant. Construction of this addition is currently underway.

The County continues to pursue a number of economic development projects to assist with attracting new businesses and new jobs to the County. The County has been involved in these activities through two Industrial Parks: The Atlantic Center Industrial Park and the Cool Spring Industrial Park. During FY 2009, the County broke ground for a 58,000 square foot shell industrial building being constructed at the Cool Spring Industrial Park. This building is being funded by contributions provided by a Horry Electric Cooperative and is near completion. The Myrtle Beach Regional Economic Development Corporation is currently marketing this facility to business prospects.



The Horry County Museum project to renovate the Burroughs School is continuing with work progressing on the demolition of unneeded interior walls. This former school building will be the future home of the Horry County Museum. The Museum staff has also been focusing on the completion of a living history farm. This farm is a vision of Horry County native Mr. Larry W. Paul, who has been making on-going contributions to fund this project. The farm is located on County property at the corner of Highway 701 and Harris Short-cut Road. The Horry County Museum at the L.W. Paul Living History Farm has been established with the mission to preserve and protect the materials and objects relating to the history and culture of the Horry County Farmer in the period of 1900-1955; and to teach the history of the Horry County farmer through interpretive displays on a working traditional farm. The site plan features a visitor's center with general store, farmhouse, smokehouse, chicken coop, outhouse, pack house and livestock barn, tobacco barn, blacksmith shop, syrup shed, church, sawmill and gristmill. A grand opening was held on November 14, 2009.

Construction is also wrapping up on two fire stations, located in Allens and Pitch Landing. Completion of these two projects is scheduled for early 2010.

Construction continued during FY 2009 on the Loris Nature Park.

Geographic Information System (GIS)

The Information Technology GIS (IT/GIS) Department has recently received a number of awards. These awards include the AIM Carl E. Nelson award for best practices and solutions of integrating Onbase with GIS applications, Onbase Solutions award for advanced use of content management in government, and the Center for Digital Government Digital Counties award for exceptional use of technology. The IT/GIS Department has successfully deployed a new Solicitor package for case management and Onbase for scanning and indexing of documents and provided expanded mobile units in the field for Police, Sheriff, and Fire/EMS. An additional successful deployment of our Computer Aided Dispatch program (county hosting) was made to the City of North Myrtle Beach, the Town of Surfside Beach, and the City of Conway. Aerial Photography was flown for the entire county in fiscal year 2009. The fiber loop connection between North Myrtle Beach and Myrtle Beach has been completed to provide redundancy to the County's network to insure communications with all of the cities on the Computer Aided Dispatch (CAD) system. Prototype Automated Vehicle Location (AVL) systems have been deployed for Non-Public Safety units to determine location and facilitate improved citizen service.

Information Technology/ GIS Program

Project Completions 2009:

- Aerial Photography was flown for the entire county in fiscal year 2009
- Developed and deployed the county's intranet HCCAFE for employee access to new events, policies, forms, and applications.
- Special Events – Online registration
- Commvault Enterprise backup solution
- Network Infrastructure re-design and enhancement
- Data Center Power Management improvements and monitoring
- Hot Spots for public safety to upload reports, data, and other information
- Access points at all fire stations to receive dispatch, upload reports, data
- Technology Center – Building and Data Center Analysis for power and heating/cooling needs today and future
- Website re-design
- Sheriff Website ethnicity and mug shots
- Clerk of Court motion rosters
- AVL (Automated Vehicle Locators) in Public Works vehicles
- Coplink Investigative solution for police investigation
- Application firewall for web application security
- Onbase scanning & indexing for Clerk of Court, Code Enforcement, Public Works, Stormwater, Planning and Zoning.
- Voter Registration scanning & indexing of voters applications

Current Projects in progress:

- CAMA (Computer Aided Mass Appraisal)
- Energov Land Management Software Deployment (Code Enforcement, Public Works, Stormwater, Planning and Zoning)
- Road Centerline Management
- Parcel Layer Editing
- Census 2010
- Historical document scanning (Onbase)
- Aerial Photography receipt and deployment
- VMWare deployment on servers
- WebEOC enhancements used during emergency activations
- Parks & Recreation online registration
- Coban Video recording in police cars
- IP-Telephony System upgrades county wide
- PC Replacement plan
- Analysis of all telecommunication costs and alternative solutions
- My neighborhood applications for citizen awareness
- Web application deployments
- Fire/EMS application deployment
- Billing system for Fire/EMS

Funding

Funding for major capital improvement projects includes a combination of dedicated revenue streams and debt proceeds, as summarized below.

- The funding of the jail expansion and renovations was provided through the issuance of a \$62 million dollar General Obligation Bond issued in May of 2008, \$50 million of which is allocated for the jail project.
- The funding for new libraries and recreational facilities was provided through the remaining \$12 million of the above mentioned General Obligation Bonds issued in May of 2008. County Council approved an

Ordinance in October 2009 to authorize issuance of an additional \$12 million in debt to complete the funding for these projects.

- A one-cent sales tax increase went into affect May 1, 2007 to pay for several major infrastructure road projects over a 7-year period. This revenue stream has generated \$63.5 million in revenue during each of the first two years of collections.
- A 1½% Hospitality Fee is being assessed County-wide on all prepared foods, accommodations and amusements to be used for the improvement and construction of roads, as described under the “RIDE” section above.
- The 1% Hospitality Fee assessed on the unincorporated areas of the county has been used to issue revenue bonds to fund portions of the county’s local road improvement plan, a portion of a baseball stadium, Public Safety infrastructure, a Geographic Information System (GIS) and Stormwater project start-up in 2001.
- The Stormwater Management program is generating utility fees to cover construction costs and operational costs of maintenance and staffing.
- The County imposed a Solid Waste fee in fiscal year 2004, which is used to fund E-911 enhancements.

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Horry County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the fourteenth consecutive year that Horry County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, Horry County also received the GFOA’s Distinguished Budget Presentation Award for its annual budget document dated July 1, 2008 for fiscal year ended June 30, 2009. This was the twentieth 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 Finance Department who assisted and contributed to its preparation. A special acknowledgement goes to Ms. Laura Showe, Assistant Director of Finance, for her leadership in this effort. I appreciate the efforts of the staff of Elliott Davis, L.L.C. who diligently strived to 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 previous County Administrator, Mr. Danny Knight; the Interim County Administrator, Mr. John Weaver; the Division Directors, and the Budget Director for their leadership and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Anne K. Wright, CPA, CGFO
Administration Division Director
and Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Horry County
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

MEMBERS OF COUNTY COUNCIL

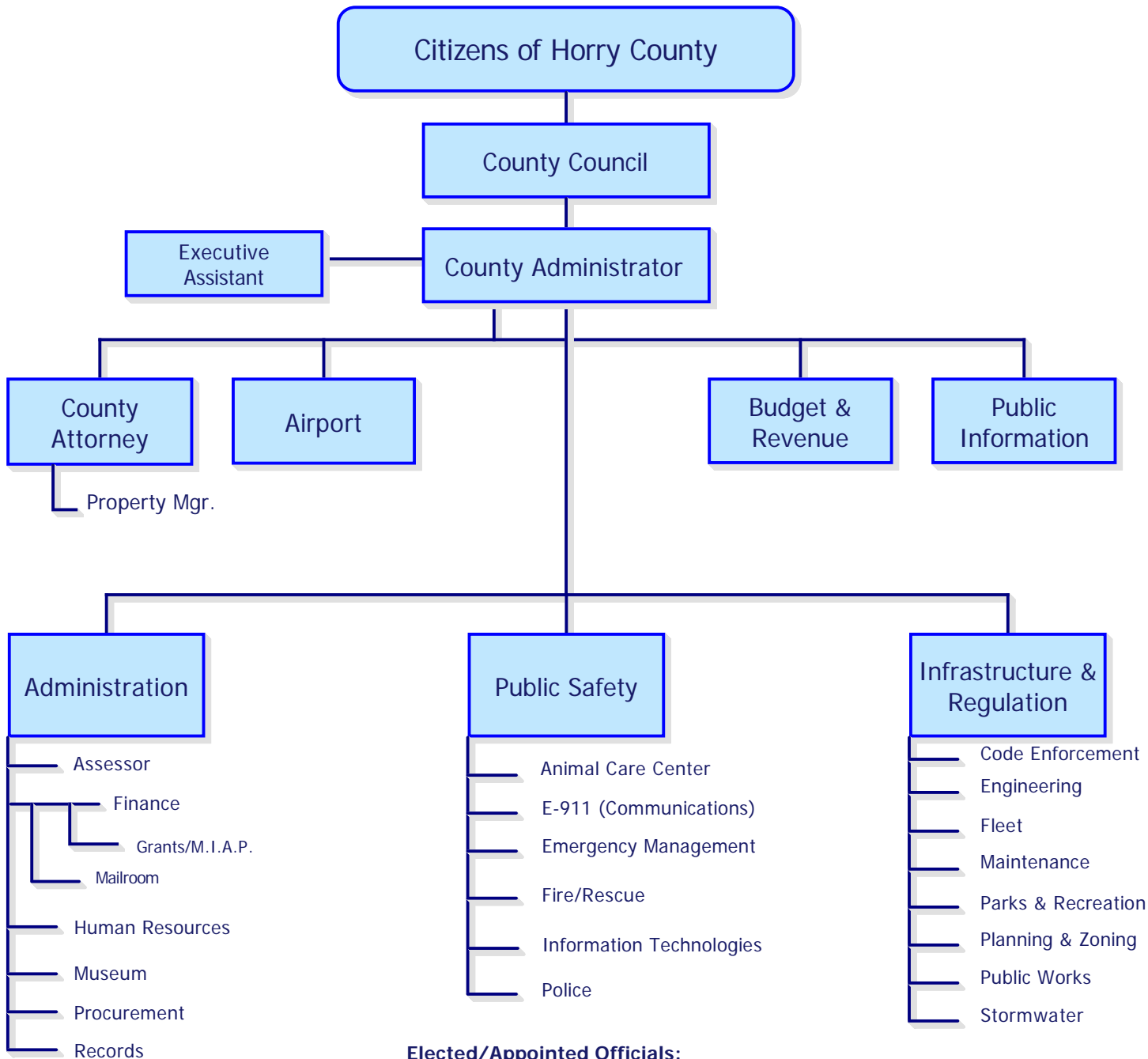
Liz Gilland	Chairman
Harold G. Worley	Member, District 1
Brent J. Schulz	Member, District 2
Marion D. Foxworth	Member, District 3
Gary Loftus	Member, District 4
Howard D. Barnard, III	Member, District 5
Robert P. Grabowski	Member, District 6, and Vice Chairman
James R. Frazier	Member, District 7
Carl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

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

ADMINISTRATIVE OFFICIALS

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



Elected/Appointed Officials:

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

Boards & Commissions:

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

Supplemental Funded Agencies

Coastal Carolina College
 Horry-Georgetown Technical College

Elected/Appointed Officials:

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

Boards & Commissions:

Shoreline Behavioral
 Council on Aging

Supplemental Funded Agencies:

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

Elected/Appointed Officials:

None

Boards & Commissions:

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

Supplemental Funded Agencies:

MB Regional Economic Dev. Corp.



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT
AND
MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Horry County as of and for the year ended June 30, 2009 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, 2009, 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 23, 2009 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 combining and individual nonmajor fund financial statements, budgetary comparison nonmajor fund financial statements, and fines and assessments as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison nonmajor fund financial statements, and fines and assessments have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Elliott Davis, LLC

Greenwood, South Carolina
November 23, 2009

Management's Discussion and Analysis

As management of Horry County, we offer readers of Horry County's financial statements this narrative overview and analysis of the financial activities of Horry County for fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on the pages prior to this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The total assets of Horry County reflected in the primary government exceeded its liabilities at the close of fiscal year 2009 by \$609,299 (net assets). This was an increase of \$129,392 from fiscal year 2008.
- At June 30, 2009, the County's governmental funds reported combined ending fund balances of \$310,568 compared to \$271,078 for the prior fiscal year, as restated.
- At June 30, 2009, unreserved fund balance for the General Fund was \$29,650 or 25.5% of total General Fund expenditures.
- Property tax revenue for the General Fund for fiscal year 2009 was \$72,352 compared to \$65,576 for fiscal year 2008, an increase of 10.1%.
- The County's outstanding governmental activities debt decreased by \$29,817 during fiscal year 2009 compared to fiscal year 2008.

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 Horry County's basic financial statements. Horry County's basic financial statements are comprised of three components - 1) *government-wide financial statements*, 2) *fund financial statements*, and 3) *notes to the financial statements*. This report also contains 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 Horry 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 Horry 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" is 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 Horry County's net assets and how they have changed. Net assets, the difference between Horry County's assets and liabilities, measure Horry County's financial position. Over time, increases or decreases in 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 Horry County's basic services are included here, such as the 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. Horry County's Department of Airports is reported here.
- *Component units* are separate legal entities for which Horry County is financially accountable. Shoreline Behavioral Health Services and the Horry County Solid Waste Authority are component units of Horry County.

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

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about Horry County's most significant funds, not the County as a whole. 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 that it is properly using certain taxes and grants.

All of Horry County's funds can be 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 five major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Hospitality 1½% Special Revenue 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 26 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

The County adopts an annual appropriated budget for its general 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 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 service of all county vehicles including heavy equipment and light equipment. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on **pages 34 - 85** of this report.

OTHER INFORMATION

In addition to the basic financial statement notes, this report also contains certain required supplementary information. This information includes a budgetary comparison schedule for the General Fund and the Hospitality 1½% Special Revenue Fund, information relating to the condition rating and actual rating and actual maintenance/preservation of Horry County's road infrastructure and the Department of Airport's infrastructure as well 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 \$609,299 at the close of the fiscal year ended June 30, 2009.

At the end of fiscal year 2009, the County reflected the following net assets:

Horry County's Net Assets

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008 (as restated)	2009	2008 (as restated)	2009	2008 (as restated)
Current and Other Assets	\$ 397,337	\$ 334,617	\$ 77,404	\$ 71,423	\$ 474,741	\$ 406,040
Capital Assets, net	604,142	557,765	98,132	91,367	702,274	649,132
Total Assets	1,001,479	892,382	175,536	162,790	1,177,015	1,055,172
Current Liabilities	95,171	75,641	5,020	3,255	100,191	78,896
Long-term Liabilities Outstanding	456,293	484,642	11,231	11,727	467,524	496,369
Total Liabilities	551,464	560,283	16,251	14,982	567,715	575,265
Net Assets:						
Invested in Capital Assets, Net of Related Debt	488,550	386,522	87,137	80,109	575,687	466,631
Restricted	217,187	186,578	26,894	26,679	244,081	213,257
Unrestricted (deficit)	(255,722)	(241,001)	45,253	41,020	(210,469)	(199,981)
Total Net Assets	\$ 450,015	\$ 332,099	\$ 159,284	\$ 147,808	\$ 609,299	\$ 479,907

Net assets of the County's governmental activities increased 35.5 percent from \$332,099 to \$450,015. However, all of those net assets are restricted as to the purpose for which they can be used or are invested in capital assets (buildings, roads, bridges, and so on). Unrestricted net assets showed a \$255,722 deficit at the end of this year. This deficit is primarily the result of the County's long term debt payable for new roads which are not recorded as County assets because they are State roads, not County roads. In 1996, the County partnered with the State of South Carolina in the RIDE (Road Improvement and Development Effort) program which pairs funding provided at the local level with funding provided by the State of South Carolina in order to facilitate transportation improvements within Horry County. The RIDE program debt is repaid from a 1½% county-wide hospitality fee enacted locally in 1997. The increase in the deficit in Unrestricted Net Assets during FY 2009 is primarily attributed to the FY 2009 liability for other post employment benefits, and additional interest expense associated with the G.O. Bonds of 2008, which were issued in May of 2008. FY 2009 was the first full year of interest expense on this \$60 million debt. Although the decline in the real estate industry had an adverse impact on certain governmental revenue sources, the County implemented cost reductions measures so that these revenue shortfalls did not have an adverse impact on net assets. Net assets do not present the County's position regarding spending, which is presented in the governmental fund statements.

The net assets of our business-type activities increased 7.76 percent from \$147,808 in 2008 to \$159,284 in 2009. This increase resulted from higher non-operating revenues and increased federal and state restricted capital project grant revenues, coupled with reductions in operating and non-operating expenses.

The total fund balances for governmental funds was \$310,568 at the end of fiscal year 2009. 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, 2009, which are not included in this fund balance totaled \$604,142. Long-term liabilities of \$456,293 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, \$296,865, is the long-term portion due on the RIDE Intergovernmental Agreements. Under these agreements, the County partnered with the State in receiving \$550,000 in loans for road construction in order to meet the infrastructure needs of the County. The County agreed to deposit all receipts of the

1½% 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 Horry County through these loans, which the County is repaying with the 1½% Hospitality Fee. The constructed roads are State roads and are therefore not reflected in capital assets of Horry County. In accordance with the RIDE intergovernmental agreements, the State Treasurer can withhold funds allotted or appropriated by the State to the County and apply those funds to make or complete the required debt service payments should the 1½% portion of the Hospitality Fee not meet the debt service requirements. The citizens of Horry County have benefited from the construction of these roads that otherwise would not have been possible without the enactment of the Hospitality Fee in January 1997. As of June 30, 2009, the County has remitted to the State Transportation Infrastructure Bank approximately \$35 million of 1½% 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 \$117,916. This increase was attributable to increased revenues from property taxes, but primarily as a result of controlled governmental expenditures, offset by an increase in debt service expense. Key elements of this increase

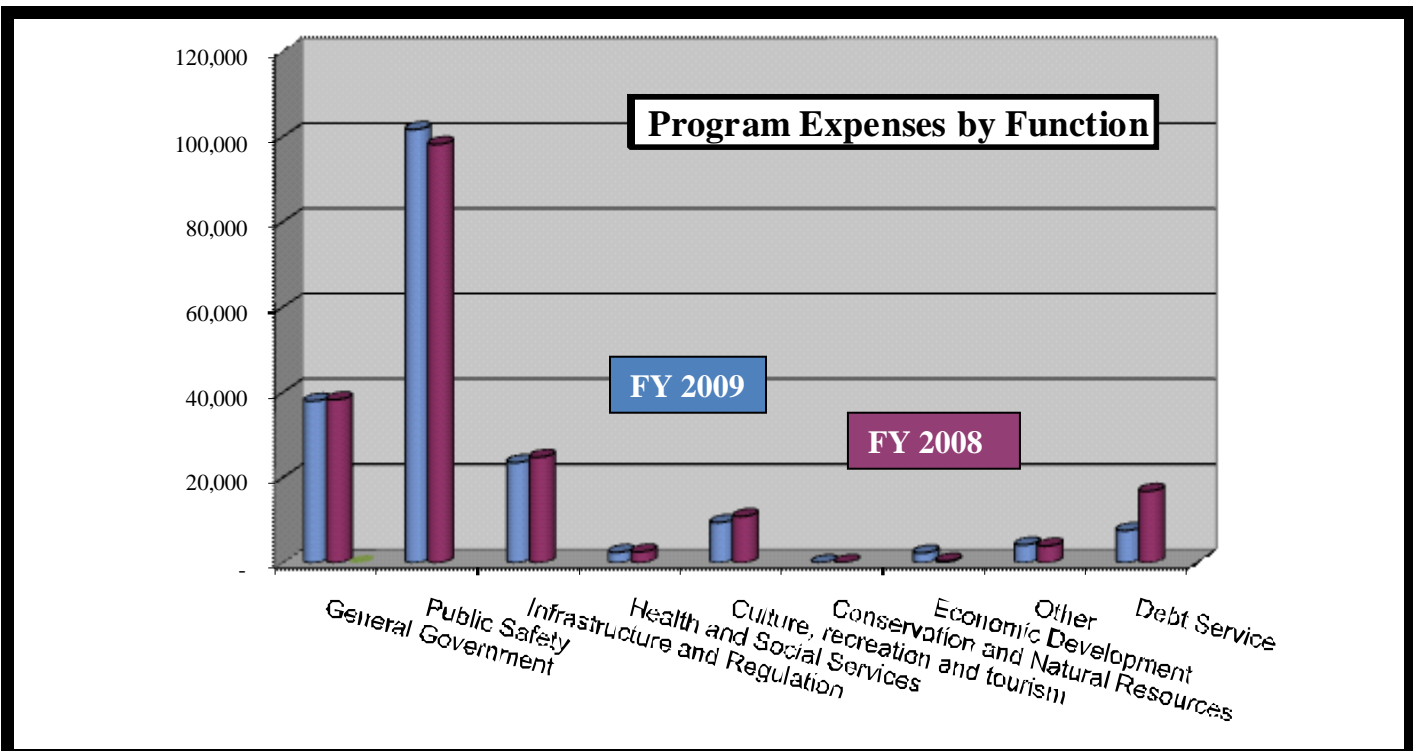
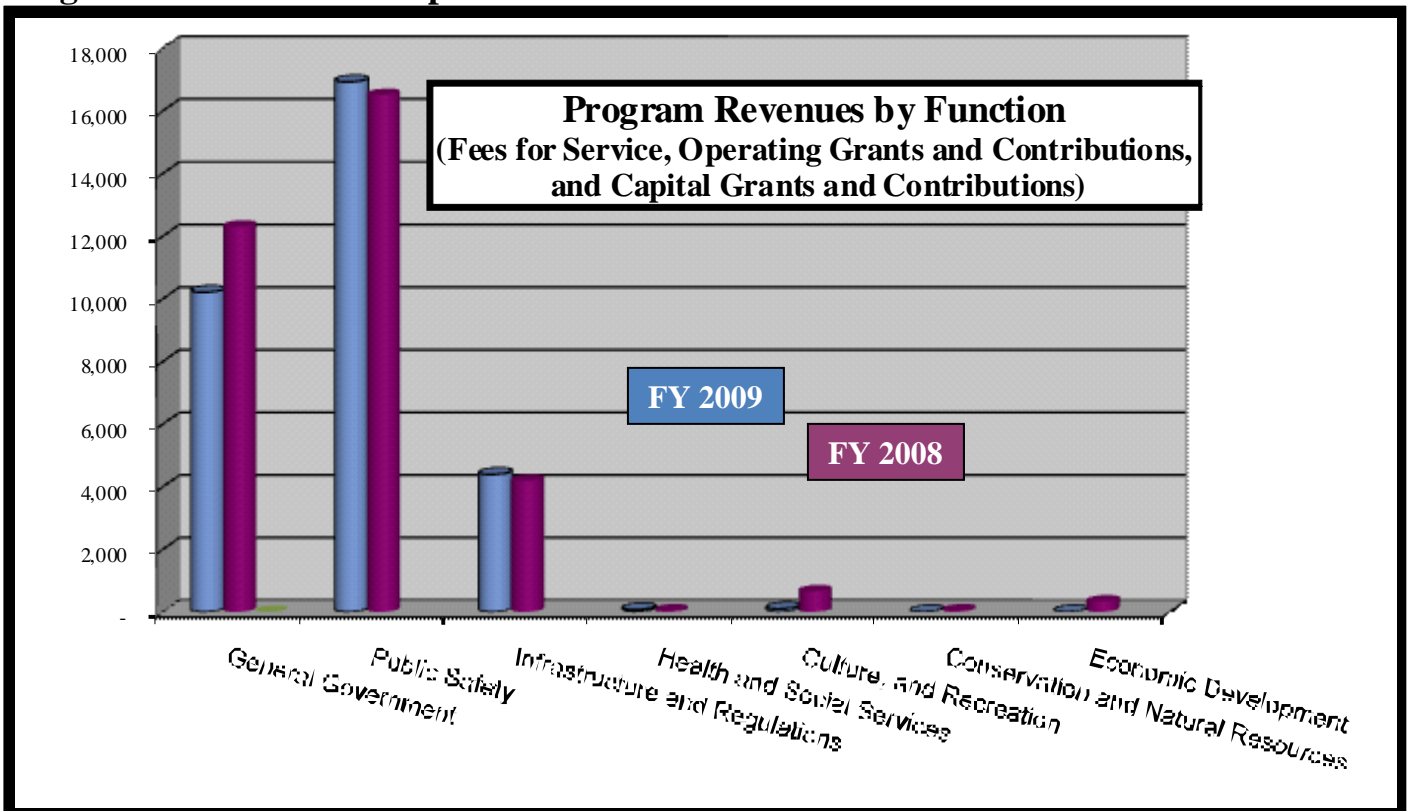
Horry County's Changes in Net Assets

(in thousands)

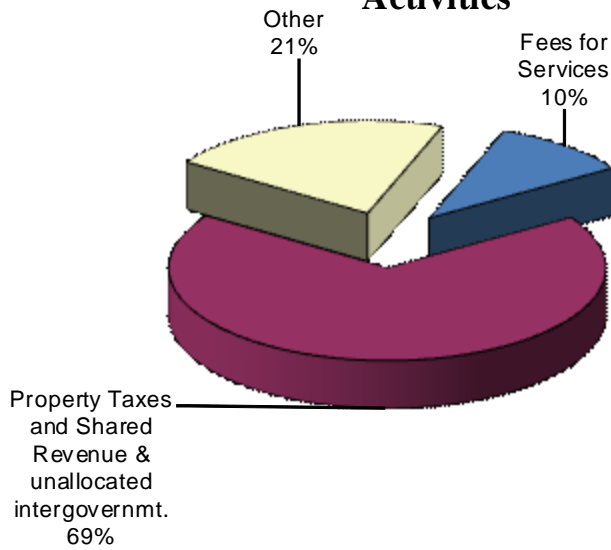
	Governmental Activities		Business-Type Activities		Total	
	2009	2008 (as restated)	2009	2008 (as restated)	2009	2008 (as restated)
	Revenues:					
Program Revenues:						
Fees for services	\$ 31,678	\$ 32,801	\$ 19,726	\$ 24,634	\$ 51,404	\$ 57,435
Operating Grants and Contributions	1,115	597	2,992	-	4,107	597
Capital Grants and Contributions	317	666	4,081	-	4,398	666
General Revenues: Property Taxes, Shared Rev and Unallocated Intergovt	209,493	198,818	-	-	209,493	198,818
Other	64,711	70,240	1,617	3,161	66,328	73,401
Total Revenues	307,314	303,122	28,416	27,795	335,730	330,917
Expenses:						
General Government	37,914	38,239	-	-	37,914	38,239
Public Safety	101,642	98,133	-	-	101,642	98,133
Infrastructure and Regulation	23,492	18,910	-	-	23,492	18,910
Health and Social Services	2,432	2,542	-	-	2,432	2,542
Culture, recreation and tourism	9,426	10,836	-	-	9,426	10,836
Conservation and Natural Resources	-	47	-	-	-	47
Economic Development	2,292	383	-	-	2,292	383
Other	4,170	3,910	-	-	4,170	3,910
Debt Service	7,530	16,767	-	-	7,530	16,767
Airports	-	-	17,440	19,714	17,440	19,714
Total Expenses	188,898	189,767	17,440	19,714	206,338	209,481
Increase in Net Assets Before Transfers	118,416	113,355	10,976	8,081	129,392	121,436
Transfers	(500)	(312)	500	312	-	-
Increase in Net Assets	117,916	113,043	11,476	8,393	129,392	121,436
Net Assets – July 1	332,099	219,056	147,808	139,415	479,907	358,471
Net Assets – June 30	\$ 450,015	\$ 332,099	\$ 159,284	\$ 147,808	\$ 609,299	\$ 479,907

are as shown below.

Program Revenues and Expenses - Governmental Activities



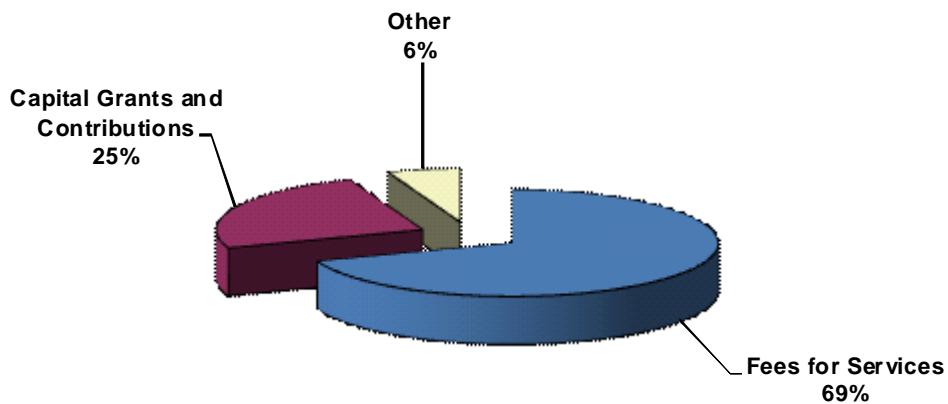
FY 2009 Revenues by Source-Governmental Activities

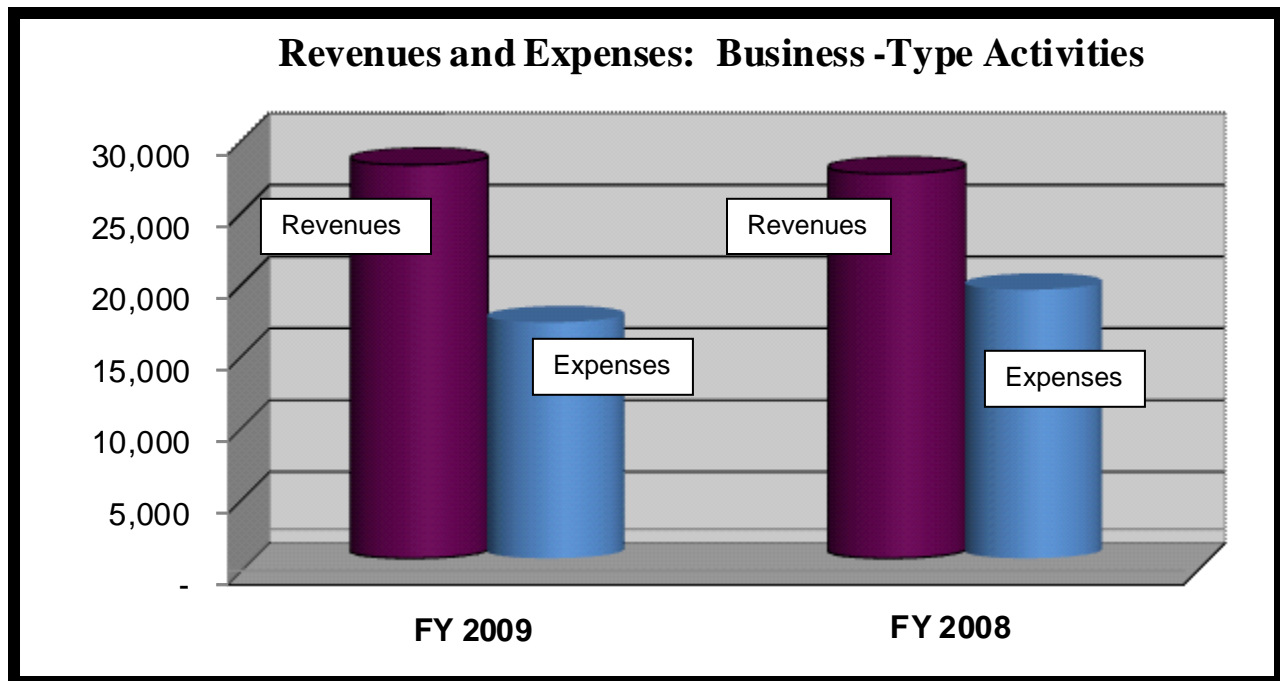


Business-type activities

Business-type activities increased the County's net assets by \$11,476, primarily the result of higher operating grant revenues and other capital contributions, which were offset by reductions in fees for services due to an incentive program for airlines which significantly reduced landing fees, and reductions in expenses.

FY 2009 Revenues by Source - Business-Type Activities





Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2009, the County's Governmental Funds reported combined ending fund balances of \$310,568, an increase of \$39,490 in comparison with the prior year. Unreserved Fund Balance, which is undesignated, in the Governmental Funds of \$50,937 is available for spending at the County's discretion. The remainder of the fund balance is *reserved or unreserved and designated* to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (\$32,304), 2) for inventories (\$32), 3) for freight claims (\$51) 4) for prepaid items (\$885), 5) for debt service (\$27,659) 6) for underground storage tanks (\$50), 7) to pay for Fire Special Revenue Fund bonded capital projects (\$2,003), 8) to pay for projects in the Capital Projects Fund (\$39,650), 9) for maintenance and construction of County roads (\$359), 10) for future debt service payments on the Baseball Stadium (\$241), 11) to pay for the RIDE Program Debt Service (\$41,173), 12) for Cultural (\$107), 13) for Environmental services (\$69), 14) for Infrastructure development (\$105,825), 15) for funding the FY 2010 General Fund budget (\$5,309), and 16) designated for other Governmental Funds (\$3,914).

The General Fund, Hospitality 1½% Fund, General Improvements Capital Projects Fund, Capital Projects Sales Tax Fund, and the RIDE Program Debt Service are reported as major funds. The General Fund is the chief operating fund of the County. At the end of fiscal year 2009, unreserved fund balance of the General Fund was \$29,650 while the total General Fund balance reached \$30,824. As a measure

of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 25.5 percent of the total general fund expenditures, while total fund balance represents 26.6 percent of that same amount.

The total fund balance of the County's General Fund increased by \$1,741 during the current fiscal year. These results were attained in spite of revenues coming in at \$8,113 below budget. A salary reduction imposed for the last quarter of the fiscal year, along with a hiring freeze, and spending restrictions imposed by management, kept the expenditures under budget by \$14,324. Due to these measures to restrict spending, the expected use of \$4,312 from fund balance, as anticipated in the budget, was not needed.

Net change in fund balance

Revenues under budget	\$	(8,113)
Expenditures under budget	\$	14,324
Other Financing Sources (Uses) over budget	\$	(158)
Net budget savings from the General Fund	\$	6,053
Planned use of fund balance	\$	(4,312)
Net change in fund balance from FY 2009	\$	<u>1,741</u>

The following chart shows the increases and decreases in revenue, expenditures and other financing sources (uses) for FY 2009 when compared to the revenue, expenditure and other financing sources (uses) reported for FY 2008. The revenue, expenditure and other financing sources (uses) activity for FY 2009 generated an increase in fund balance of \$1,741 in the General Fund.

Comparison of FY 2009 General Fund Revenue and Expenditures to FY 2008 Revenue and Expenditures

Increase in Property Taxes , primarily from an increase in real property taxes, which was offset by a slight decrease in vehicle taxes	\$	6,776
Increase in Fees and Fines , primarily from an increase in Master in Equity fees	\$	1,901
Increase in Other Revenues , primarily from a full year of collecting the newly enacted casino boat fee	\$	1,301
Increase in Cost Allocations from General Fund to other funds	\$	416
Decrease in net Other Financing Sources (Uses) , primarily due to a decrease in amounts transferred to the Capital Projects Fund	\$	1,725
Decrease in Register of Deeds Documentary Stamps	\$	(1,950)
Decrease in Intergovernmental Revenue , primarily from a decrease in State-shared revenue	\$	(1,144)
Decrease in Licenses and Permits , primarily due to decreases in building inspection permits and business licenses	\$	(2,448)
Decrease in Interest on Investments	\$	(935)
Increase in Expenditures , primarily due to a cost of living adjustment and additional positions regarding the detention center expansion	\$	<u>(6,055)</u>
Net decrease in General Fund results compared to FY 2008 results	\$	(413)
Increase in fund balance from FY 2008 General Fund results	\$	<u>2,154</u>
Net increase in thwe fund balance of the General Fund from FY 2009 results	\$	<u>1,741</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. Unrestricted net assets of proprietary funds at the end of the year amounted to \$48,698.

<u>Fund</u>	<u>2009</u> <u>Unrestricted</u> <u>Net Assets</u>	<u>2008</u> <u>Unrestricted</u> <u>Net Assets</u> <u>(restated)</u>
Department of Airports	\$ 45,253	\$ 41,103
Internal Service Fund	3,445	2,441
Totals	<u>\$ 48,698</u>	<u>\$ 43,544</u>

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

General Fund Budgetary Highlights

The final budgeted revenues have been adjusted for budget amendments that netted to a decrease of \$2,321 from the original budget. Declines in certain revenues that were directly impacted by current economic conditions resulted in a budget amendment approved by County Council in January 2009 to decrease the budget for Licenses and Permits, specifically building permit revenue, by \$1,000, decrease the budget for Documentary Stamps by \$1,000, and decrease the budget for Real Property Tax revenue by \$800. These reductions in the revenue budget were offset by a reduction in the planned transfer to the Capital Projects Fund of \$2,800, delaying planned capital improvement projects. Other budget amendments increased the revenue budget by \$479 as a result of increased intergovernmental revenues of \$218, an increase in Licenses and Permits of \$200, and an increase in Other of \$177, which were offset by a decrease in Fees and Fines of \$116. The final budgeted expenditures were increased by \$3,266 over the original budget. The primary reason for these expenditure budget adjustments were costs budgeted in prior years that were delayed until FY 2009 of \$2,544 in Public Safety and \$1,239 for Infrastructure and Regulation. Considering these budget amendments, General Fund revenues were less than the final budget by \$8.1 million, and expenditures were less than the final budget by \$14.3 million. The major differences between the final budget and the actual amounts are summarized as follows:

- Property taxes were less than budget by \$3.3 million, primarily due to higher delinquencies and billings slightly less than what was anticipated in the budget.
- Intergovernmental revenues were less than budget by \$2.1 million, primarily due to a reduction during the year by the state of funding from the Local Government Fund.
- Fees and fines were over budget by \$1.3 million, primarily due to Master in Equity fees from a high volume of foreclosures.
- RMC Documentary Stamps were under budget by \$1.4 million, due to lower volumes and values of real estate transactions .
- Licenses and permits were under budget by \$1.6 million, due to a reduction in volume of building permits being issued.
- Interest on investments was under budget by \$.9 million, due to declining interest rates and lower invested balances.
- Various departmental spending was reduced below budgeted amounts as a result of a management freeze on hiring, and restrictions on spending. A significant savings did occur when fuel costs, although high during the summer of 2008, dropped below the price that had been estimated in the budget.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2009 amounts to \$702,274 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, leasehold improvements, equipment, infrastructure, and construction in progress. The total increase in the County's investment in capital assets (net of accumulated depreciation) for the current fiscal year was 9.0 percent (a 9.2 percent increase for governmental activities and a 7.4 percent increase for business-type activities).

Most of this increase was in Construction in Progress relating to Infrastructure (road projects), Public Safety and Recreation. Some of the significant capital events that occurred during the current fiscal year were the expansion of the Detention Center resulting in \$26 million in current construction in progress costs and the North Strand Recreation Center resulting in \$2.1 million in current costs.

Horry County's Capital Assets (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008 (as restated)	2009	2008 (as restated)	2009	2008 (as restated)
Land, Easements, and Improvements	\$ 18,523	\$ 17,606	\$ 25,641	\$ 25,971	\$ 44,164	\$ 43,577
Infrastructure	409,279	400,936	9,182	9,182	418,461	410,118
Construction-in-Progress	51,040	11,048	9,958	1,001	60,998	12,049
Buildings and Improvements	92,995	95,874	25,417	27,065	118,412	122,939
Office Furniture	4,092	544	-	-	4,092	544
Vehicles	1,485	2,255	-	-	1,485	2,255
Machinery and Equipment	25,955	24,102	5,841	4,840	31,796	28,942
Runways and Taxiways	-	-	22,093	23,309	22,093	23,309
Other	773	641	-	-	773	641
Total	\$ 604,142	\$ 553,006	\$ 98,132	\$ 91,368	\$ 702,274	\$ 644,374

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

Modified Approach for Infrastructure

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

Horry County's road system consists of approximately 44.8% paved roads and 55.2% unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. The pavement management system uses a measurement scale that is based on a condition index ranging from 1 for failed pavement to 5 for a pavement in perfect condition. The condition index is used to classify roads in good or better condition (rating 4 or 5), fair condition (rating 3), and substandard condition (rating 1 or 2). It is the County's goal to maintain at least 60 percent of its street system at fair or better condition level. No more than 40 percent should be in a substandard condition. Condition assessments are determined every year. The following assessment for FY 2009 shows that the County is in compliance with the target condition levels that have been established.

	Percentage of Miles in Fair or Better Condition
	<hr/> 2009 <hr/>
Arterial	64.1%
Collector	66.6%
Access	65.6%
Overall system	65.6%

A five-year Local Road Improvement Plan was implemented July 1, 1997. Horry County extended this program for an additional 5 years in 2008. FY 2009 represents Year 12 of the project, which endeavors to improve the County's roadways with paving, resurfacing or coquina/slag. The five-year extension covers years 2008-2012 in an effort to expedite easement acquisitions procedures and thereby enhance the programs effectiveness by approving a 5-year list of roads to be improved.

In November 2006, a one-cent capital projects sales tax was passed by voter referendum and is dedicated to specific road projects, included is the resurfacing of 67 miles of County maintained roads over a 7 year period. During FY 2009, County Council increased the road maintenance fee by \$10.00 and dedicated it to the resurfacing program.

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

Debt Administration

At the end of fiscal year 2009, the County had total bonded debt outstanding of \$148,615. Of this amount, \$116,050 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% 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 1½% 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, 2009 are presented in the following table.

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

	Governmental Activities		Business-type Activities		Total	
	2009	2008 (as restated)	2009	2008 (as restated)	2009	2008 (as restated)
General Obligation Bonds	\$ 116,050	\$ 122,890	\$ -	\$ -	\$ 116,050	\$ 122,890
Special Obligation Bonds	21,945	26,435	-	-	21,945	26,435
Revenue Bonds	-	-	10,620	11,140	10,620	11,140
Baseball Stadium COPS	1,880	2,024	-	-	1,880	2,024
RIDE IGA Loans	315,760	334,103	-	-	215,760	334,103
Total	\$ 455,635	\$ 485,452	\$ 10,620	\$ 11,140	\$ 466,255	\$ 496,592

The County's outstanding notes and bonded debt decreased by \$30,337 compared with fiscal year 2008. 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 debt payable balances in the government-wide statement of net assets.

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

Economic Factors and Next Year's Budgets and Rates

The following summarizes some economic factors:

- As of June 2009, the unemployment rate for Horry County was 11.2%. This rate ranked Horry County as tied with four other counties for having the 9th lowest unemployment rate of the forty-six counties in the state. The range of unemployment rates for South Carolina counties in June 2009 was a low of 8.8% to a high of 23.5%. The unemployment rate for the state of South Carolina as of June 2009 was 12.1%.
- 2008 median household income was \$54,564, up 27.8% from the 2000 amount of \$42,691.
- The FY 2009 County base tax millage was 47.3 mills, equivalent to a tax rate of .0473% of assessed value. This was the lowest county base tax rate in South Carolina. Horry County's base millage remains the same for FY 2010.

The fiscal year ended June 30, 2009 proved to be a significant management challenge due to revenues falling short of the budget. Economic factors affecting the area's real estate market, as well as having an adverse effect in general on personal and business incomes, impacted the preparation of the FY 2010 budget as follows:

- a significant decline in the demand for building permits, resulting in a reduction in the budget for Building Permit revenue;

- anticipated reduction in business revenues, resulting in a lower budget for Business License Revenue;
- fewer property transfers, resulting in a reduction in the budget for revenue to be generated by the Register of Deeds Office;
- anticipated fewer purchases of large dollar vehicles, resulting in a lower budget for Vehicle Property Tax revenues; and
- a high volume of foreclosures which resulted in a budget that anticipates significant revenues through the Master in Equity fees.
- During FY 2009, County Council approved postponing the reassessment process that was due to be completed during FY 2009, which would have been the basis for the tax bills sent during FY 2010. This postponement was recommended by County staff due to pending legislation which would have had a significant impact on the reassessment process. The timing of the legislative process would not allow the staff to complete the reassessment in time to issue the tax bills in accordance with state law. Reassessment is now scheduled to occur during FY 2010, which will be the basis for tax bills sent during FY 2011.

All of these factors were considered in preparing Horry County's budget for the 2010 fiscal year. The County has submitted applications for grant funding under the American Recovery and Reinvestment Act. Budgets will be established for that funding upon notification of grant award.

During FY 2009, unreserved fund balance in the General Fund decreased from \$24,580 to \$24,341. Projections at this time indicate that at the end of fiscal year 2010, the unreserved fund balance for the general fund will remain above the 15% of total general fund expenditures requirement set by the Financial Policy Ordinance.

Requests for Information

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

AUDITED BASIC FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2009
(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior Services	Horry County Solid Waste Authority
Assets					
Current assets:					
Cash and cash equivalents	\$ 7,681	\$ 8,938	\$ 16,619	\$ 248	\$ 4,186
Equity in Pooled Cash and Investments	278,207	-	278,207	-	-
Investments	-	38,677	38,677	-	20,936
Funds held in trust	13,588	-	13,588	-	-
Receivables, net:					
Property taxes	16,060	-	16,060	-	-
Accounts and other	7,786	655	8,441	289	1,218
Fees	4,495	-	4,495	-	-
Interest receivable	1,473	305	1,778	-	-
Due from primary government	-	-	-	86	709
Due from component units	69	-	69	-	-
Due from other governments	30,511	1,197	31,708	48	-
Internal balances	284	(284)	-	-	-
Prepaid items	885	81	966	-	86
Inventories	362	333	695	-	40
Restricted - funds held in trust	35,132	-	35,132	-	-
Total current assets	396,533	49,902	446,435	671	27,175
Non-current assets:					
Restricted assets:					
Cash and cash equivalents	-	1,678	1,678	-	-
Investments	-	25,295	25,295	-	-
Accounts receivable	-	255	255	-	-
Total restricted assets	-	27,228	27,228	-	-
Capital assets:					
Land, easements and infrastructure	425,551	32,041	457,592	-	7,440
Depreciable capital assets, net	127,551	56,133	183,684	1,136	29,120
Construction-in-progress	51,040	9,958	60,998	-	725
Total capital assets, net	604,142	98,132	702,274	1,136	37,285
Deferred charges, net					
Bond issuance cost, net	804	274	1,078	13	-
Total non-current assets	604,946	125,634	730,580	1,149	37,285
Total assets	1,001,479	175,536	1,177,015	1,820	64,460

- CONTINUED -
-17-

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2009
- CONTINUED -
(amounts expressed in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Shoreline Behavior Services	Horry County Solid Waste Authority
Liabilities and Net Assets					
Current liabilities:					
Accounts payable - trade	8,265	242	8,508	16	837
Accounts payable - other	571	-	571	-	-
Accrued salaries, related taxes and compensated absences	2,551	411	2,962	91	306
Accrued expenses	-	630	630	-	-
Due to other governments	2,073	-	2,073	-	-
Due to component units	864	-	864	-	-
Construction and retainage payable	2,151	2,099	4,250	-	15
Other liabilities	29,133	-	29,133	-	-
Deferred revenue	10,862	232	11,094	-	-
Accrued interest payable	7,186	-	7,186	-	-
Bonds, notes and contracts payable - current portion	8,102	-	8,102	102	-
Special obligation bonds payable - current portion	1,050	-	1,050	-	-
IGA #1 payable - current portion	11,720	-	11,720	-	-
IGA #2 payable - current portion	7,175	-	7,175	-	-
Capital lease obligations - current portion	3,468	40	3,508	-	-
Amounts due to tenants	-	533	533	-	-
Total current liabilities	95,171	4,187	99,358	209	1,158
Current liabilities payable from restricted assets	-	833	833	-	-
Non-current (long-term) liabilities:					
General and special obligation bonds payable	130,723	-	130,723	-	-
Revenue bonds payable	-	9,659	9,659	334	-
IGA loans payable	296,865	-	296,865	-	-
Due to tenants for capital improvements	-	150	150	-	-
Capital lease obligations	6,361	266	6,627	-	-
Compensation for future absences	12,254	840	13,094	45	113
Net post employment benefit obligation	10,090	316	10,406	-	432
Landfill closures costs	-	-	-	-	10,487
Landfill post closure care costs	-	-	-	-	7,381
Total long-term liabilities	456,293	11,231	467,524	379	18,413
Total liabilities	551,464	16,251	567,715	588	19,571

- CONTINUED -

Horry County, South Carolina
 STATEMENT OF NET ASSETS
 JUNE 30, 2009
 - 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	488,550	87,137	575,687	700	37,285
Restricted For:					
Capital projects	39,650	803	40,453	-	-
Road maintenance	359	-	359	-	-
Fire special revenue	2,003	-	2,003	-	-
Infrastructure development	105,825	-	105,825	-	-
Debt service	27,659	26,091	53,750	-	-
RIDE program	41,173	-	41,173	-	-
Freight claims	51	-	51	-	-
Substance abuse prevention	-	-	-	609	-
Cultural	107	-	107	-	-
Baseball	241	-	241	-	-
Underground storage tanks	50	-	50	-	-
Environmental services	69	-	69	-	-
Unrestricted (deficit)	(255,722)	45,253	(210,469)	(77)	7,604
Total net assets	450,015	159,284	609,299	1,232	44,889
Total liabilities and net assets	\$ 1,001,479	\$ 175,536	\$ 1,177,015	\$ 1,820	\$ 64,460

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009
(amounts expressed in thousands)

Functions and Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental			Component Units	
					Governmental Activities	Business -type Activities	Totals	Shoreline Behavior	Solid Waste Authority
Primary government									
<u>Governmental activities:</u>									
General government	\$ (37,914)	\$ 10,203	\$ -	\$ 80	\$ (27,631)	\$ -	\$ (27,631)	\$ -	\$ -
Public safety	(101,642)	16,918	516	136	(84,072)	-	(84,072)	-	-
Health and social services	(2,432)	71	-	-	(2,361)	-	(2,361)	-	-
Infrastructure and regulation	(23,492)	4,387	-	-	(19,105)	-	(19,105)	-	-
Culture, recreation and tourism	(9,426)	99	70	-	(9,257)	-	(9,257)	-	-
Economic development	(2,292)	-	529	101	(1,662)	-	(1,662)	-	-
Debt service	(7,530)	-	-	-	(7,530)	-	(7,530)	-	-
TECH and Higher Education Commission	(4,170)	-	-	-	(4,170)	-	(4,170)	-	-
Total governmental activities	<u>(188,898)</u>	<u>31,678</u>	<u>1,115</u>	<u>317</u>	<u>(155,788)</u>	<u>-</u>	<u>(155,788)</u>	<u>-</u>	<u>-</u>
<u>Business-type activities:</u>									
Airports	(17,440)	19,726	2,992	4,081	-	9,359	9,359	-	-
Total business-type activities	<u>(17,440)</u>	<u>19,726</u>	<u>2,992</u>	<u>4,081</u>	<u>-</u>	<u>9,359</u>	<u>9,359</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ (206,338)</u>	<u>\$ 51,404</u>	<u>\$ 4,107</u>	<u>\$ 4,398</u>	<u>\$ (155,788)</u>	<u>\$ 9,359</u>	<u>\$ (146,429)</u>	<u>\$ -</u>	<u>\$ -</u>
Component units									
Health services	\$ (2,440)	\$ 2,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179	\$ -
Landfill	(18,152)	14,801	204	114	-	-	-	-	(3,033)
Total component units	<u>\$ (20,592)</u>	<u>\$ 17,420</u>	<u>\$ 204</u>	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179</u>	<u>\$ (3,033)</u>
General Revenue and Transfers									
General Revenue									
Property taxes					106,526	-	106,526	-	-
Capital Sales Tax					75,150	-	75,150	-	-
Fees-in-lieu of taxes					11,147	-	11,147	-	-
Intergovernmental- unrestricted					16,670	-	16,670	-	-
Accommodations tax					3,585	-	3,585	-	-
Local accommodations tax					865	-	865	-	-
Admissions tax					1,322	-	1,322	-	-
Road maintenance					7,073	-	7,073	-	-
Hospitality fees					34,509	-	34,509	-	-
RMC Documentary Stamps					-	-	2,406	-	-
Unrestricted investment earnings					6,717	1,607	8,324	1	640
Miscellaneous					7,834	-	7,834	23	117
Gain (loss) on disposal of asset					400	10	410	-	27
Transfers					(500)	500	-	-	-
Total general revenue and transfers					<u>273,704</u>	<u>2,117</u>	<u>275,821</u>	<u>24</u>	<u>784</u>
Changes in net assets					117,916	11,476	129,392	203	(2,249)
Net assets - beginning of year as restated					<u>332,099</u>	<u>147,808</u>	<u>479,907</u>	<u>1,029</u>	<u>47,138</u>
Net assets - end of year					<u>\$ 450,015</u>	<u>\$ 159,284</u>	<u>\$ 609,299</u>	<u>\$ 1,232</u>	<u>\$ 44,889</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA
BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2009

	<u>General Fund</u>	<u>Hospitality 1.5% Fee</u>	<u>General Improvement Capital Projects</u>	<u>Capital Project Sales Tax</u>	<u>RIDE Program Debt Service</u>	<u>Other Non- Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets							
Cash and cash equivalents	\$ 2,892,467	\$ 1,481,590	\$ -	\$ -	\$ -	\$ 3,306,646	\$ 7,680,703
Equity in pooled cash and investments	54,912,478	764,879	61,692,998	95,687,623	-	57,192,806	270,250,784
Funds held in trust	-	-	2,573,580	-	-	11,014,593	13,588,173
Receivables, net:							
Property taxes	10,374,608	-	-	-	-	5,685,604	16,060,212
Accounts and other	3,899,007	-	506,171	-	-	2,747,996	7,153,174
Fees	-	4,127,473	-	-	-	367,997	4,495,470
Interest receivable	300,249	5,897	113,142	710,496	-	301,608	1,431,393
Due from other funds	2,915,252	-	-	-	6,041,034	1,037,253	9,993,539
Due from other governments	3,007,137	-	162,447	13,689,773	-	2,050,796	18,910,153
Due from component units	-	-	68,849	-	-	-	68,849
Inventories	32,393	-	-	-	-	-	32,393
Prepaid items	850,699	-	-	-	-	34,165	884,864
Restricted assets	-	-	-	-	35,132,306	-	35,132,306
Total Assets	<u>\$ 79,184,290</u>	<u>\$ 6,379,839</u>	<u>\$ 65,117,187</u>	<u>\$ 110,087,892</u>	<u>\$ 41,173,340</u>	<u>\$ 83,739,464</u>	<u>\$ 385,682,012</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable - trade	\$ 2,201,358	\$ -	\$ 2,247,137	\$ 1,770,951	\$ -	\$ 2,002,296	\$ 8,221,742
Accounts payable - other	558,746	-	-	-	-	12,211	570,957
Construction and retainage payable	-	-	2,076,676	74,215	-	-	2,150,891
Accrued salaries and wages	2,130,576	-	-	-	-	394,140	2,524,716
Accrued compensated absences	7,133	-	-	-	-	-	7,133
Due to other funds	44,292	6,075,134	-	-	-	3,589,786	9,709,212
Due to component units	86,102	-	-	-	-	778,073	864,175

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
BALANCE SHEETS
GOVERNMENTAL FUNDS

- CONTINUED -

	<u>General Fund</u>	<u>Hospitality 1.5% Fee</u>	<u>General Improvement Capital Projects</u>	<u>Capital Project Sales Tax</u>	<u>RIDE Program Debt Service</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Liabilities and Fund Balances (cont.)							
Liabilities:							
Due to other governments	2,000,525	-	-	-	-	72,870	2,073,395
Proceeds from sales held by Master in Equity	4,906,920	-	-	-	-	-	4,906,920
Due to taxpayers for overpayment	4,584,606	-	-	-	-	-	4,584,606
Funds held in trust- delinquent taxes	420,058	-	-	-	-	-	420,058
Funds held in trust- Clerk of Court	6,582,199	-	-	-	-	-	6,582,199
Other liabilities	12,367,414	-	271,878	-	-	23	12,639,315
Deferred revenue	12,470,663	271,119	-	-	-	7,116,436	19,858,218
Total liabilities	48,360,592	6,346,253	4,595,691	1,845,166	-	13,965,835	75,113,537
Fund Balances:							
Reserved for:							
Encumbrances	120,505	-	26,294,055	3,698,115	-	2,191,505	32,304,180
Inventories	32,393	-	-	-	-	-	32,393
Debt service	-	-	-	-	-	27,658,701	27,658,701
Underground storage tanks	50,000	-	-	-	-	-	50,000
Environmental services	68,733	-	-	-	-	-	68,733
Fire Special Revenue Fund	-	-	2,003,229	-	-	-	2,003,229
Prepaid items	850,699	-	-	-	-	34,165	884,864
Road maintenance	-	-	-	-	-	358,674	358,674
Cultural	-	-	-	-	-	107,194	107,194
Baseball Stadium Park	-	-	-	-	-	240,659	240,659
RIDE Program	-	-	-	-	41,173,340	-	41,173,340
Reserved for capital projects	-	-	39,650,343	-	-	-	39,650,343
Freight claims	51,471	-	-	-	-	-	51,471
Infrastructure Development	-	-	-	104,544,611	-	1,280,460	105,825,071
Unreserved/designated							
General fund	5,309,157	-	-	-	-	-	5,309,157
Special revenue fund	-	-	-	-	-	3,721,211	3,721,211
Capital projects fund	-	-	-	-	-	192,587	192,587
Unreserved/undesignated, reported in:							
General fund	24,340,740	-	-	-	-	-	24,340,740
Capital projects fund (deficit)	-	-	(7,426,131)	-	-	-	(7,426,131)
Special revenue fund	-	33,586	-	-	-	33,988,473	34,022,059
Total fund balances	30,823,698	33,586	60,521,496	108,242,726	41,173,340	35,785,155	310,568,475
Total liabilities and fund balances	\$ 79,184,290	\$ 6,379,839	\$ 65,117,187	\$ 110,087,892	\$ 41,173,340	\$ 49,750,991	\$ 385,682,012

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
BALANCE SHEETS
GOVERNMENTAL FUNDS

- CONTINUED -

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

	<i>(amounts expressed in thousands)</i>
Total fund balances - governmental funds	\$ 310,568
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.	598,961
Some of the County's taxes will be collected after year end, but not available soon enough to pay for current period's expenditures.	21,230
Other long-term assets that are not available to pay for current period expenditures and, therefore, are deferred in these funds.	804
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.	13,444
Long-term liabilities, including bonds payable that are not due and payable in the current period and, therefore, are not reported in these funds.	(494,993)
Net Assets, end of year - governmental activities	\$ 450,015

See accompanying notes to financial statements.

Horry County, South Carolina
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

Revenues	General Fund	Hospitality	General Improvement	Capital	RIDE	Other Non-	Total
		1.5 % Fee	Capital Projects	Project Sales Tax	Program Debt Service	Major Governmental Funds	Governmental Funds
Real property taxes	\$ 62,179,876	\$ -	\$ -	\$ -	\$ -	\$ 35,454,035	\$ 97,633,911
Personal property taxes	5,314,920	-	-	-	-	3,482,057	8,796,977
Vehicle taxes	4,856,819	-	-	-	-	3,533,394	8,390,213
Intergovernmental	13,230,374	-	933,587	-	-	8,131,677	22,295,638
Sales tax	-	-	-	63,548,738	-	-	63,548,738
Accommodation tax	-	-	-	-	-	865,217	865,217
Fees and fines	17,733,220	28,329,396	608,514	-	-	19,037,947	65,709,077
Documentary stamps	2,406,177	-	-	-	-	-	2,406,177
License and permits	7,550,972	-	-	-	-	-	7,550,972
Interest on investments	948,626	39,230	1,899,268	1,700,852	1,565,482	1,680,691	7,834,149
Cost allocation	2,099,992	-	-	-	-	-	2,099,992
Other	3,704,275	-	270,500	-	-	642,676	4,617,451
Total revenues	120,025,251	28,368,626	3,711,869	65,249,590	1,565,482	72,827,694	291,748,512
Current:							
General government	30,809,967	-	-	-	-	-	30,809,967
Public safety	67,352,801	-	-	-	-	17,456,742	84,809,543
Health and social services	116,423	-	-	-	-	750,189	866,612
Infrastructure and regulation	10,784,678	-	-	-	-	18,423,600	29,208,278
Culture, recreation and tourism	4,008,287	-	-	-	-	4,813,097	8,821,384
Economic development	-	-	-	-	-	2,291,826	2,291,826
TECH & Higher Education Commission	-	-	-	-	-	4,170,000	4,170,000
Other	1,487,975	-	3,520,188	-	-	-	5,008,163
Debt service	-	-	-	-	28,224,108	15,980,938	44,205,046
Capital outlay	1,491,182	-	32,589,186	15,094,317	-	943,501	50,118,186
Other	-	-	-	-	-	-	-
Total expenditures	116,051,313	-	36,109,374	15,094,317	28,224,108	64,829,893	260,309,005

- CONTINUED -

Horry County, South Carolina
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009
 - CONTINUED -

	<u>General Fund</u>	<u>Hospitality 1.5% Fee</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	3,973,938	28,368,626	(32,397,505)	50,155,273	(26,658,626)	7,997,801	31,439,507
Other Financing Sources (Uses)							
Issuance of debt	-	-	-	-	-	8,155,000	8,155,000
Sales of assets	391,967	-	-	-	-	7,683	399,650
Transfers in	2,585,351	-	8,699,221	-	29,248,403	8,184,306	48,717,281
Transfers out	(5,210,571)	(28,341,455)	(238,907)	-	-	(15,430,198)	(49,221,131)
Total other financing sources (uses)	<u>(2,233,253)</u>	<u>(28,341,455)</u>	<u>8,460,314</u>	<u>-</u>	<u>29,248,403</u>	<u>916,791</u>	<u>8,050,800</u>
Net change in fund balance	1,740,685	27,171	(23,937,191)	50,155,273	2,589,777	8,914,592	39,490,307
Fund balances at beginning of year, as restated	29,083,013	6,415	84,458,687	58,087,453	38,583,563	60,859,037	271,078,168
Fund balances at end of year	<u>\$ 30,823,698</u>	<u>\$ 33,586</u>	<u>\$ 60,521,496</u>	<u>\$ 108,242,726</u>	<u>\$ 41,173,340</u>	<u>\$ 69,773,629</u>	<u>\$ 310,568,475</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	\$ 39,490
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.	45,958
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in these funds.	3,553
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.	(6,082)
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.	33,872
The net revenue (expense) of certain activities of internal service funds reported with governmental activities.	1,125
Change in Net Assets - Governmental Activities	\$ 117,916

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA
 PROPRIETARY FUNDS
 BALANCE SHEETS
 JUNE 30, 2009

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities- Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,938,283	\$ 100
Equity in pooled cash and investments	-	7,956,353
Investments	38,677,211	-
Accounts receivable, net	655,171	-
Interest receivable	305,071	41,527
Due from other governments	1,196,535	-
Inventories	332,949	329,288
Prepaid items	81,247	-
Total unrestricted current assets	50,186,467	8,327,268
Restricted current assets:		
Cash and cash equivalents	1,677,713	-
Investments	25,294,903	-
Due from Industrial Park	500,000	-
Accounts receivable	255,208	-
Total restricted current assets	27,727,824	-
Total current assets	77,914,291	8,327,268
Non-current assets:		
Capital assets, net:		
Land, easements and infrastructure	32,041,192	-
Depreciable capital assets, net	56,132,256	5,178,960
Construction-in-progress	9,958,654	-
Total capital assets, net	98,132,102	5,178,960
Deferred charges		
Bond issuance costs, net	273,475	-
Total non-current assets	98,405,577	5,178,960
Total assets	\$ 176,319,868	\$ 13,506,227

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
 PROPRIETARY FUNDS
 BALANCE SHEETS

- CONTINUED -

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities- Internal Service Fund
Liabilities and Net Assets		
Current liabilities:		
Accounts payable-trade	\$ 241,729	\$ 42,992
Construction accounts and retainage payable	2,099,191	-
Accrued salaries, wages and compensated absences	411,981	18,871
Due to other funds	784,326	-
Other accrued expenses	629,518	-
Unearned revenue	232,019	-
Capital leases payable - current portion	40,393	-
Amounts due to tenants, airlines, car rentals	532,732	-
	<u>4,971,889</u>	<u>61,863</u>
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	545,000	-
Accrued interest payable	288,255	-
Total current liabilities payable from restricted assets	<u>833,255</u>	<u>-</u>
Total current liabilities	<u>5,805,144</u>	<u>61,863</u>
Non-current liabilities:		
Compensated absences - long term	839,919	-
Revenue bonds payable	9,658,931	-
Net other post-employment benefits obligation	315,901	-
Due to tenants for capital improvements	150,000	-
Capital leases	265,502	-
Total non-current liabilities	<u>11,230,253</u>	<u>-</u>
Total liabilities	<u>17,035,397</u>	<u>61,863</u>
Net assets:		
Invested in capital assets, net of related debt	87,136,946	5,178,960
Restricted for:		
Debt service	26,091,465	-
Capital projects	803,104	-
Fleet replacement	-	4,820,847
Unrestricted	45,252,956	3,444,557
Total net assets	<u>159,284,471</u>	<u>13,444,364</u>
Total liabilities and net assets	<u>\$ 176,319,868</u>	<u>\$ 13,506,227</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, 2009

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities - Internal Service Fund
Operating Revenues		
Landing fees	\$ 876,108	\$ -
Rents	4,085,932	-
Concessions and rentals	5,971,117	-
Security fees	216,734	-
Leases	1,102,085	-
Fuel sales - FBO	3,504,377	-
Other airline services	774,930	-
Federal revenues	123,924	-
Charges for service	-	4,763,170
Other	576,938	-
Total operating revenues	17,232,145	4,763,170
Less, signatory airline contract operating rebate	(365,240)	-
Net operating revenues	16,866,905	4,763,170
Operating Expenses		
Salaries and benefits	6,014,109	841,260
Utilities	847,481	-
Outside and professional services	738,427	-
Maintenance and supplies	594,383	-
Fuel cost of sales	2,498,664	-
Vehicle and equipment expense	336,835	-
Insurance	255,862	-
Business and travel related	165,872	44,699
Office supplies	23,728	-
Supplies and materials	-	46,025
Horry County administrative costs	246,676	-
Depreciation and amortization	4,732,264	1,675,283
Indirect cost allocation	-	9,647
Contractual services	-	1,313,762
Total operating expenses	16,454,301	3,930,676
Operating income	412,604	832,494

- CONTINUED -

Horry County, South Carolina
 Proprietary Funds
 Statements of Revenues, Expenses and Changes in Net Assets

- Continued -

	Business-type Activities Enterprise Fund Department of Airports	Governmental Activities - Internal Service Fund
Non-operating Revenues		
(Expenses)		
Contract facility charges	2,494,096	-
Intergovernmental revenues	1,725,761	-
Redevelopment Authority grant revenue	236,179	-
Legal settlement	1,029,961	-
Interest income	1,607,101	158,823
Interest expense	(619,445)	-
Gain on disposal/sale of property	9,910	129,433
Total non-operating revenues	6,483,563	288,256
(expenses)		
Net income (loss) before capital contributions and transfers	6,896,167	1,120,750
Capital Contributions	4,081,072	-
Transfers	500,000	3,853
Change in net assets	11,477,239	1,124,603
Net Assets		
Beginning of year as restated	147,807,232	12,319,761
End of year	\$ 159,284,471	\$ 13,444,364

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA
 PROPRIETARY FUNDS
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business Type Activities -Enterprise Fund- Department of Airports	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities		
Cash received from:		
Landing fees, terminal rents, concessions leases and other fees	\$ 11,994,514	\$ -
FBO sales and services	4,497,529	-
Service and miscellaneous charges	-	4,763,170
Other	533,041	-
Cash paid to (for):		
Salaries and benefits	(5,815,365)	-
Maintenance, supplies, fuel, utilities and equipment	(5,776,400)	(2,248,843)
Other supplies and miscellaneous costs	-	(44,699)
Net cash provided by operating activities	5,433,319	2,469,628
Cash Flows From Non-Capital Financing Activities		
Repayment to federal government	1,029,961	-
Transfers in	-	3,853
Net cash flows provided by non-capital financing activities	1,029,961	3,853
Cash Flows From Capital and Related Financing Activities		
Receipt of passenger and contract facility charges	2,512,944	-
Acquisition and construction of capital assets	(9,785,439)	(2,151,471)
Principal payments on bonds and notes	(520,000)	-
Interest paid on bonds and notes	(599,700)	-
Principal payments on capital lease obligation	(39,025)	-
Receipt of intergovernmental and private grants	1,738,980	-
Proceeds from AIP and TSA grants	3,417,886	-
Proceeds from disposition of property and equipment	9,910	185,391
Net cash (used in) capital and related financing activities	(3,264,444)	(1,966,080)

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
 PROPRIETARY FUNDS
 STATEMENTS OF CASH FLOWS

- CONTINUED -

	Business-Type Activities - Enterprise Fund- Department of Airports	Governmental Activities - Internal Service Fund
Cash Flow From Investing Activities		
Investment purchases	(63,972,114)	-
Investment sales	42,628,595	-
Interest on investments	1,454,697	184,920
Net cash provided by (used in) investing activities	<u>(19,888,822)</u>	<u>184,920</u>
Net increase (decrease) in cash and cash equivalents	(16,689,986)	692,321
Cash and cash equivalents at beginning of year (of which \$1,662,520 is restricted)	<u>27,305,982</u>	<u>7,264,132</u>
Cash and cash equivalents at end of year (of which \$1,677,713 is restricted)	<u>\$ 10,615,996</u>	<u>\$ 7,956,453</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 412,604	\$ 832,494
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	4,732,264	1,675,283
Change in certain assets and liabilities:		
(Decrease) in accounts receivable, net	124,666	-
(Increase) Decrease in inventories	54,995	(37,489)
Decrease in prepaid items	273	-
Increase (Decrease) in accounts payable	57,789	(4,324)
Increase in accrued salaries, wages and compensated absences	38,206	3,663
Increase in net other post-employment benefit obligation	160,538	-
Increase in other accrued expenses	176,783	-
(Decrease) in due to other funds	(358,312)	-
Increase in unearned revenue	42,631	-
(Decrease) in due to other governments	-	-
(Decrease) in amounts due to tenants	(9,118)	-
Decrease in deferred revenue	-	-
Net cash provided by operating activities	<u>\$ 5,433,319</u>	<u>\$ 2,469,628</u>

See accompanying notes to financial statements.

HORRY COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2009

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 19,637,882
Equity in pooled cash and investments	181,070,278
Taxes receivable	82,581,316
Total Assets	<u>\$ 283,289,476</u>
Liabilities	
Due to others	<u>\$ 283,289,476</u>
Total liabilities	<u>\$ 283,289,476</u>

See accompanying notes to the financial statements.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

A. Reporting Entity

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

Blended Component Units

For the year ended June 30, 2009, the County had a blended component unit, Horry County Public Facilities Corporation (the "Corporation"). The Corporation is governed by a board comprised of the County Council. The Corporation entered into a \$1.3 million capital lease agreement for the construction and lease of building cooling equipment to the County. Proceeds of the capital lease were recorded by the County as other financing sources in the Capital Projects Fund with debt service requirements reflected in the County's General Debt Service Fund. The corporation does not issue separate financial statements.

Discretely Presented Component Units

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

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

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements - The Government-Wide financial statements consist of a statement of net assets and a statement of activities and reports information on all of the non-fiduciary activities of the government as a whole. Separate columns are used to distinguish between the County's governmental and business-type activities and discretely presented component units. Governmental activities are generally those activities financed by taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds. Business-type activities are those activities which are financed in whole or in part by user fees charged to external parties for goods and services. These activities are usually reported in enterprise funds. The primary government is reported separately from certain legally separate component units. At June 30, 2009, the County's component units were Shoreline Behavioral Health Services and the Horry County Solid Waste Authority.

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

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

A summary of fund financial statement types follows:

Governmental Fund Types

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally or donor restricted to expenditures for specified purposes. Special revenue funds consists of the following: Fire, Accommodations Tax, Waste Management Recycling, Watersheds, Mt. Gilead, Socastee Recreation, Road Maintenance & CTC, Beach Nourishment, Grants, Admissions Tax, Hospitality Fee 1.0%, Victim Witness Assistance, Senior Citizen, Baseball Stadium, Arcadian Shores, CDBG Grant Program, Stormwater Management, GIS/IT, B&C Multi-County Business Park, E-911, Local Atax, Recreation, and Industrial Parks. Hospitality 1.5% Fee Fund, a major special revenue fund, accounts for revenue derived from countywide fees on sale of prepared food, car rentals, admissions and accommodations. These funds are earmarked for road construction-RIDE Projects.

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

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

Proprietary Fund Types

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

Fiduciary Fund Type

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

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

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

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

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

Estimates

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

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

Cash Equivalents and Equity in Pooled Cash and Investments

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

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

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

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

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

Investments

Investments are stated at fair value, with accrued interest shown under a separate caption on the financial statements. Reinvested interest on certain debt service and capital projects investments is included in the investment accounts. At June 30, 2009, the fair value of the County's investments approximated cost.

Receivables and Allowance for Doubtful Accounts

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

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

Due from Other Governments

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

Inventories and Prepaid Items

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

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

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

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

Interfund Receivables and Payables

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

Restricted Assets

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

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

Capital Assets and Depreciation

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

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

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

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

Capitalization of Interest

Interest incurred during the construction phase of proprietary fund 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. The County has elected not to capitalize interest on its governmental capital assets. During the year ended June 30, 2009, there were no material capitalized interest costs incurred.

Deferred Charges (Bond Issuance Costs)

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

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

Compensated Absences

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

Long-term Obligations

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

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

Net Assets and Fund Balances

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

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

Non-exchange Transactions, Contributed Capital and Transfers

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

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

Passenger Facility Charges

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

Contract Facility Charges

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

Lease Accounting

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

In addition, lease revenues from airlines are based on certain compensatory "signatory" and "non-signatory" airline lease and use agreements which are subject to annual rate negotiations. Lease costs, if material, are deferred and amortized over the life of the lease. There were no material lease costs for the year ended June 30, 2009.

Property Taxes

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

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

Property Taxes, continued

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

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

Indirect Cost Allocations

The County records interdepartmental cost allocations designed to redistribute general fund operating expenditures to other governmental and proprietary funds. These allocations are based upon cost allocation plans prepared in accordance with United States Office of Management and Budget requirements and include an estimate of allocable costs based upon the cost allocation plan.

Future Landfill Closure and Postclosure Care Costs

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

E. Reclassification

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 2. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

Annual appropriated legal-based budgets are adopted by County Council for governmental fund types including the general, and certain special revenue, debt service, and capital projects funds. Budgetary comparisons to actual of the general fund and the one major special revenue fund are presented as Required Supplementary Information. Additionally, budgetary controls are maintained for certain proprietary fund types. For example, annual operating and capital budgets are prepared for the Department of Airports and Fleet Services for fiscal year ended June 30, 2009, which were approved and adopted by County Council. However, budgetary comparisons to actual for proprietary fund types are not required to be presented in the accompanying basic financial statements.

The policy established by the County with respect to the Budget is substantially the same as GAAP, with one exception. The County's budget basis accounting differs from GAAP in accounting for capital lease financing transactions. For budgetary basis accounting, these transactions are not recorded as other financing sources when funded and expenditures when the equipment is acquired, as required by GAAP. However, there is no difference in fund balance because of this, thus the County considers its budget to be GAAP basis.

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

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

At fiscal year end June 30, 2009, any funds budgeted for capital projects which have not been completed and said funds have not been budgeted to other capital projects, road maintenance fees and funds budgeted for the local road improvement plan other than personal services, which have not been expended, other County Council road improvement, parks maintenance and recreation funds which have not been expended, grant funds or donations which have not been expended, Stormwater management funds which have not been expended, funds for mosquito abatement which have not been expended, funds for E911 Enhancements which have not been expended, funds for Maintenance capital equipment and Life Cycle Program which have not been expended, funds for County Council expense accounts which have not been expended, funds for capital items authorized by purchase order but not received, accommodations tax funds approved by the Accommodations Tax Committee and County Council which have not been expended, shall reflect as a designation of fund balance in the Comprehensive Annual Financial Report and shall be brought forward in the fiscal year 2010 as budgeted fund balance and not represented in the approved revenue and expenditure budget amounts. This automatic re-budgeting does not require a supplemental budget ordinance.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 2. Stewardship, Compliance and Accountability (continued)

B. Encumbrances

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

Note 3. Deposits and Investments

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

a. Deposits

Custodial Credit Risk

Custodial credit risk for deposits is risk that in the event of a depository financial institution's failure, the County will not be able to recover insurance or collateral securities that are in the possession of an outside party. Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. All deposits under the control of the County Treasurer are fully insured or collateralized. As of June 30, 2009, reported amount of the primary government's deposits was \$526 million and the bank balance was \$540 million. Of the \$540 million bank balance exposed to custodial credit risk, \$88.3 million was covered by federal depository insurance, and \$451.7 million was collateralized with securities held by the counterparty's trust department or agent in the County's name.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments (continued)

b. Investments

Investment Policy

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

Investments consisted of the following at June 30, 2009:

	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
Repurchase Agreements	<1 year	AAAm	\$16,711,910	19.99%
Repurchase Agreements	<1 year	Not Rated	\$ 1,553,155	1.86%
Mortgage Backed Securities	<1 year	AAA	\$54,712,636	65.43%
Government Backed Securities	< 1 year	Not Rated	<u>\$10,632,295</u>	12.72%
			<u>\$83,609,996</u>	

Custodial Credit Risk

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

Credit Risk

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

Interest Rate Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The County does not have a policy for reducing this risk to any single issuer. As of June 30, 2009, the County had 40.03% of its investments invested with The Bank of New York, 53.49% of its investments invested with U.S. Bank and 6.47% of its investments invested with RBC Wealth Management.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Deposits and Investments (continued)

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

Component Units

HCSWA:

A. Deposits

At June 30, 2009, the carrying amount of the HCSWA's total cash deposits, including certificates of deposit, was \$25,120,491 with corresponding bank balances of \$24,966,535. Of that balance, \$5,076,084 was covered by federal depository insurance and \$19,890,451 was collateralized with securities held by the pledging financial institutions' trust department in the HCSWA's name. At year end, petty cash on hand totaled \$1,500.

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

B. Investments

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

In accordance with formal resolutions of the HCSWA's Board of Directors, cash, cash equivalents and investments have been designated for the following purposes at June 30, 2009 and are not considered to be available to pay for operating expenses:

Landfill Closure Costs	\$ 7,101,391
Landfill Postclosure Care Costs	8,626,667
Equipment Replacement	3,341,681
Construction	3,360,215
	<u>\$ 22,429,954</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, 2009, the carrying amount of SBHS's deposits was \$170,425, with corresponding bank balances of \$248,226. 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, 2009, SBHS's investments, with a carrying and fair value of \$78,000, 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	Discretely Presented Component Units	
	Government	Agency		Total	SBHS
Cash on hand	\$ 21	\$ -	\$ 21	\$ -	\$ 1
Carrying amount of deposits	345,204	181,070	526,274	170	25,120
Carrying amount of investments	63,972	19,638	83,610	78	1
Totals	\$ 409,197	\$ 200,708	\$ 609,905	\$ 248	\$ 25,122
Cash and cash equivalents	\$ 16,619	\$ 19,638	\$ 36,257	\$ 248	\$ 4,186
Equity in pooled cash and investments	278,208	181,070	459,278	-	-
Investments	38,677	-	38,677	-	20,936
Funds held in escrow	13,588	-	13,588	-	-
Cash and cash equivalents -restricted	1,678	-	1,678	-	-
Equity in pooled cash & investments- restricted	-	-	-	-	-
Investments-restricted	25,295	-	25,295	-	-
Funds held in trust - restricted	35,132	-	35,132	-	-
Totals	\$ 409,197	\$ 200,708	\$ 609,905	\$ 248	\$ 25,122

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, 2009, are as follows:

	<i>(amounts shown in thousands)</i>		
	Government Activities	Business-type Activity Department of Airports	Totals
Property taxes	\$ 25,718	\$ -	\$ 25,718
Less, allowance for uncollectibles and amounts not available for current period	(9,658)	-	(9,658)
Net property taxes	<u>16,060</u>	<u>-</u>	<u>16,060</u>
Accounts and other	16,010	949	16,959
Hospitality 1.0% fees	-	-	-
E911 fees	71	-	71
Hospitality 1.5% fees	4,128	-	4,128
Stormwater fees	33	-	33
Less, allowance for uncollectibles	(7,961)	(294)	(8,255)
	<u>12,281</u>	<u>655</u>	<u>12,936</u>
Net receivables	<u>\$ 28,341</u>	<u>\$ 655</u>	<u>\$ 28,996</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, 2009 for the discretely presented component unit HCSWA totaled \$1,218,248 and included amounts from trade accounts receivable, amounts due from other governments, interest and allowance for doubtful accounts.

Receivables at June 30, 2009 for the discretely presented component unit SBHS totaled \$289,023 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, 2009 were as follows:

	(amounts shown in thousands)	
	Interfund Receivable	Interfund Payable
General Fund	\$ 2,916	\$ 44
Major Special Revenue Fund- 1.5% Hospitality Fees	-	6,075
Major Debt Service Fund- Ride	6,041	-
Nonmajor Funds:		
Accommodations Tax	19	372
Road Maintenance	768	-
Beach Renourishment	230	651
Hospitality 1%	-	1,355
Victim Witness	-	103
Arcadian Shores	-	312
CDBG Grant Program	-	54
Baseball Stadium	20	-
Industrial Parks	-	500
Local Atax	-	244
Total Nonmajor Funds	1,037	3,591
Enterprise Funds:		
Department of Airports	500	784
Total Enterprise Funds:	500	784
	<u>\$ 10,494</u>	<u>\$ 10,494</u>

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

	Interfund Receivable	Interfund Payable
Primary government:		
General Fund	\$ -	\$ 86
Waste Management Recycling Fund	-	778
General Improvement Capital Projects Fund	69	-
Component units:		
SHBS	86	-
HCSWA	709	-
	<u>\$ 864</u>	<u>\$ 864</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, 2009:

<u>Transfers to</u>	Transfers from				Total
	General Fund	Hospitality 1.5% Fund	Capital Projects Fund	Non-major Governmental Funds	
General Fund	\$ -	\$ 278,538	\$ 238,907	\$ 2,067,904	\$ 2,585,349
Capital Projects	4,480,528			4,218,692	8,699,220
Beach Renourishment	207,256			680,390	887,646
Grants	264,051				264,051
Victim Witness	234,747				234,747
Recreation	23,989				23,989
Road maintenance				2,780,698	2,780,698
Ride Program		28,062,917		1,185,486	29,248,403
Airport				500,000	500,000
Debt Service				2,177,768	2,177,768
Fleet Replacement				3,853	3,853
Baseball Stadium				79,800	79,800
Special Revenue Debt				1,735,607	1,735,607
Total	<u>\$ 5,210,571</u>	<u>\$28,341,455</u>	<u>\$ 238,907</u>	<u>\$ 15,430,198</u>	<u>\$ 49,221,131</u>

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

Note 6. Due From Other Governments

Amounts due from other governments for the primary governments at June 30, 2009 are as follows:

(amounts shown in thousands)

	Governmental Activities				Business-type Activities
	General	Special Revenue	Capital Projects	Total	Department of Airports
State	\$ 2,829	\$ 1,524	\$ 13,852	\$ 18,205	\$ 307
City	-	-	-	-	282
Federal	178	527	-	705	608
Total	<u>\$ 3,007</u>	<u>\$ 2,051</u>	<u>\$ 13,852</u>	<u>\$ 18,910</u>	<u>\$ 1,197</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets

A summary of the changes in capital assets during the year ended June 30, 2009 are as follows:

	<i>(amounts shown in thousands)</i>			
Governmental Activities	Balance June 30, 2008 (as restated)	Additions	Deletions	Balance June 30, 2009
<u>General Capital Assets</u>				
Not subject to depreciation:				
Land and easements	\$ 15,868	\$ 464	\$ (60)	\$ 16,272
Infrastructure	400,936	10,800	(2,457)	409,279
	<u>416,804</u>	<u>11,264</u>	<u>(2,517)</u>	<u>425,551</u>
Construction-in-progress	11,048	41,404	(1,412)	51,040
Total capital assets not depreciated	<u>427,852</u>	<u>52,668</u>	<u>(3,929)</u>	<u>476,591</u>
Subject to depreciation:				
Land improvements	2,660	687	-	3,347
Buildings	117,205	327	-	117,532
Building improvements	12,899	1,195	-	14,094
Office furniture	5,137	4,461	(74)	9,524
Vehicles	5,251	386	(1,128)	4,509
Heavy equipment	29,129	2,310	(1,369)	30,070
Computer equipment	35,529	1,347	(3,243)	33,633
Other	2,734	384	(121)	2,997
Totals	<u>210,544</u>	<u>11,097</u>	<u>(5,935)</u>	<u>215,706</u>
Less, accumulated depreciation:				
Land improvements	(922)	(174)	-	(1,096)
Buildings	(32,112)	(3,947)	-	(36,059)
Building improvements	(2,118)	(454)	-	(2,572)
Office furniture	(4,593)	(913)	74	(5,432)
Vehicles	(2,996)	(1,139)	1,111	(3,024)
Heavy equipment	(21,431)	(1,254)	1,325	(21,360)
Computer equipment	(19,125)	(5,467)	3,026	(21,566)
Other	(2,093)	(252)	121	(2,224)
Totals	<u>(85,390)</u>	<u>(13,600)</u>	<u>5,657</u>	<u>(93,333)</u>
Net general capital assets	<u>553,006</u>	<u>50,165</u>	<u>(4,207)</u>	<u>598,964</u>
<u>Internal Service Fund Capital Assets</u>				
Machinery and equipment	12,097	2,151	(1,340)	12,908
Less, accumulated depreciation	(7,338)	(1,676)	1,284	(7,730)
Net internal service fund capital assets	<u>4,759</u>	<u>475</u>	<u>(56)</u>	<u>5,178</u>
Net capital assets - Governmental Activities	<u>\$ 557,765</u>	<u>\$ 50,640</u>	<u>\$ (4,263)</u>	<u>\$ 604,142</u>

Capital assets balances at June 30, 2008 relating to the Baseball Stadium that were reclassified from the proprietary fund to the governmental fund were \$2,693 for Land and easements, \$3,356 for Buildings and improvements, \$327 for machinery and equipment and \$1,698 accumulated depreciation for buildings and improvements.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets (continued)

Business-type Activities	<i>(amounts shown in thousands)</i>			
	Balance June 30, 2008 (as restated)	Additions	Retirements	Balance June 30, 2009
Not subject to depreciation:				
Land and easements	\$ 22,802	\$ 57	\$ -	\$ 22,859
Infrastructure	9,182	-	-	9,182
	31,984	57	-	32,041
Construction in progress	1,001	11,476	(2,519)	9,958
Total capital assets not depreciated	32,985	11,533	(2,519)	41,999
Subject to depreciation:				
Buildings and improvements	50,213	64	(20)	50,257
Runways and taxiways	43,878	561	-	44,439
Machinery and equipment	11,200	1,836	(289)	12,747
Land improvements	6,668	-	-	6,668
Totals	111,959	2,461	(309)	114,111
Less accumulated depreciation:				
Buildings and improvements	(23,148)	(1,712)	20	(24,840)
Runways and taxiways	(20,569)	(1,777)	-	(22,346)
Machinery and equipment	(6,360)	(835)	289	(6,906)
Land improvements	(3,499)	(387)	-	(3,886)
Totals	(53,576)	(4,711)	309	(57,978)
Net capital assets - Business-type Activities	\$ 91,368	\$ 9,283	\$ (2,519)	\$ 98,132

Capital assets of the discretely presented component units, HCSWA and SBHS at June 30, 2009, are as follows:

Component Units	<i>(amounts shown in thousands)</i>	
	SBHS	HCSWA
Land	\$ 138	\$ 7,440
Subtitle D (Class 3) landfill	-	26,415
Buildings	1,455	10,437
Vehicles, machinery and equipment	139	14,345
Other improvements	-	3,386
Construction-in-progress	-	725
Totals	1,732	62,748
Less, accumulated depreciation:		
Subtitled D (Class 3) landfill	-	(16,769)
Buildings	(471)	(1,519)
Vehicles, machinery and equipment	(125)	(6,475)
Other improvements	-	(700)
Totals	(596)	(25,463)
Net capital assets - Component Units	\$ 1,136	\$ 37,285

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets (continued)

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

Governmental Activities	<i>(amounts shown in thousands)</i>
Jail Renovation	\$ 25,908
Public Works South Satellite Building	208
Industrial Parks	360
Road Improvements	20,933
Recreation	2,183
Horry County Museum	754
Fire Stations	607
Libraries	87
Total	\$ 51,040

Estimated total costs to complete these projects approximates \$51 million.

Business-type Activities: (Department of Airports)	<i>(amounts shown in thousands)</i>
T-Hangars at MYR	\$ 744
Update ALP	202
GA Terminal Complex	2,876
ARFF Building	62
Pavement Management Study	256
Rehab GA Apron MYR	131
Terminal Capacity Enhancement Program	2,862
CRE Airfield Re-wiring	97
ARFF Access/Service Road	369
MYR Fence Perimeter Security	710
MYR Access Control	331
MYR Ramp Expansion	207
Construct Taxiway R	228
Harrelson Blvd	556
Airfield Guidance Signs/Redesignation	86
Commerce Park MB Int'l	17
MYR-Ramp Rehab (Phase 1)	167
Other Capital Improvements	57
Total	\$ 9,958

Estimated additional costs to complete these projects are estimated at \$153.5 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 Master Plan forecasts activities and needs of the Airport and its infrastructure for a twenty year period. In fiscal year 2009, the Airport completed the MYR ALP and is waiting for the final approval by the FAA.

Depreciation allocation

The amount of depreciation charged to each governmental function for the year ended June 30, 2009 is as follows: general government (\$4,978,363); public safety (\$6,832,940); Infrastructure and regulation (\$1,124,746); culture and recreation (\$587,208) and health and social services (\$77,578). Capital assets held by the Internal Service Fund (\$1,675,283).

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt

Long-term debt at June 30, 2009, is comprised of general and special obligation bonds, revenue bonds, RIDE - Intergovernmental Loan Agreements (IGA), accumulated compensated absences liability, and long-term capital leases.

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

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

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

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

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

On September 1, 2005, the County issued \$30,000,000 of General Obligation Refunding Bonds, Series 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 outstanding principal balance of the defeased 2000 General Obligation Bonds was \$0 as of June 30, 2009. 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.

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

8. Long Term Debt (continued)

Advance Refundings. 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. The outstanding principal balance of the defeased 2000 Special Hospitality Fee Bonds was \$1,730,000 at June 30, 2009.

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

A. Governmental Activities Debt

The restatement of the debt beginning balances of \$2,024 was a result of the reclassification of the Baseball Stadium from a Business-type activity to a Governmental-type activity.

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

	<i>(amounts shown in thousands)</i>			Balance June 30, 2009
	Balance June 30, 2008 (as restated)	Additions	Deletions	
General and Special Obligation Bonds:				
G.O. Bonds of 2000 dated June 29 for \$38.3 million with interest at 5% to 7% - Judicial Center	155	-	(155)	-
G.O. Bonds of 2000 dated January 1 for \$9.5 million with interest at 5% to 6.75% - Fire Protection	650	-	(650)	-

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

8. Long-Term Debt (continued)

A. Governmental Activities Debt (continued)

	<i>(amounts shown in thousands)</i>			
	Balance			Balance
	June 30, 2008			June 30, 2009
	(as restated)	Additions	Deletions	
General and Special Obligation Bonds				
(continued):				
Special Hospitality Fee Bonds of 2000 dated October 15 for \$19.905 million with interest at 4% to 5%	11,405	-	(11,405)	-
G.O. Bonds of 2001 (Series A) dated September 15 for \$20.2 million with interest at 3.5% to 4.75% - Strand/Library/Equipment	15,470	-	(895)	14,575
G.O. Bonds of 2001 (Series B) dated September 15 for \$2.875 million with interest at 4.25% to 4.5% - Higher Education	2,145	-	(125)	2,020
G.O. Bonds of 2004 (Series A) dated June 1 for \$11 million with interest at 3.0% to 5.0% - Fire Protection District	9,505	-	(530)	8,975
G.O. Bonds of 2004 (Series B) dated June 1 for \$3 million with interest at 3.25% to 5.50% - TECH Bond	2,670	-	(120)	2,550
G.O. Bonds of 2005 (Series A) dated September 1 for \$5.01 million with interest at 3% to 3.8% - Fire Protection Refunding	4,875	-	(60)	4,815
G.O Bonds of 2005 (Series B) dated September 1 for \$30 million with interest at 3.5% to 4.125% - Judicial Center Refunding	30,000	-	(1,500)	28,500
G.O. Bonds of 2007 dated April 11 for \$11 million with interest at 4% to 4.5% -Health Department/Museum	10,450	-	(570)	9,880
G.O. Bonds of 2008 dated May 20 for \$12 million with interest at 4% to 5% -Libraries	12,000	-	(510)	11,490
G.O. Bonds of 2008 dated May 20 for \$50 million with interest at 4% to 5% -Detention Center	50,000	-	(2,965)	47,035
Special Hospitality Fee Bonds of 2009 dated May 7 for \$8.155M with interest at 3% to 4%-Hospitality Fee Refunding	-	8,155	-	8,155
Certificates of Participation dated September 1, 1998 for \$3.088M with interest at 3% to 5% - Baseball Stadium	\$ 2,024	\$ -	\$ (144)	\$ 1,880
Total general and special obligation bonds	151,349	8,155	(19,629)	139,875
Unamortized premiums	-	1,496	(75)	1,421
Deferred amount on refunding	-	(617)	-	(617)
Less, current portion	(9,470)	(9,152)	9,470	(9,152)
Net general and special obligation bond debt	<u>\$ 141,879</u>	<u>\$ (118)</u>	<u>\$ (10,234)</u>	<u>\$ 131,527</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

8. Long-Term Debt (continued)

A. Governmental Activities Debt

Other general long-term obligations of the County's governmental activities at June 30, 2009 are as follows:

	<i>(amounts shown in thousands)</i>			
	Balance			Balance
	June 30, 2008	Additions	Deletions	June 30, 2009
Other general long-term obligations:				
RIDE - IGA Loan #1	\$ 135,000	\$ -	\$ (15,000)	\$ 120,000
Less, amounts imputed for interest	(18,359)	-	3,653	(14,706)
Less, current portion	(11,347)	(11,720)	11,347	(11,720)
Net RIDE - IGA Loan #1	<u>105,294</u>	<u>(11,720)</u>	<u>-</u>	<u>93,574</u>
RIDE - IGA Loan #2	216,499	-	(6,033)	210,466
Less, current portion	(6,033)	(7,175)	6,033	(7,175)
Net RIDE - IGA Loan #2	<u>210,466</u>	<u>(7,175)</u>	<u>-</u>	<u>203,291</u>
RIDE - IGA #3 contribution payable	963	-	(963)	-
Less, current portion	(28)	-	28	-
Net RIDE - IGA #3 contribution Payable	<u>935</u>	<u>-</u>	<u>(935)</u>	<u>-</u>
Net RIDE - IGA Loans payable	<u>316,695</u>	<u>(18,895)</u>	<u>(935)</u>	<u>296,865</u>
Capital lease obligation - central energy	430	-	(164)	266
Capital lease obligation - phone systems	146	-	(38)	108
Capital lease obligation - IBM AS400 system	300	-	(194)	106
Capital lease obligation - fiber optic network	2,729	-	(671)	2,058
Capital lease obligation - fire suppression system	10	-	(10)	-
Capital lease obligation - core network	43	-	(21)	22
Capital lease obligation - 911 equipment	2,484	-	(940)	1,544
Capital lease obligation - Motorola CAD	3,066	-	(729)	2,337
Capital lease obligation - Dell	595	577	(607)	565
Capital lease obligation - fiber ring	3,311	-	(489)	2,822
Less, current portion	(3,659)	(3,467)	3,659	(3,467)
Net capital leases	<u>9,455</u>	<u>(2,890)</u>	<u>(204)</u>	<u>6,361</u>
Post employment benefit obligation, net	4,986	5,104	-	10,090
Accumulated compensation absences, net	11,844	8,636	(8,226)	12,254
Total other general long-term obligations	<u>342,980</u>	<u>(8,045)</u>	<u>(9,365)</u>	<u>325,570</u>
Total Net Governmental Activities Debt	<u>\$ 484,859</u>	<u>\$ (8,163)</u>	<u>\$ (19,599)</u>	<u>\$ 457,097</u>

The current portion (amount due within one year) of accrual compensated absences at June 30, 2009 is \$7,133 (not expressed in thousands). This liability has typically been liquidated from the general fund, other governmental funds and the Internal Service fund.

RIDE Intergovernmental Agreements

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

Pursuant to Intergovernmental Agreement #3, Horry County agreed to contribute \$2,279,950 (derived from a certain admissions tax) to the South Carolina Transportation Infrastructure Bank (SIB) as such tax revenues are collected. This agreement was paid in full on May 29, 2009.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt (continued)

B. Business-type Activities (Enterprise Funds) Debt

Revenue Bonds - Department of Airports

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

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

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

Refunded Debt - Department of Airports

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

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

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

In accordance with GASB Statement 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, the above referenced accounting loss of \$582,191, has been deferred and netted against the carrying amount of the Series 2000 liability and is being amortized to interest expense over the shorter life of the two issuances. Accordingly, for the year ended June 30, 2009, amortization expense was \$29,603.

Cash Redemption - Department of Airports

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

HORRY COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt (continued)

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

Long-term 'revenue bonded' debt of the Department of Airports Enterprise Fund at June 30, 2009, is as follows:

	<i>(amounts shown in thousands)</i>			
Revenue Bonds:	Balance 6/30/08	Additions	Deletions	Balance 6/30/09
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	\$ 1,480	\$ -	\$ (40)	\$ 1,440
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	2,330	-	(70)	2,260
Revenue bond, Refunding Series 2000 dated October 15, 2000, for \$9.745 million with interest at 4.4% to 5.62%, due 2002- 2020	7,330	-	(410)	6,920
Total revenue bonded debt	11,140	-	(520)	10,620
Less, original issue discount	(93)	-	3	(90)
Less, current portion	(520)	(545)	520	(545)
Less, deferred charges (Series 1990 refunding loss of \$582 less amortization of \$197)	(355)	-	29	(326)
Net Revenue Bonds	\$ 10,172	\$ (545)	\$ 32	\$ 9,659

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, 2009, 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>
2010	\$ 7,950	\$ 5,609	\$ 1,050	\$ 230	\$ 151	\$ 91	\$ 545	\$ 564
2011	8,180	5,271	1,695	223	158	85	575	537
2012	8,470	4,921	1,745	170	165	77	605	507
2013	8,775	4,554	1,805	115	173	69	635	474
2014	9,101	4,174	1,860	58	182	61	665	439
2015-2019	47,344	14,783	-	-	1,051	164	3,900	1,595
2020-2024	36,835	4,465	-	-	-	-	2,575	556
2025-2029	3,185	363	-	-	-	-	1,120	130
Total	\$ 129,840	\$ 44,140	\$ 8,155	\$ 796	\$ 1,880	\$ 547	\$ 10,620	\$ 4,802

<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>
2010	\$ 11,720	\$ 3,280	\$ 7,175	\$ 6,040	\$ 28,591	\$ 15,814
2011	12,105	2,895	8,527	5,817	31,240	14,828
2012	12,504	2,496	9,964	5,553	33,453	13,724
2013	12,915	2,085	11,491	5,246	35,794	12,543
2014	13,340	1,660	13,112	4,895	38,260	11,287
2015-2019	42,710	2,290	93,060	17,371	188,065	36,203
2020-2024	-	-	67,137	3,219	106,547	8,240
2025-2029	-	-	-	-	4,305	493
Total	\$ 105,294	\$ 14,706	\$ 210,466	\$ 48,141	\$ 466,255	\$ 113,132

D. SBHBS

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 6/30/09</u>
Hospital Revenue Bond	4.46%	6/18/2013	\$ 435,838

Scheduled maturities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
Year Ending June 30, 2010	\$ 101,795	\$ 17,374	\$ 119,169
Year Ending June 30, 2011	106,429	12,740	119,169
Year Ending June 30, 2012	111,274	7,895	119,169
Year Ending June 30, 2013	116,340	2,830	119,170
	\$ 435,838	\$ 40,839	\$ 476,677

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 9. Capital and Operating Leases

A. Capital Lease Obligations

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

Governmental Activities:

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

Year Ended June 30,	<i>(amounts shown in thousands)</i>				
	Central Energy	Phone System	IBM AS400 System	Fiber Ring	Fiber Optic Network
2010	\$ 188	\$ 44	\$ 120	\$ 595	\$ 804
2011	94	37	-	595	789
2012	-	37	-	595	663
2013	-	-	-	595	-
2014	-	-	-	464	-
Thereafter	-	-	-	464	-
Total lease payments	282	118	120	3,308	2,256
Less, interest	(16)	(10)	(14)	(486)	(198)
Present value of future minimum lease payments	266	108	106	2,822	2,058
Less, current portion	(175)	(39)	(106)	(455)	(704)
Total non-current portion	<u>\$ 91</u>	<u>\$ 69</u>	<u>\$ -</u>	<u>\$ 2,367</u>	<u>\$ 1,354</u>

Year Ended June 30,	Core Network	911 Equipment	Motorola CAD	Dell	Total
2010	\$ 23	\$ 896	\$ 832	\$ 416	\$ 3,918
2011	-	728	832	208	3,283
2012	-	-	833	-	2,128
2013	-	-	-	-	595
2014	-	-	-	-	464
Thereafter	-	-	-	-	464
Total lease payments	23	1,624	2,497	624	10,852
Less, interest	(1)	(80)	(160)	(58)	(1,023)
Present value of future minimum lease payments	22	1,544	2,337	566	9,829
Less, current portion	(22)	(841)	(753)	(373)	(3,468)
Total non-current portion	<u>\$ -</u>	<u>\$ 703</u>	<u>\$ 1,584</u>	<u>\$ 193</u>	<u>\$ 6,361</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, 2009 is \$425,000 and \$286,875, respectively.

The present value of the minimum lease payments follows:

Year Ended June 30,	Total
2010	50,314
2011	50,314
2012	50,314
2013	50,314
2014	50,314
2015-2016	92,243
Total payments	343,813
Less, interest	(37,918)
Present value of future minimum lease payme	305,895
Less, current portion	(40,393)
Total non-current portion	<u>\$ 265,502</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 9. Capital and Operating Leases (continued)

The changes in the County's capital leases and compensated absences for its business-type activities for the year ended June 30, 2009 are as follows:

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Capital Leases	\$ 305,895	\$ -	\$ (40,393)	\$ 265,502
Compensated absences	\$ 1,093,995	\$ 25,897	\$ -	\$ 1,119,892
Net OPEB Obligation	\$ 155,363	\$ 160,538	\$ -	\$ 315,901

Long - term liabilities - HCSWA at June 30, 2009

Long - term liabilities of HCSWA are as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts due within one year
Compensated Absences	\$ 263,675	\$ 235,594	\$ 191,654	\$ 307,615	\$ 195,000
Net OPEB Obligation	211,724	226,464	5,709	432,479	-
Landfill Closure Costs	8,877,776	1,614,312	4,855	10,487,233	-
Landfill Postclosure Care Costs	6,670,545	710,298	-	7,380,843	-
	<u>\$ 16,023,720</u>	<u>\$ 2,786,668</u>	<u>\$ 202,218</u>	<u>\$ 18,608,170</u>	<u>\$ 195,000</u>

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

The Department of Airports Enterprise Fund derives a substantial portion of its revenue from charges to air carriers, aeronautical schools, concessionaires, and real estate leases. Substantially all of the assets classified as capital assets in the balance sheet are held by the Airport for the purpose of rental or related use. The Airport, as lessor, leases land, buildings, and terminal space to air carriers, aeronautical schools, concessionaires, and third-parties on a fixed fee as well as a contingent fee basis. Most of the leases provide for an annual review and redetermination of the rental amounts. Accordingly, lease revenues are recognized when earned. Different amounts resulting from stated period contract rates and from a straight-line amortization of total rents over the contract period is deemed not to be material. NAlA filed bankruptcy on February 16, 2009 and ceased operations at the Conway-Horry Airport. The HCDA is operating the FBO at the airport until a new operator can be located. The following is a schedule of future minimum rentals receivable on non-cancelable rental revenue leases at June 30, 2009:

<u>Year Ended June 30,</u>	<u>(amounts shown in thousands)</u>
2010	6,699
2011	6,655
2012	4,864
2013	1,594
2014	611
2015 to 2019	652
2020 to 2021	261
Total	<u>\$ 21,336</u>

The total historical cost and net book value of certain property leased to parties external to Horry County, South Carolina reporting entity is \$42,465,154 and \$21,720,821, respectively at June 30, 2009.

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

The Department of Airports, primarily the Myrtle Beach International Airport (the "MBIA"), maintain lease and operating agreements with certain airlines ("Signatory Airlines") which provide for annual terminal lease, landing fees, and other amounts to be remitted by the Signatory Airlines at interim rates subject to retroactive adjustment on a defined cost reimbursement basis ("Settlement"). Terms of the agreements call for amounts owed to the Signatory Airlines be applied to any balances owed by the airlines for current year rates and charges. Airport management has estimated a rebate amount due to the airlines for the year ended June 30, 2009, totaling \$261,000, with a net amount due to the airlines at June 30, 2009, for current and prior year amounts totaling \$287,339. This is included in amounts due to tenants on the accompanying Statement of Net Assets. US Airways, Spirit Airlines, United Airlines, ASA and Comair were signatory airlines as of June 30, 2009. DirectAir was a signatory indirect air carrier as of June 30, 2009.

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, 2009 for landfill closure and postclosure care represents the cumulative expense reported to date based on 100%, 90.0%, and 36.0% utilization of the estimated total capacity of the unlined, and Subtitle D (Class 3) landfill sites and construction and demolition respectively.

	<i>(amounts shown in thousands)</i>			
	Unlined	Subtitle D (Class 3)	Construction & Demolition	Total
Closure Costs	\$ 1,267	\$ 5,420	\$ 3,800	\$ 10,487
Postclosure Care Costs	N/A	5,229	2,152	7,381
Total	\$ 1,267	\$ 10,649	\$ 5,952	\$ 17,868

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.

	<u>Closure Costs</u>	<u>Postclosure Care Costs</u>
Construction and Demolition - East Hill	\$ 7,297	\$ N/A
Unlined / Construction and Demolition	N/A	1,342
Subtitle D (Class 3)	1,086	581
	<u>\$ 8,383</u>	<u>\$ 1,923</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, 2011. 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, 2009, the HCSWA is in compliance with federal and state financial assurance requirements.

In accordance with formal resolutions of the HCSWA's Board of Directors, \$7,101,391 and \$8,626,667 of cash, cash equivalents and investments at June 30, 2009 are designated for landfill closure and postclosure care costs, respectively. These amounts are included in unrestricted net assets on the balance sheet. If the designated funds are inadequate or additional closure and postclosure care requirements are mandated or otherwise found to be necessary (due to changes in technology or applicable laws or regulations, for example) these costs need to covered through additional charges to future landfill users.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 12. Net Assets and Fund Balances

Net assets:

Net assets of the government-wide and proprietary fund financial statements represent the difference between assets and liabilities. Reported amounts for invested in capital assets and restricted net assets are as follows at June 30, 2009:

	<i>(amount shown in thousands)</i>			
	Governmental	Business-type	Component Units	
	Activities	Activities	SHBS	HCSWA
<u>Invested in Capital Assets, Net of Related Debt:</u>				
Net capital assets:				
Primary Government	\$ 604,142	\$ 98,132	\$ -	\$ -
Internal Service Fund	-	-	-	-
Component units	-	-	1,136	37,285
Less, G.O., special revenue bonds payable and capital leases, net of unspent proceeds	(113,441)	(8,896)	(436)	-
Less, construction and retainage payable for capital items	(2,151)	(2,099)	-	-
Total invested in capital assets, net of related debt	<u>\$ 488,550</u>	<u>\$ 87,137</u>	<u>\$ 700</u>	<u>\$ 37,285</u>
<u>Restricted:</u>				
Restricted cash and cash equivalents plus restricted funds held in trust, less, liabilities payable from restricted assets:				
Capital projects	\$ 39,650	\$ 803	\$ -	\$ -
Road maintenance	359	-	-	-
Register of Deeds	-	-	-	-
Fire special revenue	2,003	-	-	-
Infrastructure development	105,825	-	-	-
Debt service	27,659	26,091	-	-
RIDE program	41,173	-	-	-
Freight claims	51	-	-	-
Substance abuse prevention	-	-	609	-
DSS federal revenue	-	-	-	-
Cultural	107	-	-	-
Baseball	241	-	-	-
Underground storage tanks	50	-	-	-
Environmental services	69	-	-	-
Total restricted net assets	<u>\$ 217,187</u>	<u>\$ 26,895</u>	<u>\$ 609</u>	<u>\$ -</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 12. Net Assets and Fund Balances (continued)

Fund Balance:

Fund balance in the General Fund as of June 30, 2009 consists of the following:

Reserved	\$ 1,173,801
Unreserved:	
Designated	<u>5,309,157</u>
Total Unreserved- designated for subsequent years' expenditures	5,309,157
Undesignated	<u>24,340,740</u>
Total fund balance	<u><u>\$ 30,823,698</u></u>

As required by the County's Financial Policies Ordinance, the undesignated fund balance of the General Fund should be maintained at a level of at least 15% of the General Fund operating budget. The adopted General Fund operating budget for fiscal year 2010 includes total expenditures and other uses of \$132,254,822. The currently required undesignated fund balance level is \$19,388,223. The undesignated fund balance as of June 30, 2009 is \$4,952,517 above this required level.

At June 30, 2009, the following funds had deficit fund balances: Victim Witness (\$81,107), and Arcadian Shores (\$264,061). The Victim Witness and Arcadian Shores deficit fund balances will be repaid from future tax revenues and fee increases. The CDBG program is a HUD reimbursement program and reimbursement funds will cross over fiscal years.

Note 13. Capital Contributions

For the governmental activities, capital contributions during the fiscal year ended June 30, 2009, is as follows

	<i>(amount shown in thousands)</i>
	Governmental
	Activities
Donated land and equipment	<u>\$ 80</u>
Total	<u><u>\$ 80</u></u>

For the proprietary (enterprise) funds, capital contributions during the fiscal year ended June 30, 2009, are as follows:

	<i>(amount shown in thousands)</i>
	Business -Type
	Activities
Grants and other cash contributions	<u>\$ 4,081</u>
Total	<u><u>\$ 4,081</u></u>

Capital contributions in the discretely presented component unit HCSWA for the fiscal year ended June 30, 2009, are as follows:

	<i>(amounts shown in thousands)</i>
	HCSWA
Grants and other cash contributions	<u>\$ 114</u>
Totals	<u><u>\$ 114</u></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 plan provides retirement, disability and death benefits to plan members and beneficiaries. The County's 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 the SCPORS, respectively. The total payroll for the year ended June 30, 2008, was approximately \$72,997, of which \$38,990 and \$30,484 were for employees covered by the SCRS and SCPORS, respectively. The total payroll for the year ended June 30, 2007 was approximately \$67,704, of which \$37,616 and \$29,303 were for employees covered by the SCRS and the SCPORS, respectively.

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

The County's required contributions to the SCRS for employer and employee portions for the year ended June 30, 2009 expressed as a dollar amount and as a percentage of covered payroll in 2009 were \$3,891 and 9.2% 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. The County's required contributions to the SCRS for employer and employee portions for the years ended June 30, 2008, expressed as a dollar amount and as a percentage of covered payroll in 2008 were \$3,693 and 9.06% and \$2,592 and 6.5%, respectively, and the contributions to the SCPORS for the employer and employee portions were \$3,226 and 10.3% and \$2,036 and 6.5%, respectively. The County's required contributions to the SCRS for employee portions for the years ended June 30, 2007 expressed as a dollar amount and as a percentage of covered payroll in 2007 were \$3,047 and 8.1% and \$2,445 and 6.5% respectively, and the contributions to the SCPORS for the employer and employee portions were \$3,018 and 10.3% and \$1,905 and 6.5%, respectively.

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, 2009 expressed as a dollar amount and as a percentage of covered payroll were approximately \$63 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 \$70 and 0.20%.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

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

Employees of SBHS are also members of SCRS. Employer and employee contributions expressed as a percentage of covered payroll are 9.2% and 6.50%, respectively. Total payroll for the year ended June 30, 2009 was \$1,260 of which \$1,107 was for employees covered by SCRS. SBHC's contributions for the three most recent fiscal years ended June 30, 2009, 2008 and 2007 were \$104, \$103 and \$86, respectively. The contribution requirements of plan members and the HCSWA are established and may be amended by the SCRS and are currently 6.50% and 9.39%. The HCSWA's contributions for the fiscal year ended June 30, 2009, 2008 and 2007 were \$365, \$330, and \$275, 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 2009, these costs totaled \$860 net of \$432 of retiree contributions. As of year-end, there were 165 employees that were receiving benefits.

Other post employment healthcare benefits –

Plan Description

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

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

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

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

HCSWA:

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

Funding Policy

Horry County currently pays for post-employment benefits on a pay-as-you-go basis. For fiscal year 2009, the County contributed \$428,175 for current premiums of existing retirees. Horry County is currently studying various funding alternatives and/or modifications to the existing plan. These financial statements assume that a paygo funding policy will continue.

HCSWA:

HCSWA currently pays for post-employment benefits on a pay-as-you-go basis. For fiscal year 2009, the County contributed \$5,709 for current premiums of existing retirees.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

Annual OPEB costs and Net OPEB Obligation

The County'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 costs 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 Unit
	General	Police	Airport		HCSWA
Employer Normal Costs	\$1,740,329	\$1,639,646	\$109,086	\$3,489,061	\$216,936
Amortization of UAL*	<u>1,340,514</u>	<u>795,413</u>	<u>50,938</u>	<u>2,186,865</u>	<u>N/A</u>
Annual Required Contribution (ARC)	\$3,080,843	\$2,435,059	\$160,024	\$5,675,926	\$216,936
Interest on Net OPEB Obligation	\$122,623	\$101,722	\$6,991	\$231,336	\$9,528
Adjustment to ARC	\$(113,609)	\$(94,244)	\$(6,477)	\$(214,331)	-
Annual OPEB Costs	\$3,089,857	\$2,442,557	\$160,538	\$5,692,932	\$226,464
Contributions made	321,156	107,019	-	428,175	5,709
Increase in net OPEB obligation	\$2,768,701	\$2,335,518	\$160,538	\$5,264,757	\$220,755
Net OPEB Obligation- beginning of year	\$2,724,961	\$2,260,483	\$155,363	\$5,140,807	\$211,724
Net OPEB Obligation – end of year	\$5,493,662	\$4,596,001	\$315,901	\$10,405,564	\$432,479

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

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the preceding year are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$5,510,608	6.71%	\$5,140,807
2009	\$5,692,932	7.52%	\$10,405,564

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

The HCSWA's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$216,936	2.40%	\$211,724
2009	\$226,464	2.50%	\$432,479

Funded Status and Funding Progress

The funded status of the plans as of June 30, 2009, was as follows:

	Governmental		Business-type	Component Unit
	General	Police	Airport	HCSWA
Actuarial accrued liability	\$33,737,013	\$21,214,682	\$1,366,632	\$2,085,714
Actuarial value of plan assets	-	-	-	-
Unfunded actuarial accrued liability	\$33,737,013	\$21,214,682	\$1,366,632	\$2,085,714
Funded Ratio	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$36,659,940	\$33,011,365	\$4,338,620	\$3,270,011
Unfunded actuarial accrued liability as a percentage of covered payroll	92.03%	64.26%	31.50%	63.78%

Actuarial Methods and Assumptions

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

In the June 30, 2007, actuarial valuation, the projected unit credit cost method was used. The UAAL amortization payment is the level percent of payroll (assumed to increase 3%) required to fully amortize the UAAL over a 30 year period or closed basis. The actuarial assumptions included 4.5% rate of investment return. The valuation assumes a 9.0% health care trend inflation rate for 2008 and decreases 0.5% each year until 2017, for 2018 and thereafter 4.5% 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 14. Employee Benefit Plans (continued)

HCSWA:

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

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 activity, generate approximately 76% of the Airport's revenues or just over \$12.8 million of \$16.8 million net operating revenue. Signatory Airlines generate \$4.0 million in revenue after surcharges.

Rates and charges of Signatory Airlines, which serve the MYR, represented 24% in both fiscal years 2009 and 2008, of the total operating revenues reported for the MYR. Of the leading Signatory Airline carriers, Spirit Airlines 40% of the airline traffic, U.S. Airways represents 26%, ASA (including Comair & Chautauqua) 14%, United Airlines 3%, and DirectAir 8%.

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

For the year ended June 30, 2009, three customers make up approximately 44% of the accounts receivable balance. For year ended June 30, 2008, three customers made up approximately 56% of the accounts receivable balance.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 15. Segment Information (continued)

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 \$1,725,761 and \$1,727,659, in non-operating revenues for funds received from this trust fund during the years ended June 30, 2009 and 2008, respectively.

Note 16. Joint Enterprise - Baseball Stadium

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

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

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

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

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

While the stadium is under joint control by the City and County, no separate entity or organization of the baseball stadium exists as of June 30, 2009. 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.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements - RIDE Projects

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

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

These agreements are summarized as follows:

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

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

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

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements - RIDE Projects (continued)

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

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

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

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

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements - RIDE Projects (continued)

Amendment to Master Loan Agreement

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

Intergovernmental Agreement #3 - dated May 21, 2002

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

Term of Agreement and Contribution by Horry

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

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

Amendments to Previous Agreements

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 17. Intergovernmental Agreements – RIDE Projects (continued)

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

Note 18. Commitments and Contingencies

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

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

Federal and State Assisted Programs

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

Commitments

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 18. Commitments and Contingencies (continued)

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, 2009 for \$286,446.

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

The discretely presented component unit HCSWA entered into a contract in conjunction with the construction of a maintenance building. The cost of the contract totals \$635,400 of which \$53,542 had been incurred as of June 30, 2009.

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, 2009, there were no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded the County's coverage in any of the past three (3) years.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

Capital assets	692,294,873
Less, accumulated depreciation	(93,333,087)
Net amount reported	<u>598,961,786</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	8,996,012
Accommodations Tax	632,382
Capital Project Sales Tax	11,601,344
Net amount reported	<u>21,229,738</u>

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

Deferred charges, net	(617,665)
Unamortized bond premium	1,421,495
Net amount reported	<u>803,830</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.

13,444,364

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	(7,186,203)
Long-term bond and other obligations	(502,512,496)
Less: Net present value adjustment of RIDE loans	14,705,562
Net amount reported	<u>(494,993,138)</u>

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

Capital outlay expenditures	\$ 59,558,926
Depreciation expense	<u>(13,600,835)</u>
Net amount reported	<u>\$ 45,958,091</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 & Accomodations tax	\$ 3,473,308
Capital contributions (revenue)	<u>80,000</u>
Net amount reported	<u>\$ 3,553,308</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	\$ (5,104,219)
Change in accrued interest expense	(567,994)
Accrued compensated absences	<u>(410,093)</u>
Net amount reported	<u>\$ (6,082,306)</u>

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

Proceeds from bonds	\$ (8,155,000)
Principal repayments of long-term debt and other related costs	<u>42,026,938</u>
Net amount reported	<u>\$ 33,871,938</u>

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

	<u>\$ 1,124,603</u>
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HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 21 New Accounting Pronouncements

In August of 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. The Statement generally requires that state and local governmental employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. The provisions of Statement 45 may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded actuarial liability is required to be amortized over future periods. This Statement, which was effective for the County for the year ended June 30, 2008, has a resulting government-wide liability stated of \$10,405,564 as of June 30, 2009.

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

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.

In June of 2008, the GASB issued Statement NO. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement is intended to improve how state and local governments report information about derivative instruments—financial arrangements used by governments to manage specific risks or make investments—in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements and is effective for financial statements for reporting periods beginning after June 15, 2009, with earlier application encouraged.

HORRY COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 22. Changes in Accounting Principle and Prior Period Adjustment

The County changed the classification of the Baseball Stadium from an Enterprise Fund to a Special Revenue Fund. This fund was created to record revenues and expenses related to the management of the Baseball Stadium. Originally, the fund would have generated a profit if the baseball team's revenues exceeded the gross amount of revenues per the revenue sharing agreement. However, these gross revenues have never exceeded the amount per the revenue sharing agreement and the primary source of revenues is a very small amount from private rentals. The debt repayment associated with the development of this property is paid from the Hospitality tax revenues. The debt is now being recorded and paid from the Special Obligation Debt Service Fund. This change had an impact on both the government-wide and the fund level financial statements.

Capital Project Sales Tax expenditures were accounted for in prior years as an expenditures of the period. However, those expenditures should have been construction in progress since it relates to new road paving and road way widening. This additional sales tax will improve the road infrastructure within the County but also increase the amount of county maintenance for roadways in the future. This change affects only the government-wide statements.

The following table indicates the effect of this reclassification on the County's financial statements at July 1, 2008:

The following is the restatement of net assets for governmental activities:	(in thousands)
Net assets reported at June 30, 2008	\$323,389
Prior Period Adjustment for Capital Project Sales Tax	5,839
Effect of fund reclassification on the County's financial statements	<u>2,871</u>
Restated balance at June 30, 2008	<u>\$332,099</u>

The following is the restatement of net assets for business-type activities:	
Net assets reported at June 30, 2008	\$150,679
Effect of fund reclassification on the County's financial statements	<u>(2,871)</u>
Restated balance at June 30, 2008	<u>\$147,808</u>

Fund balance restatement:	Governmental	Proprietary
	Funds	Funds
Fund balance as reported at June 30, 2008	\$270,815,860	\$150,678,486
Effect of fund reclassification on the County's financial statements	<u>262,308</u>	<u>(2,871,254)</u>
Restated balance at June 30, 2008	<u>\$271,078,168</u>	<u>\$147,807,232</u>

REQUIRED SUPPLEMENTARY INFORMATION

HORRY COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULES
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2009
 (with comparative actual amounts for for the year ended June 30, 2008)

	2009			2008	
	Budget		Actual Amounts	Variance	Actual
	Original	Final		Positive (Negative)	
Revenues					
Real property taxes	\$ 65,559,522	\$ 64,759,522	\$ 62,179,876	\$ (2,579,646)	\$ 55,381,163
Personal property taxes	5,597,500	5,597,500	5,314,920	(282,580)	5,193,398
Vehicle taxes	5,250,000	5,250,000	4,856,819	(393,181)	5,001,434
Intergovernmental	15,101,198	15,319,734	13,230,374	(2,089,360)	14,374,003
Fees and fines	16,532,114	16,416,024	17,733,220	1,317,196	15,832,437
Documentary stamps	4,850,000	3,850,000	2,406,177	(1,443,823)	4,355,593
License and permits	9,916,830	9,116,830	7,550,972	(1,565,858)	9,999,046
Interest on investments	1,833,203	1,833,203	948,626	(884,577)	1,884,319
Cost allocation	1,692,225	1,692,225	2,099,992	407,767	1,684,499
Other	4,126,444	4,303,289	3,704,275	(599,014)	2,402,698
Total revenues	<u>130,459,036</u>	<u>128,138,327</u>	<u>120,025,251</u>	<u>(8,113,076)</u>	<u>116,108,590</u>
Expenditures					
General Government:					
County Council	1,547,648	1,702,754	1,259,630	443,124	1,585,604
County Administrator	559,930	495,873	366,304	129,569	301,347
Administration Division	198,490	1,175,047	165,117	1,009,930	161,406
Finance	1,479,454	1,479,843	1,377,552	102,291	1,409,178
Department overhead	6,416,569	6,099,639	3,204,876	2,894,763	2,996,963
Human Resources	1,392,067	1,182,304	1,006,955	175,349	961,683
Procurement	429,132	439,554	336,498	103,056	360,733
County Engineer	1,325,775	1,342,224	1,240,508	101,716	1,221,010
Information Technology	6,535,491	6,347,258	5,929,211	418,047	4,836,277
Assessor	3,056,981	3,098,046	2,928,627	169,419	2,852,426
Assessor Appeals Board	12,747	12,747	3,892	8,855	1,135
Registrar of Mesne Conveyance	1,405,800	1,303,554	1,118,596	184,958	1,314,747
Maintenance	4,697,700	4,619,533	4,116,014	503,519	4,099,913
Voter Registration and Election	578,092	502,575	443,078	59,497	643,387
Public Information/Employee Relation	361,140	317,415	273,770	43,645	283,620
Budget and Revenue Management	194,508	198,662	171,238	27,424	191,116
Treasurer	1,797,451	1,790,465	1,767,708	22,757	1,726,174
Auditor	1,390,075	1,422,263	1,374,762	47,501	1,339,806
Records Retention	276,154	270,004	222,199	47,805	263,102
Probate Judge	915,150	910,556	880,295	30,261	856,892
Master-in-equity	272,044	309,159	361,120	(51,961)	265,510
Legal	996,409	1,025,440	842,470	182,970	979,160
Grant Administration	1,635,182	1,376,760	1,231,156	145,604	1,267,397
Delegation	96,875	102,300	99,480	2,820	94,017
Hospitality	295,117	289,220	279,718	9,502	275,889
Business License	224,748	221,261	199,216	22,045	193,840
Total	<u>38,090,729</u>	<u>38,034,456</u>	<u>31,199,990</u>	<u>6,834,466</u>	<u>30,482,332</u>
Less, capital outlay	(55,409)	(506,617)	(390,023)	(116,594)	(339,192)
Net general government	<u>38,035,320</u>	<u>37,527,839</u>	<u>30,809,967</u>	<u>6,717,872</u>	<u>30,143,140</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND

- CONTINUED -

	2009			2008	
	Budget		Actual Amounts	Variance	Actual
	Original	Final		Positive (Negative)	
Public Safety:					
Solicitor	5,214,732	5,332,388	5,213,774	118,614	5,053,497
Public Defender	-	663,453	632,539	30,914	-
Clerk of Court - Circuit DSS Family	2,484,385	2,538,527	2,443,747	94,780	2,411,030
Magistrate No. 1 Conway	267,523	278,363	274,629	3,734	254,157
Magistrate No. 2 Aynor	174,981	179,402	165,703	13,699	173,777
Magistrate No. 4 Mt. Olive	195,261	204,974	198,168	6,806	189,030
Magistrate No. 5 Loris	172,793	179,865	182,120	(2,255)	99,109
Magistrate No. 6 Myrtle Beach	327,365	336,866	319,861	17,005	300,873
Magistrate No. 7 Steven Cross Road	205,573	217,478	212,650	4,828	206,494
Magistrate No. 11 Surfside	179,083	183,936	170,021	13,915	172,595
Magistrate at Large No. 1	104,210	110,318	110,456	(138)	100,572
Magistrate at Large No. 2	328,340	342,071	331,419	10,652	329,443
Central Summary Court	376,049	388,185	317,738	70,447	344,908
Central Jury Court	211,030	212,403	181,454	30,949	203,024
800 MHZ Rebanding	141,200	259,341	55,775	203,566	-
Public Safety Division Director	307,432	1,336,542	323,649	1,012,893	305,956
Sheriff	3,094,420	3,159,236	3,055,235	104,001	3,034,300
Police	19,334,046	19,731,419	19,065,272	666,147	18,268,267
Central Processing - DSS	58,403	59,910	63,576	(3,666)	60,227
Emergency Preparedness	373,703	386,631	383,384	3,247	330,127
Emergency 911 Communications	3,534,697	3,404,959	3,273,227	131,732	3,142,315
Coroner	713,288	724,751	699,734	25,017	657,979
Detention Center	15,872,034	15,655,462	14,928,960	726,502	12,981,233
Emergency Medical Services	14,250,663	14,449,692	13,786,924	662,768	12,309,582
Beach Front Program	46,021	47,804	43,941	3,863	41,325
Environmental Services	1,014,115	1,130,890	1,044,405	86,485	1,040,297
Pre-trial Intervention	607,247	618,608	584,446	34,162	512,547
Total	69,588,594	72,133,474	68,062,807	4,070,667	62,522,664
Less, capital outlay	(733,391)	(905,975)	(710,006)	(195,969)	(161,993)
Net public safety	68,855,203	71,227,499	67,352,801	3,874,698	62,360,671

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULES

GENERAL FUND

- CONTINUED -

	2009			2008	
	Budget		Actual Amounts	Variance	Actual
	Original	Final		Positive (Negative)	
Expenditures (continued)					
Health and Social Services:					
Veteran Affairs	136,182	139,745	116,423	23,322	132,084
Total	136,182	139,745	116,423	23,322	132,084
Net health and social services	136,182	139,745	116,423	23,322	132,084
Infrastructure and Regulation:					
Infrastructure & Regulation Division Director	258,849	662,850	244,728	418,122	220,173
Public Works	7,421,682	8,330,774	6,266,485	2,064,289	6,111,086
Codes Enforcement	3,414,970	3,272,379	2,973,826	298,553	3,014,118
Planning	1,785,308	1,853,644	1,690,792	162,852	1,814,023
Total	12,880,809	14,119,647	11,175,831	2,943,816	11,159,400
Less, capital outlay	(22,500)	(413,700)	(391,153)	(22,547)	(26,988)
Net infrastructure and regulation	12,858,309	13,705,947	10,784,678	2,921,269	11,132,412
Culture, Recreation, and Tourism:					
Library	4,005,661	3,925,479	3,709,423	216,056	3,782,906
Museum	408,038	399,371	298,864	100,507	272,941
Total	4,413,699	4,324,850	4,008,287	316,563	4,055,847
Net culture, recreation and tourism	4,413,699	4,324,850	4,008,287	316,563	4,055,847
Other:					
State Mandated Supplements:					
Health Department	216,922	216,922	124,936	91,986	193,816
Department of Social Services	113,295	113,295	73,229	40,066	93,263
Total	330,217	330,217	198,165	132,052	287,079
Other Agencies:					
Waccamaw Regional Planning Council	39,308	39,308	39,308	-	39,308
Rescue Squads:					
Aynor	12,000	12,000	12,000	-	12,000
Horry	12,000	12,000	12,000	-	12,000
Myrtle Beach	12,000	12,000	12,000	-	12,000
North Myrtle Beach	12,000	12,000	12,000	-	12,000
Northern Horry	12,000	12,000	12,000	-	12,000
Mount Olive	12,000	12,000	8,569	3,431	12,000
Surfside	12,000	12,000	12,000	-	12,000

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND

- CONTINUED -

	2009			2008	
	Budget		Actual Amounts	Variance Positive (Negative)	Actual
	Original	Final			
Expenditures (continued)					
Other (cont.):					
Other Agencies (cont.):					
Waccamaw EOC	20,000	20,000	20,000	-	-
Coastal Rapid Transit Authority	300,000	300,000	300,000	-	-
Waccamaw Center of Mental Health	30,000	30,000	30,000	-	30,000
Horry-Georgetown Youth Advocate	9,000	9,000	9,000	-	12,500
Disabilities and Special Needs	25,000	25,000	25,000	-	57,500
Cedar Branch	6,000	6,000	6,000	-	12,000
Childrens Museum of SC	11,000	11,000	11,000	-	11,000
Chapin Memorial Library	60,000	60,000	60,000	-	60,000
Conway Chamber of Commerce	1,250	1,250	1,250	-	1,875
Careteam	5,000	5,000	5,000	-	8,000
Cooperative Extension	5,000	5,000	5,000	-	5,000
Salvation Army	8,000	8,000	8,000	-	-
Public Defender	832,775	456,387	456,388	(1)	808,600
Shoreline Behavior	45,000	45,000	45,000	-	45,000
Citizens Against Spouse Abuse	25,000	25,000	25,000	-	20,000
Shelter Home	25,000	25,000	25,000	-	25,000
Children Recovery Center	15,000	15,000	15,000	-	15,000
Grand Strand Community Against Rape	10,000	10,000	10,000	-	10,000
Shared Care	20,000	20,000	20,000	-	27,500
Horry County Historical Society	5,000	5,000	5,000	-	5,000
Step Up	20,000	20,000	19,845	155	27,500
Friendship Medical Clinic	2,500	2,500	2,500	-	1,250
City of Character	6,000	6,000	6,000	-	6,000
Salvation Army- Boys & Girls Club	8,000	8,000	8,000	-	7,500
St Delight Community Outreach	2,500	2,500	2,500	-	3,750
Grand Strand Miracle League	10,000	10,000	10,000	-	10,000
Boys & Girls Club of the Grand Strand	8,000	8,000	8,000	-	8,000
Empowerment Kids café	5,625	5,625	5,625	-	7,500
A Father's Place	5,625	5,625	5,625	-	7,500
American Red Cross	8,200	8,200	8,200	-	-
Capture Inc.	12,000	12,000	12,000	-	-
Total	<u>1,669,783</u>	<u>1,293,395</u>	<u>1,289,810</u>	<u>3,585</u>	<u>1,356,283</u>
Net other	<u>2,000,000</u>	<u>1,623,612</u>	<u>1,487,975</u>	<u>135,637</u>	<u>1,643,362</u>
Capital outlay	<u>811,300</u>	<u>1,826,292</u>	<u>1,491,182</u>	<u>335,110</u>	<u>528,173</u>
Total expenditures	<u>127,110,013</u>	<u>130,375,784</u>	<u>116,051,313</u>	<u>14,324,471</u>	<u>109,995,689</u>
Excess of revenues over expenditures	<u>3,349,023</u>	<u>(2,237,457)</u>	<u>3,973,938</u>	<u>6,211,395</u>	<u>6,112,901</u>
Other Financial Sources (Uses)					
Sale of assets	232,100	470,242	391,967	(78,275)	290,511
Transfers in	2,619,649	2,635,649	2,585,351	(50,298)	1,632,901
Transfers out	(7,150,772)	(5,180,225)	(5,210,571)	(30,346)	(5,881,978)
Total other financing sources (uses)	<u>(4,299,023)</u>	<u>(2,074,334)</u>	<u>(2,233,253)</u>	<u>(158,919)</u>	<u>(3,958,566)</u>
Net change in fund balance	(950,000)	(4,311,791)	1,740,685	6,052,476	2,154,335
Fund balance at beginning of year	26,928,678	29,083,013	29,083,013	-	26,928,678
Fund balance at end of year	<u>\$ 25,978,678</u>	<u>\$ 24,771,222</u>	<u>\$ 30,823,698</u>	<u>\$ 6,052,476</u>	<u>\$ 29,083,013</u>

See accompanying independent auditors's report.

Horry County, South Carolina
 Budgetary Comparison Schedules
 HOSPITALITY 1.5% Fund
 For the Year Ended June 30, 2009
 (with comparative actual amounts for for the year ended June 30, 2008)

	2009			Variance Positive (Negative)	2008
	Budget		Actual (GAAP Basis)		Actual
	Original	Final			
Revenues					
Fees and fines	\$ 32,415,730	\$ 32,415,730	\$ 28,329,396	\$ (4,086,334)	\$ 30,418,755
Interest on investments	65,000	65,000	39,230	(25,770)	128,935
Total revenues	<u>32,480,730</u>	<u>32,480,730</u>	<u>28,368,626</u>	<u>(4,112,104)</u>	<u>30,547,690</u>
Excess of revenues over expenditures	32,480,730	32,480,730	28,368,626	(4,112,104)	30,547,690
Other financing sources (uses)					
Transfers out - RIDE debt service	(32,162,730)	(32,162,730)	(28,062,917)	4,099,813	(30,174,250)
Transfers out - general fund	(318,000)	(318,000)	(278,538)	39,462	(492,542)
Total other financing sources (uses)	<u>(32,480,730)</u>	<u>(32,480,730)</u>	<u>(28,341,455)</u>	<u>4,139,275</u>	<u>(30,666,792)</u>
Net change in fund balance	-	-	27,171	27,171	(119,102)
Fund balance at beginning of year	6,415	6,415	6,415	-	125,517
Fund balance at end of year	<u>\$ 6,415</u>	<u>\$ 6,415</u>	<u>\$ 33,586</u>	<u>\$ 27,171</u>	<u>\$ 6,415</u>

See accompanying independent auditors's report.

**HORRY COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENTS THAT USE THE
MODIFIED APPROACH FOR INFRASTRUCTURE ASSETS
FOR THE YEAR END JUNE 30, 2009**

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

Horry County's road system consists of approximately 44.8% paved roads and 55.2% unpaved roads. The condition of the road pavement is measured using several distress factors found in pavement surfaces. The pavement management system uses a measurement scale that is based on a condition index ranging from 1 for failed pavement to 5 for a pavement in perfect condition. The condition index is used to classify roads in good or better condition (rating 4 or 5), fair condition (rating 3), and substandard condition (rating 1 or 2). It is the County's goal to maintain at least 60 percent of its street system at fair or better condition level. No more than 40 percent should be in a substandard condition. Condition assessments are determined every year.

The county created a long-term road improvement program that had been paving at least 16 miles of dirt roads per year for the last five years. In FY09, as a result of an expected revenue shortfall this was decreased to 14.5 miles and in FY10 it has been further reduced to 9.7 miles per year. As these roads are paved, they become part of the County's pavement management system.

The actual maintenance of the unpaved roads involves scraping each road every 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 44%.
- 2) Asphalt costs have increased 50% as a result of rising oil prices, which has reduced the resurfacing program.
- 3) In May 2007, a one-cent sales tax was passed and is dedicated to specific road projects, included is the resurfacing of 67 miles of County maintained roads over a 7 year period.
- 4) Horry County is in the process of implementing a formal pavement management system (MicroPaver) which will provide a more scientific analysis of the paved road network. Upon full implementation of the MicroPaver system, Horry County's road condition summary could change.
- 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		
	2009	2008	2007
Arterial	64.1%	71.0%	80.0%
Collector	66.6%	66.9%	69.0%
Access	65.6%	71.4%	76.0%
Overall system	65.6%	71.0%	76.0%

	Percentage of Miles in Substandard		
	Condition		
	2009	2008	2007
Arterial	35.9%	29.0%	20.0%
Collector	33.4%	33.1%	31.0%
Access	34.4%	28.6%	20.0%
Overall System	34.4%	29.0%	20.0%

HORRY COUNTY, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION FOR GOVERNMENT'S THAT USE THE
 MODIFIED APPROACH FOR INFRASTRUCTURE ASSETS

- CONTINUED -

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

	<u>Comparison of Needed-To-Actual Maintenance/Preservation</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Arterial:</u>					
Needed	\$ 304,911	\$ 225,145	\$ 206,555	\$ 92,950	\$ -
Actual	84,912	205,436	-	-	-
<u>Collector:</u>					
Needed	871,842	833,136	816,000	816,000	295,800
Actual	147,800	102,718	56,821	78,477	90,091
<u>Access:</u>					
Needed	6,716,057	5,366,741	4,941,750	4,941,750	917,400
Actual	1,231,778	1,558,480	184,055	275,778	95,412
<u>Overall System:</u>					
Needed	7,892,810	6,425,022	5,964,305	5,850,700	1,213,200
Actual	1,464,490	1,866,634	240,876	354,255	185,503
Difference	\$ 6,428,320	\$ 4,558,388	\$ 5,723,429	\$ 5,496,445	\$ 1,027,697

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

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

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

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

At June 30, 2009, the Airport's airfield infrastructure systems of MYR, Conway, Loris and Grand Strand are considered by management to be good or better condition. The Department completed a project that rehabilitated MYR Taxiway "J" South and a portion of MYR Runway 18-36 at a cost of approximately \$3.8 million. Work was also completed on the rehabilitation of the apron and runway at Conway Airport. A \$300,000 overlay of the Loris Airport runway was completed in fiscal year 04, however, a new condition assessment has not been completed as of June 30, 2009. Therefore, the PCI Value of 27 for Loris above does not take into account the overlay. A pavement rejuvenation program at Grand Strand Airport and Conway Airport was completed in fiscal year 05. The Airport intends to preserve its eligible infrastructure in accordance with its current Airport Layout Plans (ALP) and as required by the FAA.

The Airport is obligated by the FAA to maintain a current ALP for its airports. In order to maintain a current ALP, the Airport reviews and updates its Master Plan approximately every five years. The Airport is currently updating the MYR ALP which should be complete in fiscal year 2010. The Master Plan forecasts activities and needs of the Airport for a 20-year period.

The Airport is planning to complete a PCI study for MYR in fiscal year 2010. The State of South Carolina has advised the Airport that they expect to complete a PCI study on the state's general aviation airports, including CRE, HYW and 5J9, within the next few years.

See accompanying independent auditors' report.

Horry County, South Carolina
 Required Supplementary Information for Government
 Schedule of Funding Progress Other
 Post Employment Benefits Plan

- CONTINUED -

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 Contributed	Net OPEB Obligation
2008	\$5,510,608	6.71%	\$5,140,807
2009	\$5,692,932	7.52%	\$10,405,564

See accompanying independent auditors' report.

OTHER FINANCIAL INFORMATION

COMBINING NON-MAJOR
GOVERNMENTAL FINANCIAL STATEMENTS

HORRY COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEETS
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2009

	Non-Major Special Revenue Funds	Non-Major Capital Improvement Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,306,646	\$ -	\$ -	\$ 3,306,646
Equity in pooled cash and investments	40,608,335	189,870	16,394,601	57,192,806
Funds held in trust	-	-	11,014,593	11,014,593
Receivables, net:				
Property taxes	3,630,278	-	2,055,326	5,685,604
Accounts and other	2,747,996	-	-	2,747,996
Fees	367,997	-	-	367,997
Interest receivable	202,725	2,717	96,166	301,608
Due from other funds	1,037,253	-	-	1,037,253
Due from other governments	2,050,796	-	-	2,050,796
Prepaid items	34,165	-	-	34,165
Total Assets	\$ 53,986,191	\$ 192,587	\$ 29,560,686	\$ 83,739,464
Liabilities and Fund Balances				
Liabilities:				
Accounts payable - trade	\$ 2,002,296	\$ -	\$ -	\$ 2,002,296
Accounts payable - other	12,211	-	-	12,211
Accrued salaries and wages	394,140	-	-	394,140
Due to other funds	3,589,786	-	-	3,589,786
Due to other governments	72,870	-	-	72,870
Due to component units	778,073	-	-	778,073
Deferred revenue	5,214,451	-	1,901,985	7,116,436
Other liabilities	23	-	-	23
Total liabilities	12,063,850	-	1,901,985	13,965,835
Fund Balances:				
Reserved for:				
Encumbrances	2,191,505	-	-	2,191,505
Prepaid items	34,165	-	-	34,165
Debt service	-	-	27,658,701	27,658,701
Road maintenance	358,674	-	-	358,674
Cultural	107,194	-	-	107,194
Baseball Stadium Park	240,659	-	-	240,659
Infrastructure development	1,280,460	-	-	1,280,460
Designated for debt service	605,659	-	-	605,659
Unreserved/designated	3,115,552	192,587	-	3,308,139
Unreserved/undesignated	33,988,473	-	-	33,988,473
Total fund balances	41,922,341	192,587	27,658,701	69,773,629
Total liabilities and fund balances	\$ 53,986,191	\$ 192,587	\$ 29,560,686	\$ 83,739,464

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Non-Major Special Revenue Funds	Non-Major Capital Improvement Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Revenues				
Real property taxes	\$ 22,669,538	\$ -	\$ 12,784,497	\$ 35,454,035
Personal property taxes	2,342,633	-	1,139,424	3,482,057
Vehicle taxes	2,486,882	-	1,046,512	3,533,394
Intergovernmental	8,072,133	-	59,544	8,131,677
Accommodations tax	865,217	-	-	865,217
Fees and fines	19,037,947	-	-	19,037,947
Interest on investments	692,864	2,431	985,396	1,680,691
Other	634,676	8,000	-	642,676
Total revenues	56,801,890	10,431	16,015,373	72,827,694
Current:				
Public safety	17,456,742	-	-	17,456,742
Infrastructure and regulation	18,423,600	-	-	18,423,600
Health and social services	750,189	-	-	750,189
Culture, recreation and tourism	4,813,097	-	-	4,813,097
Economic development	765,822	1,526,004	-	2,291,826
TECH and Higher Education Commission	-	-	4,170,000	4,170,000
Capital outlay	943,501	-	-	943,501
Debt service	-	-	15,980,938	15,980,938
Total expenditures	43,152,951	1,526,004	20,150,938	64,829,893
Excess (deficiency) of revenues over (under) expenditures	13,648,939	(1,515,573)	(4,135,565)	7,997,801
Other Financing Sources (Uses)				
Transfers in	4,270,930	-	3,913,376	8,184,306
Issuance of bonds	-	-	8,155,000	8,155,000
Sale of property	7,683	-	-	7,683
Transfers out	(15,430,198)	-	-	(15,430,198)
Total other financing sources (uses)	(11,151,585)	-	12,068,376	916,791
Net change in fund balance	2,497,354	(1,515,573)	7,932,811	8,914,592
Fund balances at beginning of year as restated	39,424,987	1,708,160	19,725,890	60,859,037
Fund balances at end of year	<u>\$ 41,922,341</u>	<u>\$ 192,587</u>	<u>\$ 27,658,701</u>	<u>\$ 69,773,629</u>

See accompanying independent auditors' report.

INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

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

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
BALANCE SHEETS
JUNE 30, 2009
(with comparative amounts for June 30, 2008)

	2009	2008
Assets		
Cash and cash equivalents	\$ 2,892,467	\$ 4,261,548
Equity in pooled cash and investments	54,912,478	47,313,860
Receivables, net:		
Property taxes	10,374,608	7,785,453
Accounts and other	3,899,007	7,858,107
Interest receivable	300,249	563,047
Due from other governments	3,007,137	3,489,246
Due from other funds	2,915,252	3,179,684
Inventories	32,393	52,767
Prepaid items	850,699	27,334
Total Assets	\$ 79,184,290	\$ 74,531,046
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 2,201,358	\$ 2,360,525
Accounts payable - other	558,746	526,458
Due to other governments	2,000,525	2,391,586
Accrued salaries and wages	2,130,576	1,904,533
Due to component unit	86,102	90,055
Accrued compensated absences	7,133	1,367
Due to other funds	44,292	173,180
Proceeds from sales held by Master in Equity	4,906,920	3,797,458
Due to taxpayers for overpayment	4,584,606	3,982,920
Funds held in trust- delinquent taxes	420,058	5,731,803
Funds held in trust- Clerk of Court	6,582,199	6,634,067
Other accrued liabilities	12,367,414	4,630,880
Deferred revenues	12,470,663	13,223,201
Total Liabilities	48,360,592	45,448,033
Fund balance:		
Reserved for underground storage	50,000	50,000
Reserved for encumbrances	120,505	530,812
Reserved for inventories	32,393	52,767
Reserved for prepaid item	850,699	27,334
Reserved for environmental services	68,733	462,018
Reserved for freight claims	51,471	51,471
Reserved for DSS federal revenue	-	70,507
Reserved for Register of Deeds	-	4,827
Unreserved:		
Designated	5,309,157	3,253,778
Unreserved, undesignated	24,340,740	24,579,499
Total fund balance:	30,823,698	29,083,013
Total liabilities and fund balance	\$ 79,184,290	\$ 74,531,046

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2009
(with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues				
<u>Property taxes:</u>				
Real property taxes	\$ 64,759,522	\$ 62,179,876	\$ (2,579,646)	\$ 55,381,163
Personal property taxes	5,597,500	5,314,920	(282,580)	5,193,398
Vehicle taxes	5,250,000	4,856,819	(393,181)	5,001,434
Total property taxes	75,607,022	72,351,615	(3,255,407)	65,575,995
<u>Intergovernmental:</u>				
Federal grants	651,321	701,198	49,877	666,712
Tax supplies	5,600	5,240	(360)	5,240
Inventory tax	306,284	306,288	4	306,286
State salary supplements	7,875	7,875	-	7,875
Board of registration	10,005	7,223	(2,782)	14,480
Veteran affairs	9,097	8,373	(724)	9,097
State shared	11,902,575	10,807,235	(1,095,340)	11,332,594
State - Library	442,415	298,876	(143,539)	442,415
Accommodations tax	201,910	180,408	(21,502)	192,955
Other - state	447,909	540,928	93,019	439,329
Solicitors	1,087,228	119,664	(967,564)	916,815
Public Defender	239,015	222,317	(16,698)	-
Other	8,500	24,749	16,249	40,205
Total intergovernmental	15,319,734	13,230,374	(2,089,360)	14,374,003
<u>Fees and Fines:</u>				
Planning fees	161,885	72,169	(89,716)	318,892
EMS	5,281,584	5,192,103	(89,481)	4,919,917
RMC fees	2,639,000	2,102,691	(536,309)	2,496,669
Clerk of Court fees and fine	642,500	661,201	18,701	663,583
Library	122,776	89,118	(33,658)	81,718
Sheriff fines	64,500	83,067	18,567	68,169
Family court fees	587,700	569,877	(17,823)	583,112
Probate court fees	636,100	790,514	154,414	730,375
Magistrates' fees and fines	2,920,850	2,958,201	37,351	2,502,371
Prisoner Housing	70,000	72,341	2,341	70,628
Health department fees	76,500	70,522	(5,978)	48,814
Master in Equity fees	869,500	2,175,331	1,305,831	1,136,345
CATV fees	1,035,000	1,657,958	622,958	995,050
Beach franchise fees	49,000	65,001	16,001	48,000
Animal and insect fees	-	-	-	-
Other	345,129	260,902	(84,227)	318,794
Georgetown Solicitor fees	914,000	912,224	(1,776)	850,000
Total fees and fines	16,416,024	17,733,220	1,317,196	15,832,437

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

- CONTINUED -

	2009		Variance	2008
	Final Budget	Actual	Positive (Negative)	Actual
Revenue (continued)				
<u>RMC Documentary Stamps:</u>	3,850,000	2,406,177	(1,443,823)	4,355,593
<u>Licenses and Permits:</u>				
Business licenses	5,247,830	4,672,480	(575,350)	5,057,122
Building inspection permits	3,650,000	2,460,389	(1,189,611)	4,726,984
Other permits	19,000	229,985	210,985	18,115
Marriage licenses	200,000	188,118	(11,882)	196,825
Total licenses and permits	9,116,830	7,550,972	(1,565,858)	9,999,046
<u>Interest on investments:</u>	1,833,203	948,626	(884,577)	1,884,319
<u>Cost allocation:</u>	1,692,225	2,099,992	407,767	1,684,499
<u>Other:</u>				
Casino Boat	2,294,167	1,734,894	(559,273)	858,333
Rent	48,650	46,309	(2,341)	28,302
Other	1,353,225	1,334,161	(19,064)	1,014,088
Pre-Trial Intervention	607,247	588,911	(18,336)	501,975
Total other	4,303,289	3,704,275	(599,014)	2,402,698
Total revenue	128,138,327	120,025,251	(8,113,076)	116,108,590
Expenditures				
Current:				
<u>General Government:</u>				
County Council:				
Personal services	571,921	557,946	13,975	485,827
Contractual services	136,240	104,963	31,277	116,978
Supplies and materials	452,335	120,206	332,129	96,235
Business and travel	141,758	75,515	66,243	87,064
Other	400,500	401,000	(500)	799,500
Total	1,702,754	1,259,630	443,124	1,585,604
County Administrator:				
Personal services	286,314	301,065	(14,751)	265,475
Contractual services	26,257	23,715	2,542	3,724
Supplies and materials	5,900	2,365	3,535	1,546
Business and travel	12,624	6,659	5,965	10,300
Contingency	164,778	32,500	132,278	20,302
Total	495,873	366,304	129,569	301,347

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

- CONTINUED -

Expenditures(continued)	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Current:				
General Government (cont):				
Administration Division:				
Director:				
Personal services	165,207	161,006	4,201	155,243
Contractual services	6,080	851	5,229	1,017
Supplies and materials	3,380	716	2,664	1,666
Business and travel	3,120	2,544	576	3,480
Other	997,260	-	997,260	-
Total	1,175,047	165,117	1,009,930	161,406
Finance:				
Personal services	1,364,108	1,279,034	85,074	1,313,255
Contractual services	42,882	34,761	8,121	49,410
Supplies and materials	68,488	61,126	7,362	37,187
Business and travel	4,365	2,631	1,734	9,326
Total	1,479,843	1,377,552	102,291	1,409,178
Department Overhead:				
Personal services	1,144,627	548,532	596,095	480,327
Contractual services	2,054,495	1,900,810	153,685	1,743,008
Supplies and materials	745,500	744,520	980	765,448
Business and travel	2,145,867	1,864	2,144,003	2,484
Other	9,150	9,150	-	5,696
Total	6,099,639	3,204,876	2,894,763	2,996,963
Human Resources/Risk Management:				
Personal services	1,077,772	940,586	137,186	868,502
Contractual services	47,564	31,129	16,435	46,644
Supplies and materials	41,703	27,655	14,048	37,743
Business and travel	12,536	4,856	7,680	4,994
Other	2,729	2,729	-	3,800
Total	1,182,304	1,006,955	175,349	961,683
Procurement:				
Personal services	411,838	317,317	94,521	338,036
Contractual services	11,726	9,689	2,037	9,589
Supplies and materials	9,900	6,036	3,864	8,065
Business and travel	6,090	3,456	2,634	5,043
Total	439,554	336,498	103,056	360,733

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

- CONTINUED -

Expenditures(continued)	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Current:				
General Government (cont):				
County Engineer				
Personal services	1,075,169	1,027,301	47,868	968,407
Contractual services	175,283	139,746	35,537	189,568
Supplies and materials	23,570	22,112	1,458	10,920
Business and travel	68,202	51,349	16,853	52,115
Total	1,342,224	1,240,508	101,716	1,221,010
Information Technology:				
Personal services	2,388,688	2,061,220	327,468	1,911,089
Contractual services	2,246,714	2,238,910	7,804	1,508,322
Supplies and materials	324,139	323,762	377	318,438
Business and travel	38,920	37,340	1,580	81,631
Capital outlay	456,208	375,390	80,818	292,028
Other	892,589	892,589	-	724,769
Total	6,347,258	5,929,211	418,047	4,836,277
Assessor:				
Personal services	2,986,446	2,840,118	146,328	2,718,951
Contractual services	23,817	20,036	3,781	37,893
Supplies and materials	38,667	28,738	9,929	29,117
Business and travel	48,300	38,990	9,310	63,800
Other	816	745	71	2,665
Total	3,098,046	2,928,627	169,419	2,852,426
Assessor Appeals Board:				
Personal services	10,272	3,892	6,380	1,135
Contractual services	475	-	475	-
Supplies and materials	2,000	-	2,000	-
Total	12,747	3,892	8,855	1,135
Registrar of Mesne Conveyance:				
Personal services	1,119,080	983,940	135,140	1,067,037
Contractual services	105,359	85,828	19,531	78,264
Supplies and materials	71,972	47,198	24,774	155,283
Business and travel	7,143	1,630	5,513	14,163
Total	1,303,554	1,118,596	184,958	1,314,747

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

- CONTINUED -

Expenditures(continued)	2009			2008
	Final Budget	Actual	Variance Positive (Negative)	Actual
Current:				
General Government (cont):				
Maintenance:				
Personal services	3,328,213	2,987,588	340,625	2,953,409
Contractual services	346,904	318,293	28,611	309,660
Supplies and materials	510,345	477,836	32,509	462,520
Business and travel	217,200	192,402	24,798	209,732
Capital outlay	50,409	14,633	35,776	83,807
Other	166,462	125,262	41,200	80,785
Total	4,619,533	4,116,014	503,519	4,099,913
Voter Registration and Election:				
Personal services	423,197	401,343	21,854	480,545
Contractual services	23,696	9,726	13,970	15,477
Supplies and materials	49,895	28,064	21,831	141,112
Business and travel	5,787	3,945	1,842	6,253
Total	502,575	443,078	59,497	643,387
Public Information:				
Personal services	226,502	223,122	3,380	216,182
Contractual services	28,120	13,260	14,860	15,622
Supplies and materials	60,703	37,066	23,637	50,792
Business and travel	2,090	322	1,768	1,024
Total	317,415	273,770	43,645	283,620
Budget and Revenue Management:				
Personal services	192,777	167,584	25,193	186,753
Supplies and materials	5,400	3,437	1,963	4,025
Business and travel	485	217	268	338
Total	198,662	171,238	27,424	191,116

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

- CONTINUED -

Expenditures(continued)	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Current:				
General Government (cont):				
Treasurer:				
Personal services	1,445,023	1,431,234	13,789	1,386,501
Contractual services	176,029	171,594	4,435	164,924
Supplies and materials	146,460	143,875	2,585	151,861
Business and travel	22,953	21,005	1,948	22,888
Total	1,790,465	1,767,708	22,757	1,726,174
Auditor:				
Personal services	1,267,143	1,257,224	9,919	1,201,966
Contractual services	56,419	46,508	9,911	35,875
Supplies and materials	79,326	54,528	24,798	81,531
Business and travel	19,375	16,502	2,873	20,434
Total	1,422,263	1,374,762	47,501	1,339,806
Records Retention:				
Personal services	240,871	198,195	42,676	231,882
Contractual services	15,604	12,110	3,494	17,002
Supplies and materials	12,029	10,685	1,344	10,525
Business and travel	1,500	1,209	291	3,693
Total	270,004	222,199	47,805	263,102
Probate Judge:				
Personal services	854,216	835,872	18,344	803,135
Contractual services	14,803	14,196	607	13,460
Supplies and materials	27,375	23,394	3,981	27,392
Business and travel	14,162	6,833	7,329	12,905
Total	910,556	880,295	30,261	856,892
Master -in-Equity:				
Personal services	305,244	356,141	(50,897)	262,818
Contractual services	1,500	3,357	(1,857)	814
Supplies and materials	2,145	1,357	788	1,668
Business and travel	270	265	5	210
Total	309,159	361,120	(51,961)	265,510

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

- CONTINUED -

Expenditures(continued)	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Current:				
General Government (cont):				
Legal:				
Personal services	598,636	461,250	137,386	549,987
Contractual services	403,274	365,908	37,366	414,330
Supplies and materials	7,530	3,985	3,545	4,133
Business and travel	16,000	11,327	4,673	10,710
Total	1,025,440	842,470	182,970	979,160
Grants Administration:				
Personal services	182,313	167,269	15,044	168,662
Contractual services	39,417	122	39,295	1,809
Supplies and materials	1,150,930	1,063,435	87,495	1,096,346
Business and travel	4,100	330	3,770	580
Total	1,376,760	1,231,156	145,604	1,267,397
Delegation:				
Personal services	100,244	98,763	1,481	93,016
Contractual services	1,056	229	827	251
Supplies and materials	400	385	15	391
Business and travel	600	103	497	359
Total	102,300	99,480	2,820	94,017
Hospitality:				
Personal services	253,717	254,440	(723)	248,660
Contractual services	16,408	13,047	3,361	12,119
Supplies and materials	8,093	4,125	3,968	6,337
Business and travel	11,002	8,106	2,896	8,773
Total	289,220	279,718	9,502	275,889
Business License:				
Personal services	162,630	160,604	2,026	147,630
Contractual services	37,422	25,845	11,577	28,571
Supplies and materials	10,899	5,925	4,974	6,218
Business and travel	10,310	6,842	3,468	10,385
Other	-	-	-	1,036
Total	221,261	199,216	22,045	193,840
Total general government	38,034,456	31,199,990	6,834,466	30,482,332

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

- CONTINUED -

Expenditures(continued)	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Current:				
<u>Public Safety:</u>				
Solicitor:				
Personal services	4,777,182	4,700,916	76,266	4,591,323
Contractual services	221,238	204,629	16,609	245,165
Supplies and materials	170,564	165,678	4,886	91,790
Business and travel	141,504	124,141	17,363	125,219
Capital outlay	21,900	18,410	3,490	
Total	5,332,388	5,213,774	118,614	5,053,497
Public Defender:				
Personal services	466,505	489,297	(22,792)	-
Contractual services	161,298	125,439	35,859	-
Supplies and materials	23,350	12,498	10,852	-
Business and travel	12,300	5,305	6,995	-
Total	663,453	632,539	30,914	-
Clerk of Court - DSS Family Court:				
Personal services	2,110,514	2,093,691	16,823	2,042,135
Contractual services	303,450	234,020	69,430	249,731
Supplies and materials	117,622	115,325	2,297	116,997
Business and travel	1,941	711	1,230	2,167
Other	5,000	-	5,000	-
Total	2,538,527	2,443,747	94,780	2,411,030
Magistrate No. 1 Conway:				
Personal services	264,263	264,434	(171)	249,064
Contractual services	3,300	803	2,497	822
Supplies and materials	3,000	2,658	342	2,694
Business and travel	7,800	6,734	1,066	1,577
Total	278,363	274,629	3,734	254,157
Magistrate No. 2 Aynor:				
Personal services	155,317	146,433	8,884	150,462
Contractual services	14,465	13,668	797	13,806
Supplies and materials	5,370	4,100	1,270	3,273
Business and travel	4,250	1,502	2,748	6,236
Total	179,402	165,703	13,699	173,777

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

- CONTINUED -

Expenditures(continued) Current:	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Public Safety (cont):				
Magistrate No. 4 Mt. Olive:				
Personal services	187,224	186,075	1,149	174,732
Contractual services	11,000	8,609	2,391	8,770
Supplies and materials	3,500	1,426	2,074	3,508
Business and travel	3,250	2,058	1,192	2,020
Total	204,974	198,168	6,806	189,030
Magistrate No. 5 Loris:				
Personal services	164,665	169,684	(5,019)	90,783
Contractual services	5,100	3,991	1,109	4,216
Supplies and materials	5,600	4,555	1,045	3,241
Business and travel	4,500	3,890	610	869
Total	179,865	182,120	(2,255)	99,109
Magistrate No. 6 Myrtle Beach:				
Personal services	317,181	309,338	7,843	289,537
Contractual services	5,750	2,423	3,327	2,607
Supplies and materials	11,185	7,221	3,964	7,817
Business and travel	2,750	879	1,871	912
Total	336,866	319,861	17,005	300,873
Magistrate No. 7 Stevens Cross Road:				
Personal services	199,071	203,705	(4,634)	191,135
Contractual services	3,557	2,823	734	1,818
Supplies and materials	6,850	2,140	4,710	9,531
Business and travel	8,000	3,982	4,018	4,010
Total	217,478	212,650	4,828	206,494
Magistrate No. 11 Surfside:				
Personal services	174,406	165,560	8,846	166,191
Contractual services	1,630	713	917	1,213
Supplies and materials	5,300	2,579	2,721	4,602
Business and travel	2,600	1,169	1,431	589
Total	183,936	170,021	13,915	172,595

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

- CONTINUED -

Expenditures(continued) Current:	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Public Safety (cont):				
Magistrate at Large No. 1:				
Personal services	104,681	106,280	(1,599)	96,978
Contractual services	237	-	237	-
Supplies and materials	400	210	190	-
Business and travel	5,000	3,966	1,034	3,594
Total	110,318	110,456	(138)	100,572
Magistrate at Large No. 2 - Detention:				
Personal services	314,231	309,872	4,359	308,155
Contractual services	9,130	5,349	3,781	5,256
Supplies and materials	9,961	8,407	1,554	9,006
Business and travel	8,749	7,791	958	7,026
Total	342,071	331,419	10,652	329,443
Central Summary Court:				
Personal services	363,285	303,664	59,621	335,294
Contractual services	4,300	2,183	2,117	1,877
Supplies and materials	19,000	11,731	7,269	6,863
Business and travel	1,600	160	1,440	874
Total	388,185	317,738	70,447	344,908
Central Jury Court:				
Personal services	48,903	39,478	9,425	47,266
Contractual services	152,300	137,365	14,935	149,861
Supplies and materials	9,500	3,434	6,066	4,933
Business and travel	1,700	1,177	523	964
Total	212,403	181,454	30,949	203,024
800 MHZ Rebanding				
Personal services	41,213	27,856	13,357	-
Contractual services	51,373	1,372	50,001	-
Supplies and materials	163,093	26,277	136,816	-
Business and travel	2,000	270	1,730	-
Other	1,662	-	1,662	-
Total	259,341	55,775	203,566	-

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

- CONTINUED -

Expenditures(continued)	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Current:				
Public Safety (cont):				
Public Safety Division Director:				
Personal services	292,011	289,529	2,482	275,131
Contractual services	3,659	3,511	148	2,797
Supplies and materials	43,057	9,410	33,647	5,057
Business and travel	22,441	21,199	1,242	19,285
Other	975,374	-	975,374	3,686
Total	1,336,542	323,649	1,012,893	305,956
Sheriff:				
Personal services	2,856,655	2,773,148	83,507	2,715,129
Contractual services	51,388	42,706	8,682	40,190
Supplies and materials	57,769	54,451	3,318	51,097
Business and travel	186,741	179,260	7,481	220,616
Other	6,683	5,670	1,013	7,268
Total	3,159,236	3,055,235	104,001	3,034,300
Police:				
Personal services	16,062,615	15,601,938	460,677	14,806,005
Contractual services	485,695	433,588	52,107	339,381
Supplies and materials	399,221	356,072	43,149	466,642
Business and travel	2,373,413	2,293,130	80,283	2,573,924
Capital outlay	407,975	379,840	28,135	82,165
Other	2,500	704	1,796	150
Total	19,731,419	19,065,272	666,147	18,268,267
Central Processing:				
Personal services	54,785	60,396	(5,611)	56,295
Contractual services	585	-	585	-
Supplies and materials	700	-	700	-
Business and travel	3,840	3,180	660	3,932
Total	59,910	63,576	(3,666)	60,227
Emergency Preparedness:				
Personal services	288,971	296,201	(7,230)	234,183
Contractual services	33,400	29,899	3,501	25,878
Supplies and materials	22,965	19,806	3,159	24,858
Business and travel	34,258	30,441	3,817	35,047
Other	7,037	7,037	-	10,161
Total	386,631	383,384	3,247	330,127

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

- CONTINUED -

Expenditures(continued) Current:	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Public Safety (cont):				
Emergency 911 Communications:				
Personal services	2,586,422	2,470,571	115,851	2,405,469
Contractual services	802,362	791,251	11,111	721,508
Supplies and materials	14,535	10,664	3,871	12,194
Business and travel	1,640	741	899	3,144
Total	3,404,959	3,273,227	131,732	3,142,315
Coroner:				
Personal services	356,702	350,487	6,215	325,926
Contractual services	306,820	292,068	14,752	288,648
Supplies and materials	9,300	6,411	2,889	12,075
Business and travel	29,829	28,668	1,161	31,330
Capital outlay	22,100	22,100	-	-
Total	724,751	699,734	25,017	657,979
Detention Center:				
Personal services	12,242,681	11,906,823	335,858	9,941,015
Contractual services	908,194	750,974	157,220	706,600
Supplies and materials	2,057,531	1,939,718	117,813	1,971,675
Business and travel	324,056	300,716	23,340	282,115
Capital outlay	123,000	30,729	92,271	79,828
Total	15,655,462	14,928,960	726,502	12,981,233
Emergency Medical Services:				
Personal services	11,968,900	11,560,642	408,258	10,417,163
Contractual services	416,371	324,138	92,233	289,201
Supplies and materials	1,154,561	1,103,411	51,150	1,052,381
Business and travel	578,860	539,806	39,054	550,837
Capital outlay	331,000	258,927	72,073	-
Total	14,449,692	13,786,924	662,768	12,309,582
Beach Front Program:				
Personal services	35,899	35,434	465	33,577
Contractual services	585	-	585	-
Supplies and materials	1,100	652	448	737
Business and travel	10,220	7,855	2,365	7,011
Total	47,804	43,941	3,863	41,325

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

- CONTINUED -

Expenditures(continued)	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Current:				
<u>Public Safety (cont):</u>				
Environmental Services:				
Personal services	164,953	153,726	11,227	119,250
Contractual services	801,433	800,288	1,145	743,935
Supplies and materials	142,269	72,452	69,817	154,819
Business and travel	22,235	17,939	4,296	22,293
Total	<u>1,130,890</u>	<u>1,044,405</u>	<u>86,485</u>	1,040,297
Pre-Trial Intervention:				
Personal services	618,608	584,446	34,162	512,547
Total	<u>618,608</u>	<u>584,446</u>	<u>34,162</u>	512,547
Total public safety	<u>72,133,474</u>	<u>68,062,807</u>	<u>4,070,667</u>	62,522,664
<u>Infrastructure and Regulation Division</u>				
Infrastructure & Regulation Division Director				
Personal services	239,523	210,966	28,557	197,704
Contractual services	16,543	10,153	6,390	9,556
Supplies and materials	15,644	12,770	2,874	2,458
Business and travel	12,532	10,839	1,693	10,455
Other	378,608	-	378,608	-
Total	<u>662,850</u>	<u>244,728</u>	<u>418,122</u>	220,173
Public Works Division				
Personal services	3,924,081	3,548,564	375,517	3,805,306
Contractual services	242,676	202,761	39,915	169,728
Supplies and materials	1,141,880	800,924	340,956	525,856
Business and travel	2,608,437	1,323,083	1,285,354	1,610,196
Capital Outlay	413,700	391,153	22,547	-
Total	<u>8,330,774</u>	<u>6,266,485</u>	<u>2,064,289</u>	6,111,086
Code Enforcement:				
Personal services	2,841,695	2,605,675	236,020	2,714,697
Contractual services	35,095	30,057	5,038	31,125
Supplies and materials	141,273	122,741	18,532	43,081
Business and travel	254,316	215,353	38,963	225,215
Total	<u>3,272,379</u>	<u>2,973,826</u>	<u>298,553</u>	3,014,118
Planning:				
Personal services	1,646,188	1,613,208	32,980	1,633,117
Contractual services	156,682	38,598	118,084	63,542
Supplies and materials	33,628	25,563	8,065	65,237
Business and travel	17,146	13,423	3,723	25,139
Capital outlay	-	-	-	26,988
Total	<u>1,853,644</u>	<u>1,690,792</u>	<u>162,852</u>	1,814,023
Total infrastructure and regulation	<u>14,119,647</u>	<u>11,175,831</u>	<u>2,943,816</u>	11,159,400

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

- CONTINUED -

Expenditures(continued)	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Current:				
<u>Health and Social Services:</u>				
Veteran Affairs:				
Personal services	134,885	113,204	21,681	129,813
Contractual services	1,550	1,098	452	1,256
Supplies and materials	930	677	253	860
Business and travel	2,380	1,444	936	155
Total	139,745	116,423	23,322	132,084
Total health and social services	139,745	116,423	23,322	132,084
 <u>Culture, Recreation and Tourism:</u>				
Library:				
Personal services	2,650,598	2,542,721	107,877	2,527,491
Contractual services	460,163	398,685	61,478	408,474
Supplies and materials	753,797	720,371	33,426	778,428
Business and travel	60,921	47,646	13,275	54,487
Construction contracts	-	-	-	14,026
Total	3,925,479	3,709,423	216,056	3,782,906
 Museum:				
Personal services	344,625	253,098	91,527	213,777
Contractual services	25,950	22,127	3,823	24,900
Supplies and materials	15,825	13,892	1,933	20,580
Business and travel	7,786	6,952	834	10,260
Other	5,185	2,795	2,390	3,424
Total	399,371	298,864	100,507	272,941
Total culture, recreation and tourism	4,324,850	4,008,287	316,563	4,055,847
 <u>Other:</u>				
State Mandated Supplements:				
Health Department	216,922	124,936	91,986	193,816
Department of Social Services	113,295	73,229	40,066	93,263
Total	330,217	198,165	132,052	287,079

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

- CONTINUED -

Expenditures(continued) Current:	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Other Agencies:				
Waccamaw Regional Planning Council	39,308	39,308	-	39,308
Rescue Squads:				
Aynor	12,000	12,000	-	12,000
Horry	12,000	12,000	-	12,000
Myrtle Beach	12,000	12,000	-	12,000
North Myrtle Beach	12,000	12,000	-	12,000
Northern Horry	12,000	12,000	-	12,000
Mount Olive	12,000	8,569	3,431	12,000
Surfside	12,000	12,000	-	12,000
Horry-Georgetown Youth Advocate	9,000	9,000	-	12,500
Conway Chamber of Commerce	1,250	1,250	-	1,875
Coastal Rapid Transit Authority	300,000	300,000	-	-
Waccamaw Center of Mental Health	30,000	30,000	-	30,000
Waccamaw EOC	20,000	20,000	-	-
Public Defender	456,387	456,388	(1)	808,600
Shared Care	20,000	20,000	-	27,500
Disabilities and Special Needs	25,000	25,000	-	57,500
Cedar Branch	6,000	6,000	-	12,000
Step Up	20,000	19,845	155	27,500
Chapin Memorial Library	60,000	60,000	-	60,000
Friendship Medical Clinic	2,500	2,500	-	1,250
Horry County Historical Society	5,000	5,000	-	5,000
Grand Strand Community Against Rape	10,000	10,000	-	10,000
Shelter Home	25,000	25,000	-	25,000
Children Recovery Center	15,000	15,000	-	15,000
American Red Cross	8,200	8,200	-	-
Careteam	5,000	5,000	-	8,000
Salvation Army- Boys & Girls Club	8,000	8,000	-	7,500
Salvation Army	8,000	8,000	-	-
Cooperative Extension	5,000	5,000	-	5,000
St. Delight Community Outreach	2,500	2,500	-	3,750
Citizens Against Spouse Abuse	25,000	25,000	-	20,000
Grand Strand Miracle League	10,000	10,000	-	10,000
Shoreline Behavior	45,000	45,000	-	45,000
Childrens Museum of SC	11,000	11,000	-	11,000
City of Character Inc	6,000	6,000	-	6,000
Boys & Girls Club of the Grand Strand	8,000	8,000	-	8,000
Empowerment Kids café	5,625	5,625	-	7,500
A Father's Place	5,625	5,625	-	7,500
Capture Inc.	12,000	12,000	-	-
Total	1,293,395	1,289,810	3,585	1,356,283
Total other	1,623,612	1,487,975	135,637	1,643,362
Total expenditures	130,375,784	116,051,313	14,324,471	109,995,689
Excess of revenue over expenditures	(2,237,457)	3,973,938	6,211,395	6,112,901

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

- CONTINUED -

	2009		Variance Positive (Negative)	2008
	Final Budget	Actual		Actual
Other Financing Sources (Uses)				
Sale of assets	470,242	391,967	(78,275)	290,511
Transfers in	2,635,649	2,585,351	(50,298)	1,632,901
Transfers out	(5,180,225)	(5,210,571)	(30,346)	(5,881,978)
Total other financing sources (uses)	<u>(2,074,334)</u>	<u>(2,233,253)</u>	<u>(158,919)</u>	<u>(3,958,566)</u>
Net change in fund balance	(4,311,791)	1,740,685	6,052,476	2,154,335
Fund balance at beginning of year	<u>29,083,013</u>	<u>29,083,013</u>	-	26,928,678
Fund balance at end of year	<u><u>\$ 24,771,222</u></u>	<u><u>\$ 30,823,698</u></u>	<u><u>\$ 6,052,476</u></u>	<u><u>\$ 29,083,013</u></u>

See accompanying independent auditors' report.

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

Beach Nourishment – accounts for revenue earmarked for beach nourishment.

Grants – accounts for revenue earmarked for all grants.

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

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

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

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

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

SPECIAL REVENUE FUNDS

- CONTINUED -

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

GIS/IT – accounts for GIS information sales and intergovernmental mapping revenue and 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.

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

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

Industrial Parks – accounts for revenue and 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.

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

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.

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

Railroad – accounts for revenue and expenditures associated with the County’s railroad system.

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

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

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

JUNE 30, 2009

	Non-Major Funds											
	Fire	Accommodations Tax	Waste Management Recycling	Watersheds	Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Nourishment	Grants	Admissions Tax	Hospitality 1.0%	Victim Witness Assistance
Assets												
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,674,746	\$ -
Equity in pooled cash and investments	2,942,642	-	6,249,826	359,446	372,523	1,387	13,111,588	1,552,050	453,743	360,632	631,512	-
Receivables, net:												
Property taxes	2,135,540	-	887,651	9,274	619	13,746	-	-	-	-	-	-
Accounts and other	207,744	8,838	-	-	-	-	1,371,010	39,256	-	-	832,438	42,001
Fees	-	-	-	-	-	-	-	-	-	-	-	-
Interest Receivable	16,084	1,302	27,273	2,478	1,965	82	59,680	7,239	2,003	2,030	3,719	51
Prepaid items	24,762	-	-	-	-	-	-	-	2,000	-	-	-
Due from other funds	-	19,206	-	-	-	-	767,640	230,457	-	-	-	-
Due from other governments	6,120	841,540	-	-	-	-	538,292	-	567,126	31,740	-	-
Total assets	<u>\$ 5,332,892</u>	<u>\$ 870,886</u>	<u>\$ 7,164,750</u>	<u>\$ 371,198</u>	<u>\$ 375,107</u>	<u>\$ 15,215</u>	<u>\$ 15,848,210</u>	<u>\$ 1,829,002</u>	<u>\$ 1,024,872</u>	<u>\$ 394,402</u>	<u>\$ 4,142,415</u>	<u>\$ 42,052</u>
Liabilities and Fund Balance												
Liabilities												
Accounts payable-trade	\$ 234,556	\$ 292,752	\$ -	\$ -	\$ 1,969	\$ -	\$ 840,231	\$ -	\$ 5,072	\$ -	\$ -	\$ 653
Accounts payable-other	-	-	-	-	-	-	12,211	-	-	-	-	-
Accrued salaries and wages	249,630	32,150	-	-	-	-	10,060	-	5,766	-	-	16,801
Due to other funds	-	372,266	-	-	-	-	-	650,666	-	-	1,354,657	102,743
Due to other governments	-	-	2,801	-	-	-	-	-	-	-	-	-
Due to component unit	-	-	777,859	-	-	-	189	-	-	-	-	-
Deferred revenue	2,008,346	-	830,499	7,917	699	11,600	1,371,010	-	-	-	98,034	2,961
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>2,492,532</u>	<u>697,168</u>	<u>1,611,159</u>	<u>7,917</u>	<u>2,668</u>	<u>11,600</u>	<u>2,233,701</u>	<u>650,666</u>	<u>10,838</u>	<u>-</u>	<u>1,452,691</u>	<u>123,159</u>
Fund balances:												
Reserved for encumbrances	600	-	-	-	-	-	1,353,929	1,418	23,228	-	-	-
Reserved for road maintenance	-	-	-	-	-	-	358,674	-	-	-	-	-
Reserved for Baseball Stadium Park	-	-	-	-	-	-	-	-	-	-	240,659	-
Reserved for cultural	-	107,194	-	-	-	-	-	-	-	-	-	-
Reserved for prepaid items	24,762	-	-	-	-	-	-	-	2,000	-	-	-
Reserved for infrastructure development	-	-	-	-	-	-	-	-	-	-	1,280,460	-
Designated for debt service	605,659	-	-	-	-	-	-	-	-	-	-	-
Unreserved, designated	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated	2,209,339	66,524	5,553,591	363,281	372,439	3,615	11,901,906	1,176,918	988,806	394,402	1,168,605	(81,107)
Total fund balances/(deficits)	<u>2,840,360</u>	<u>173,718</u>	<u>5,553,591</u>	<u>363,281</u>	<u>372,439</u>	<u>3,615</u>	<u>13,614,509</u>	<u>1,178,336</u>	<u>1,014,034</u>	<u>394,402</u>	<u>2,689,724</u>	<u>(81,107)</u>
Total liabilities and fund balances	<u>\$ 5,332,892</u>	<u>\$ 870,886</u>	<u>\$ 7,164,750</u>	<u>\$ 371,198</u>	<u>\$ 375,107</u>	<u>\$ 15,215</u>	<u>\$ 15,848,210</u>	<u>\$ 1,829,002</u>	<u>\$ 1,024,872</u>	<u>\$ 394,402</u>	<u>\$ 4,142,415</u>	<u>\$ 42,052</u>

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

JUNE 30, 2009

Non-Major Funds												
	Senior Citizen	Baseball Stadium	Arcadian Shores	CDBG Grant Program	Stormwater Management	GIS/IT	B&C MCBP	E-911	Local Atax	Recreation	Industrial Parks	Total Non-Major Funds
Assets												
Cash and cash equivalents	\$ -	\$ 98,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 533,167	\$ 100	\$ -	\$ 3,306,646
Equity in pooled cash and investments	57,834	109,462	47,983	-	4,249,463	12,688	2,356,637	418,592	7,774	3,133,967	4,178,586	40,608,335
Receivables, net:												
Property taxes	100,600	-	924	-	-	-	-	-	-	481,924	-	3,630,278
Accounts and other	-	-	-	61	-	-	89,231	-	134,408	7,307	15,702	2,747,996
Fees	-	-	-	-	296,525	-	-	71,472	-	-	-	367,997
Interest Receivable	258	-	214	-	22,946	60	11,590	295	102	16,855	26,499	202,725
Prepaid items	-	-	-	1,545	328	-	-	1,387	-	-	4,143	34,165
Due from other funds	-	19,950	-	-	-	-	-	-	-	-	-	1,037,253
Due from other governments	-	-	-	65,978	-	-	-	-	-	-	-	2,050,796
Total assets	\$ 158,692	\$ 228,045	\$ 49,121	\$ 67,584	\$ 4,569,262	\$ 12,748	\$ 2,457,458	\$ 491,746	\$ 675,451	\$ 3,640,153	\$ 4,224,930	\$ 53,986,191
Liabilities and Fund Balance												
Liabilities												
Accounts payable-trade	\$ 37,330	\$ 76,865	\$ 1,126	\$ 10,700	\$ 292,717	\$ 192	\$ -	\$ 47,642	\$ 95,889	\$ 64,418	\$ 184	\$ 2,002,296
Accounts payable-other	-	-	-	-	-	-	-	-	-	-	-	12,211
Accrued salaries and wages	-	-	-	2,595	29,840	-	-	4,288	-	43,010	-	394,140
Due to other funds	-	-	311,602	54,289	-	-	-	-	243,563	-	500,000	3,589,786
Due to other governments	-	70,069	-	-	-	-	-	-	-	-	-	72,870
Due to component unit	-	-	-	-	-	-	-	-	-	25	-	778,073
Deferred revenue	92,829	-	454	-	263,507	-	89,231	-	-	437,364	-	5,214,451
Other liabilities	-	-	-	-	23	-	-	-	-	-	-	23
Total Liabilities	130,159	146,934	313,182	67,584	586,087	192	89,231	51,929	339,452	544,817	500,184	12,063,850
Fund balances:												
Reserved for encumbrances	-	-	-	590,873	101,513	11,324	-	-	-	108,620	-	2,191,505
Reserved for road maintenance	-	-	-	-	-	-	-	-	-	-	-	358,674
Reserved for Baseball Stadium Park	-	-	-	-	-	-	-	-	-	-	-	240,659
Reserved for cultural	-	-	-	-	-	-	-	-	-	-	-	107,194
Reserved for prepaid items	-	-	-	1,545	328	-	-	1,387	-	-	4,143	34,165
Reserved for infrastructure development	-	-	-	-	-	-	-	-	-	-	-	1,280,460
Designated for debt service	-	-	-	-	-	-	-	-	-	-	-	605,659
Unreserved, designated	-	-	-	-	1,743,287	-	-	-	-	1,372,265	-	3,115,552
Unreserved, undesignated	28,533	81,111	(264,061)	(592,418)	2,138,047	1,232	2,368,227	438,430	335,999	1,614,451	3,720,603	33,988,473
Total fund balances/(deficits)	28,533	81,111	(264,061)	-	3,983,175	12,556	2,368,227	439,817	335,999	3,095,336	3,724,746	41,922,341
Total liabilities and fund balances	\$ 158,692	\$ 228,045	\$ 49,121	\$ 67,584	\$ 4,569,262	\$ 12,748	\$ 2,457,458	\$ 491,746	\$ 675,451	\$ 3,640,153	\$ 4,224,930	\$ 53,986,191

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	Non-Major Funds											
	Fire	Accommodations Tax	Waste Management Recycling	Watersheds	Mt Gilead	Socastee Recreation	Road Maintenance & CTC	Beach Nourishment	Grants	Admissions Tax	Hospitality 1.0%	Victim Witness Assistance
Revenues												
Real property taxes	\$ 12,295,861	\$ -	\$ 5,425,472	\$ 99,462	\$ 30,298	\$ 181,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal property taxes	1,384,343	-	570,198	219	131	295	-	-	-	-	-	-
Vehicle taxes	1,488,462	-	635,614	-	3,181	-	-	-	-	-	-	-
Accommodations tax	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	239,999	2,952,741	-	-	-	-	1,130,492	-	1,114,055	1,321,891	-	-
Fees	-	-	-	-	-	-	7,073,482	-	-	-	6,179,238	517,767
Interest	43,744	3,327	102,227	9,281	7,152	315	224,499	(3,416)	6,704	6,778	28,024	353
Other	98,731	4,209	45	-	-	-	-	-	1,789	-	-	-
Total revenues	15,551,140	2,960,277	6,733,556	108,962	40,762	181,905	8,428,473	(3,416)	1,122,548	1,328,669	6,207,262	518,120
Expenditures												
Current:												
Public safety	12,976,757	1,428,021	-	-	-	-	-	-	598,028	-	-	710,761
Infrastructure and regulation	-	-	4,987,653	21,926	48,371	-	7,710,226	224,036	-	-	-	-
Health and social services	-	-	-	-	-	-	-	-	-	-	-	-
Culture, recreation and tourism	-	1,203,855	-	-	-	186,784	-	-	70,034	-	-	-
Economic development	-	-	-	-	-	-	-	-	528,109	-	-	-
Capital Outlay	154,328	13,958	-	-	-	-	3,853	-	237,152	-	-	-
Total expenditures	13,131,085	2,645,834	4,987,653	21,926	48,371	186,784	7,714,079	224,036	1,433,323	-	-	710,761
Excess (deficiency) of revenues over (under) expenditures	2,420,055	314,443	1,745,903	87,036	(7,609)	(4,879)	714,394	(227,452)	(310,775)	1,328,669	6,207,262	(192,641)
Other Financing Sources (Uses)												
Transfers in	-	-	-	-	-	-	2,780,698	887,646	264,051	-	-	234,746
Sale of Property	7,683	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(2,708,241)	(510,000)	-	-	-	-	(323,853)	-	(935,190)	(6,755,700)	-	-
Total other financing sources (uses)	(2,700,558)	(510,000)	-	-	-	-	2,456,845	887,646	264,051	(935,190)	(6,755,700)	234,746
Net change in fund balance	(280,503)	(195,557)	1,745,903	87,036	(7,609)	(4,879)	3,171,239	660,194	(46,724)	393,479	(548,438)	42,105
Fund balances (deficit), at beginning of year as restated	3,120,863	369,275	3,807,688	276,245	380,048	8,494	10,443,270	518,142	1,060,758	923	3,238,162	(123,212)
Fund balances (deficit), at end of year	\$ 2,840,360	\$ 173,718	\$ 5,553,591	\$ 363,281	\$ 372,439	\$ 3,615	\$ 13,614,509	\$ 1,178,336	\$1,014,034	\$ 394,402	\$ 2,689,724	\$ (81,107)

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, 2009

	Non-Major Funds											Total Non-Major Funds
	Senior Citizen	Baseball Stadium	Arcadian Shores	CDBG Grant Program	Stormwater	GIS/IT	B&C MCBP	E-911	Local Atax	Recreation	Industrial Parks	
Revenues												
Real property taxes	\$ 647,126	\$ -	\$ 57,400	\$ -	\$ -	\$ -	\$ 218,590	\$ -	\$ -	\$ 3,714,034	\$ -	\$ 22,669,538
Personal property taxes	57,642	-	136	-	-	-	-	-	-	329,669	-	2,342,633
Vehicle taxes	52,933	-	2,660	-	-	-	-	-	-	304,032	-	2,486,882
Accommodations tax	-	-	-	-	-	-	-	-	865,217	-	-	865,217
Intergovernmental	-	-	-	237,713	-	-	-	1,074,505	-	737	-	8,072,133
Fees	-	10,148	-	-	4,306,367	14,288	-	856,329	-	-	80,328	19,037,947
Interest	585	-	658	-	71,620	1	43,617	1,491	4,070	55,702	86,132	692,864
Other	-	-	-	-	-	-	-	-	-	468,922	60,980	634,676
Total revenues	758,286	10,148	60,854	237,713	4,377,987	14,289	262,207	1,932,325	869,287	4,873,096	227,440	56,801,890
Expenditures												
Current:												
Public safety	-	-	-	-	-	8,745	-	1,403,083	331,347	-	-	17,456,742
Infrastructure and regulation	-	-	49,401	-	4,817,967	-	-	-	-	-	564,020	18,423,600
Health and social services	750,189	-	-	-	-	-	-	-	-	-	-	750,189
Culture, recreation and tourism	-	73,623	-	-	-	-	-	-	253,335	3,025,466	-	4,813,097
Economic development	-	-	-	237,713	-	-	-	-	-	-	-	765,822
Capital Outlay	-	-	-	-	20,291	-	-	-	55,247	402,229	56,443	943,501
Total expenditures	750,189	73,623	49,401	237,713	4,838,258	8,745	-	1,403,083	639,929	3,427,695	620,463	43,152,951
Excess (deficiency) of revenues over (under) expenditures	8,097	(63,475)	11,453	-	(460,271)	5,544	262,207	529,242	229,358	1,445,401	(393,023)	13,648,939
Other Financing Sources (Uses)												
Transfers in	-	79,800	-	-	-	-	-	-	-	23,989	-	4,270,930
Sale of Property	-	-	-	-	-	-	-	-	-	-	-	7,683
Transfers out	-	-	-	-	(250,000)	-	-	-	(178,995)	(1,468,219)	(2,300,000)	(15,430,198)
Total other financing sources (uses)	-	79,800	-	-	(250,000)	-	-	-	(178,995)	(1,444,230)	(2,300,000)	(11,151,585)
Net change in fund balance	8,097	16,325	11,453	-	(710,271)	5,544	262,207	529,242	50,363	1,171	(2,693,023)	2,497,354
Fund balances (deficit), at beginning of year as restated	20,436	64,786	(275,514)	-	4,693,446	7,012	2,106,020	(89,425)	285,636	3,094,165	6,417,769	39,424,987
Fund balances (deficit), at end of year	\$ 28,533	\$ 81,111	\$ (264,061)	\$ -	\$ 3,983,175	\$ 12,556	\$ 2,368,227	\$ 439,817	\$ 335,999	\$ 3,095,336	\$ 3,724,746	\$ 41,922,341

HORRY COUNTY, SOUTH CAROLINA
FIRE SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009
(with comparative amounts for June 30, 2008)

	2009	2008
Assets		
Equity in pooled cash and investments	\$ 2,942,642	\$ 3,311,322
Receivables, net:		
Property taxes	2,135,540	1,615,887
Other	207,744	1,355
Interest Receivable	16,084	49,369
Due from other funds	-	4,466
Due from other governments	6,120	19,543
Prepaid items	24,762	1,727
Total assets	\$ 5,332,892	\$ 5,003,669
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 234,556	\$ 116,598
Accrued salaries and wages	249,630	224,982
Deferred revenues	2,008,346	1,541,226
Total liabilities	2,492,532	1,882,806
 Fund balance:		
Reserved for prepaid items	24,762	1,727
Reserved for encumbrances	600	-
Unreserved, designated for debt service	605,659	965,951
Unreserved, undesignated	2,209,339	2,153,185
Total fund balance	2,840,360	3,120,863
Total liabilities and fund balance	\$ 5,332,892	\$ 5,003,669

See accompanying independent auditors' report.

Horry County, South Carolina
 Fire Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Real property taxes	\$ 12,937,925	\$ 12,295,861	\$ (642,064)	\$ 11,113,591
Personal property taxes	1,407,500	1,384,343	(23,157)	1,327,338
Vehicle taxes	1,594,500	1,488,462	(106,038)	1,498,430
Intergovernmental	26,584	239,999	213,415	26,596
Interest	115,000	43,744	(71,256)	159,384
Other	-	98,731	98,731	20,733
Total revenues	16,081,509	15,551,140	(530,369)	14,146,072
Expenditures				
Current:				
Public safety:				
Personal services	9,358,743	9,158,807	199,936	8,688,815
Contractual services	1,416,505	1,305,858	110,647	1,409,142
Supplies & Materials	715,139	571,353	143,786	704,406
Business & Travel	738,233	581,675	156,558	701,892
Capital outlay	155,000	154,328	672	553,214
Other	-	169,683	(169,683)	-
Indirect cost allocation	1,189,381	1,189,381	-	884,650
Total expenditures	13,573,001	13,131,085	441,916	12,942,119
Excess of revenues over expenditures	2,508,508	2,420,055	(88,453)	1,203,953
Other Financing Sources (Uses)				
Sale of Assets	-	7,683	7,683	39,541
Transfers out	(2,708,508)	(2,708,241)	267	(4,117,554)
Total other financing sources (uses)	(2,708,508)	(2,700,558)	7,950	(4,078,013)
Net change in fund balance	(200,000)	(280,503)	(80,503)	(2,874,060)
Fund balance at beginning of year	3,120,863	3,120,863	-	5,994,923
Fund balance at end of year	\$ 2,920,863	\$ 2,840,360	\$ (80,503)	\$ 3,120,863

See accompanying independent auditors' report.

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

JUNE 30, 2009
 (with comparative amounts for June 30, 2008)

Assets	2009	2008
Equity in pooled cash and investments	\$ -	\$ 56
Accounts receivable, net:		
Other	8,838	2,140
Interest Receivable	1,302	4,550
Due from other funds	19,206	17,545
Due from other governments	841,540	987,819
Total assets	\$ 870,886	\$ 1,012,110
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 292,752	\$ 445,352
Accrued salaries and wages	32,150	26,859
Due to other funds	372,266	170,624
Total liabilities	697,168	642,835
Fund balance:		
Reserved for cultural	107,194	70,000
Unreserved, undesignated	66,524	299,275
Total fund balance	173,718	369,275
Total liabilities and fund balance	\$ 870,886	\$ 1,012,110

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 3,361,290	\$ 2,952,741	\$ (408,549)	\$ 3,191,143
Interest	20,000	3,327	(16,673)	16,514
Other	-	4,209	4,209	19,997
Total revenues	<u>3,381,290</u>	<u>2,960,277</u>	<u>(421,013)</u>	<u>3,227,654</u>
Expenditures				
Current:				
Public safety				
Beach Patrol:				
Personal services	1,118,842	1,044,662	74,180	781,538
Contractual services	121,102	102,673	18,429	88,835
Supplies & Materials	66,579	57,397	9,182	55,148
Business & Travel	258,079	223,289	34,790	202,774
Capital outlay	54,605	13,958	40,647	40,894
Total beach patrol	<u>1,619,207</u>	<u>1,441,979</u>	<u>177,228</u>	<u>1,169,189</u>
Beach Clean-up:				
Personal services	-	-	-	105,529
Contractual services	-	-	-	-
Supplies & Materials	-	-	-	2,724
Business & Travel	-	-	-	16,315
Capital outlay	-	-	-	-
Total beach clean-up	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,568</u>
Total public safety	<u>1,619,207</u>	<u>1,441,979</u>	<u>177,228</u>	<u>1,293,757</u>
Culture, Recreation and Tourism:				
Contributions to other agencies	1,446,733	1,203,855	242,878	1,440,188
Total culture, recreation and tourism	<u>1,446,733</u>	<u>1,203,855</u>	<u>242,878</u>	<u>1,440,188</u>
Total expenditures	<u>3,065,940</u>	<u>2,645,834</u>	<u>420,106</u>	<u>2,733,945</u>
Excess of revenues over expenditures	<u>315,350</u>	<u>314,443</u>	<u>(907)</u>	<u>493,709</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(510,000)	(510,000)	-	(510,000)
Total other financing sources (uses)	<u>(510,000)</u>	<u>(510,000)</u>	<u>-</u>	<u>(510,000)</u>
Net change in fund balance	(194,650)	(195,557)	(907)	(16,291)
Fund balance at beginning of year	369,275	369,275	-	385,566
Fund balance at end of year	<u>\$ 174,625</u>	<u>\$ 173,718</u>	<u>\$ (907)</u>	<u>\$ 369,275</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
WASTE MANAGEMENT RECYCLING SPECIAL REVENUE FUND
BALANCE SHEETS
JUNE 30, 2009
 (with comparative amounts for June 30, 2008)

Assets	2009	2008
Equity in pooled cash and investments	\$ 6,249,826	\$ 4,170,224
Receivables, net:		
Property taxes	887,651	670,604
Interest Receivable	27,273	40,549
Total assets	<u>\$ 7,164,750</u>	<u>\$ 4,881,377</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable -trade	\$ -	\$ 409,713
Due to component unit	777,859	-
Due to other governments	2,801	25,064
Deferred revenues	830,499	638,912
Total liabilities	<u>1,611,159</u>	<u>1,073,689</u>
Fund balance:		
Unreserved, undesignated	<u>5,553,591</u>	<u>3,807,688</u>
Total fund balance	<u>5,553,591</u>	<u>3,807,688</u>
Total liabilities and fund balance	<u>\$ 7,164,750</u>	<u>\$ 4,881,377</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Waste Management Recycling Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Real property taxes	\$ 5,673,780	\$ 5,425,472	\$ (248,308)	\$ 4,883,638
Personal property taxes	587,000	570,198	(16,802)	560,163
Vehicle taxes	679,500	635,614	(43,886)	643,940
Interest	65,000	102,227	37,227	166,232
Other	-	45	45	41
Total revenues	7,005,280	6,733,556	(271,724)	6,254,014
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	5,996,260	4,832,112	1,164,148	4,614,464
Supplies & Materials	250,000	147,454	102,546	420,020
Capital outlay	197,300	-	197,300	96,094
Indirect cost allocation	8,050	8,050	-	-
Other	553,670	37	553,633	2,726
Total expenditures	7,005,280	4,987,653	2,017,627	5,133,304
Excess (deficiency) of revenues over (under) expenditures	-	1,745,903	1,745,903	1,120,710
Net change in fund balance	-	1,745,903	1,745,903	1,120,710
Fund balance at beginning of year	3,807,688	3,807,688	-	2,686,978
Fund balance at end of year	\$ 3,807,688	\$ 5,553,591	\$ 1,745,903	\$ 3,807,688

See accompanying independent auditors' report.

Horry County, South Carolina
 Watershed Special Revenue Funds
 Balance Sheets
 June 30, 2009
 (with comparative amounts for June 30, 2008)

	2009	2008
Assets		
Equity in pooled cash and investments	\$ 359,446	\$ 270,498
Receivables, net:		
Property taxes	9,274	7,829
Due from other governments	-	1,172
Interest receivable	2,478	4,086
Total assets	\$ 371,198	\$ 283,585
 Liabilities and Fund Balance		
Liabilities:		
Deferred revenues	\$ 7,917	\$ 7,340
Total liabilities	7,917	7,340
 Fund balance:		
Unreserved, undesignated	\$ 363,281	\$ 276,245
Total fund balance	363,281	276,245
Total liabilities and fund balance	\$ 371,198	\$ 283,585

See accompanying independent auditors' report.

Horry County, South Carolina
 Watershed Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Real property taxes	\$ 101,675	\$ 99,462	\$ (2,213)	\$ 85,533
Personal property taxes	-	219	219	252
Interest	12,250	9,281	(2,969)	13,307
Total revenues	<u>113,925</u>	<u>108,962</u>	<u>(4,963)</u>	<u>99,092</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	112,225	19,281	92,944	11,357
Indirect cost allocation	1,700	2,645	(945)	1,779
Total expenditures	<u>113,925</u>	<u>21,926</u>	<u>91,999</u>	<u>13,136</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>87,036</u>	<u>87,036</u>	<u>85,956</u>
Net change in fund balance	-	87,036	87,036	85,956
Fund balance at beginning of year	<u>276,245</u>	<u>276,245</u>	-	190,289
Fund balance at end of year	<u>\$ 276,245</u>	<u>\$ 363,281</u>	<u>\$ 87,036</u>	<u>\$ 276,245</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 MT. GILEAD SPECIAL REVENUE FUND
 BALANCE SHEETS

JUNE 30, 2009

(with comparative amounts for June 30, 2008)

Assets	2009	2008
Equity in pooled cash and investments	\$ 372,523	\$ 377,675
Receivables, net:		
Property taxes	619	2,065
Interest receivable	1,965	3,657
Total assets	<u>\$ 375,107</u>	<u>\$ 383,397</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 1,969	\$ 1,284
Deferred revenues	699	2,065
Total Liabilities	<u>2,668</u>	<u>3,349</u>
Fund balance:		
Unreserved, undesignated	<u>372,439</u>	<u>380,048</u>
Total Fund balance	<u>372,439</u>	<u>380,048</u>
Total liabilities and fund balance	<u>\$ 375,107</u>	<u>\$ 383,397</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Mt. Gilead Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Real property taxes	\$ 28,564	\$ 30,298	\$ 1,734	\$ 63,889
Personal property taxes	-	131	131	85
Vehicle taxes	-	3,181	3,181	5,458
Interest	7,500	7,152	(348)	15,158
Total revenues	<u>36,064</u>	<u>40,762</u>	<u>4,698</u>	<u>84,590</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	32,276	44,583	(12,307)	19,759
Indirect cost allocation	3,788	3,788	-	3,187
Total expenditures	<u>36,064</u>	<u>48,371</u>	<u>(12,307)</u>	<u>22,946</u>
Excess of revenues over expenditures	<u>-</u>	<u>(7,609)</u>	<u>(7,609)</u>	<u>61,644</u>
Net change in fund balance	-	(7,609)	(7,609)	61,644
Fund balance at beginning of year	<u>380,048</u>	<u>380,048</u>	-	318,404
Fund balance at end of year	<u>\$ 380,048</u>	<u>\$ 372,439</u>	<u>\$ (7,609)</u>	<u>\$ 380,048</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Socastee Recreation Special Revenue Fund
 Balance Sheets
 June 30, 2009
 (with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ 1,387	\$ 7,130
Receivables, net:		
Property taxes	13,746	6,187
Interest Receivable	82	115
Total assets	<u>\$ 15,215</u>	<u>\$ 13,432</u>
Liabilities and Fund Balance		
Liabilities:		
Deferred revenues	\$ 11,600	\$ 4,938
Total liabilities	<u>11,600</u>	<u>4,938</u>
Fund balance:		
Unreserved, undesignated	3,615	8,494
Total fund balance	<u>3,615</u>	<u>8,494</u>
Total liabilities and fund balance	<u>\$ 15,215</u>	<u>\$ 13,432</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Socastee Recreation Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Real property taxes	\$ 197,160	\$ 181,295	\$ (15,865)	\$ 164,677
Personal property taxes	-	295	295	376
Interest	250	315	65	300
Total revenues	<u>197,410</u>	<u>181,905</u>	<u>(15,505)</u>	<u>165,353</u>
Expenditures				
Current:				
Culture, Recreation and Tourism:				
Contractual services	29,904	186,460	(156,556)	146,866
Supplies and materials	10,000	-	10,000	-
Capital Outlay	128,167	-	128,167	-
Other	5,030	-	5,030	-
Indirect cost allocation	7,000	324	6,676	308
Total expenditures	<u>180,101</u>	<u>186,784</u>	<u>(6,683)</u>	<u>147,174</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,309</u>	<u>(4,879)</u>	<u>(22,188)</u>	<u>18,179</u>
Other Financing Sources (Uses)				
Transfers out	(17,309)	-	(17,309)	-
Total other financing sources (uses)	<u>(17,309)</u>	<u>-</u>	<u>(17,309)</u>	<u>-</u>
Net change in fund balance	-	(4,879)	(22,188)	18,179
Fund balance (deficit) at beginning of year	8,494	8,494	-	(9,685)
Fund balance (deficit) at end of year	<u>\$ 8,494</u>	<u>\$ 3,615</u>	<u>\$ (22,188)</u>	<u>\$ 8,494</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
BALANCE SHEETS
JUNE 30, 2009
 (with comparative amounts for June 30, 2008)

	2009	2008
Assets		
Equity in pooled cash and investments	\$ 13,111,588	\$ 9,199,947
Receivables, net:		
Other	1,371,010	1,202,655
Interest Receivable	59,680	94,097
Due from other funds	767,640	631,123
Due from other governments	538,292	800,733
Total assets	\$ 15,848,210	\$ 11,928,555
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 840,231	\$ 273,396
Retainage payable	12,211	-
Due to component unit	189	189
Accrued salaries and wages	10,060	9,695
Deferred revenues	1,371,010	1,202,005
Total liabilities	2,233,701	1,485,285
 Fund balance:		
Reserved for encumbrances	1,353,929	963,433
Reserved for road maintenance	358,674	389,814
Unreserved, undesignated	11,901,906	9,090,023
Total fund balance	13,614,509	10,443,270
Total liabilities and fund balance	\$ 15,848,210	\$ 11,928,555

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
ROAD MAINTENANCE & CTC SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
For the Year ended June 30, 2009
(with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 1,396,696	\$ 1,130,492	\$ (266,204)	\$ 1,543,393
Fees	7,687,500	7,073,482	(614,018)	4,720,014
Interest	200,000	224,499	24,499	368,380
Other- CTC	2,706,218	-	(2,706,218)	1,271
Total revenues	<u>11,990,414</u>	<u>8,428,473</u>	<u>(3,561,941)</u>	<u>6,633,058</u>
Expenditures				
Current:				
Infrastructure and regulation				
Division director:				
Contractual services	69,009	67,593	1,416	1,405
Supplies & Materials	2,210	1,189	1,021	-
Other	101,859	-	101,859	-
Total division director	<u>173,078</u>	<u>68,782</u>	<u>104,296</u>	<u>1,405</u>
Engineer:				
Contractual services	40,677	14,482	26,195	555
Supplies & Materials	44,463	44,213	250	13,927
Business & Travel	1,084	-	1,084	-
Capital outlay	696	-	696	26,304
Construction contracts	10,343,935	2,612,049	7,731,886	3,892,941
Other	861,527	-	861,527	-
Total engineer	<u>11,292,382</u>	<u>2,670,744</u>	<u>8,621,638</u>	<u>3,933,727</u>
Operations:				
Personal services	626,569	473,945	152,624	509,696
Contractual services	51,400	31,666	19,734	22,868
Supplies & Materials	46,337	11,336	35,001	11,731
Business & Travel	182,364	123,443	58,921	114,919
Capital outlay	555,819	3,853	551,966	-
Construction contracts	9,683,242	2,908,102	6,775,140	2,329,409
Distributions to Municipalities	1,778,280	1,382,235	396,045	936,296
Other	305,645	-	305,645	-
Indirect cost allocation	41,954	39,973	1,981	38,340
Total operations	<u>13,271,610</u>	<u>4,974,553</u>	<u>8,297,057</u>	<u>3,963,259</u>
Total expenditures	<u>24,737,070</u>	<u>7,714,079</u>	<u>17,022,991</u>	<u>7,898,391</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,746,656)</u>	<u>714,394</u>	<u>13,461,050</u>	<u>(1,265,333)</u>
Other Financing Sources (Uses)				
Transfers in	3,232,292	2,780,698	(451,594)	3,018,590
Transfers out	(320,000)	(323,853)	3,853	(110,000)
Total other financing sources (uses)	<u>2,912,292</u>	<u>2,456,845</u>	<u>(447,741)</u>	<u>2,908,590</u>
Net change in fund balance	<u>(9,834,364)</u>	<u>3,171,239</u>	<u>13,013,309</u>	<u>1,643,257</u>
Fund balance at beginning of year	<u>10,443,270</u>	<u>10,443,270</u>	<u>-</u>	<u>8,800,013</u>
Fund balance at end of year	<u>\$ 608,906</u>	<u>\$ 13,614,509</u>	<u>\$ 13,013,309</u>	<u>\$ 10,443,270</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

BEACH NOURISHMENT SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009
(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ 1,552,050	\$ 1,122,527
Receivables, net:		
Other	39,256	48,971
Interest receivable	7,239	42,511
Due from other funds	230,457	127,500
Total assets	<u>\$ 1,829,002</u>	<u>\$ 1,341,509</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ -	\$ 2,311
Due to other funds	650,666	821,056
Total liabilities	<u>650,666</u>	<u>823,367</u>
 Fund balance:		
Reserved for encumbrances	1,418	55,005
Unreserved, undesignated	1,176,918	463,137
Total fund balance	<u>1,178,336</u>	<u>518,142</u>
Total liabilities and fund balance	<u>\$ 1,829,002</u>	<u>\$ 1,341,509</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Beach Nourishment Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Interest	\$ 50,000	\$ (3,416)	\$ (53,416)	\$ 160,149
Total revenues	<u>50,000</u>	<u>(3,416)</u>	<u>(53,416)</u>	<u>160,149</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	230,027	224,036	5,991	4,058,403
Other	941,786	-	941,786	-
Total expenditures	<u>1,171,813</u>	<u>224,036</u>	<u>947,777</u>	<u>4,058,403</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,121,813)</u>	<u>(227,452)</u>	<u>894,361</u>	<u>(3,898,254)</u>
Other Financing Sources (Uses)				
Transfers in	899,610	887,646	(11,964)	822,510
Total other financing sources (uses)	<u>899,610</u>	<u>887,646</u>	<u>(11,964)</u>	<u>822,510</u>
Net change in fund balance	(222,203)	660,194	882,397	(3,075,744)
Fund balance at beginning of year	<u>518,142</u>	<u>518,142</u>	<u>-</u>	<u>3,593,886</u>
Fund balance at end of year	<u>\$ 295,939</u>	<u>\$ 1,178,336</u>	<u>\$ 882,397</u>	<u>\$ 518,142</u>

See accompanying independent auditors' report.

Horry County, South Carolina
 Grants Special Revenue Fund
 Balance Sheets
 June 30, 2009
 (with comparative amounts for June 30, 2008)

	2009	2008
Assets		
Equity in pooled cash and investments	\$ 453,743	\$ 350,526
Interest receivable	2,003	5,603
Due from other governments	567,126	730,230
Prepaid items	2,000	-
Total assets	\$ 1,024,872	\$ 1,086,359
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 5,072	\$ 20,703
Accrued salaries and wages	5,766	4,898
Total liabilities	10,838	25,601
Fund balance:		
Reserved for encumbrances	23,228	112,990
Reserved for prepaid items	2,000	-
Unreserved, undesignated	988,806	947,768
Total fund balance	1,014,034	1,060,758
Total liabilities and fund balance	\$ 1,024,872	\$ 1,086,359

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
GRANTS SPECIAL REVENUE FUND
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
For the Year ended June 30, 2009
(with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 2,994,061	\$ 1,114,055	\$ (1,880,006)	\$ 1,441,571
Interest	-	6,704	6,704	31,883
Other	2,789	1,789	(1,000)	5,436
Total revenues	3,113,605	1,122,548	(1,874,302)	1,478,890
Expenditures				
Current:				
Public safety:				
Personal services	318,891	186,281	132,610	203,513
Contractual services	110,752	107,087	3,665	143,174
Supplies & Materials	268,042	240,331	27,711	179,222
Business & Travel	10,918	13,937	(3,019)	19,833
Capital outlay	152,003	135,698	16,305	263,235
Other	429,458	50,392	379,066	-
Total public safety	1,290,064	733,726	556,338	808,977
Infrastructure and Regulation:				
Construction contracts	7,586	-	7,586	5,130
Total Infrastructure and Regulation	7,586	-	7,586	5,130
Culture, Recreation and Tourism				
Personal services	58,208	43,085	15,123	21,279
Contractual services	13,862	13,400	462	360
Supplies & Materials	38,587	6,209	32,378	7,578
Grant projects	8,134	7,028	1,106	38,059
Other	500	312	188	-
Total culture, recreation and tourism	119,291	70,034	49,069	67,276
Economic Development:				
Personal services	-	31,238	(31,238)	-
Supplies & Materials	-	-	-	2,500
Capital outlay	172,071	101,454	70,617	-
Grant projects	260,625	-	260,625	-
Construction contracts	1,527,972	496,871	1,031,101	332,370
Total economic development	1,960,668	629,563	1,331,105	334,870
Conservation and Natural Resources:				
Personal services	-	-	-	4,537
Contractual services	-	-	-	800
Supplies & Materials	-	-	-	40,553
Business & Travel	-	-	-	700
Total conservation and natural resources	-	-	-	46,590
Total expenditures	3,377,609	1,433,323	1,944,098	1,262,843
Excess (deficiency) of revenues over (under) expenditures	(264,004)	(310,775)	69,796	216,047
Other Financing Sources (Uses)				
Transfers in	264,051	264,051	-	194,839
Total other financing sources (uses)	264,051	264,051	-	194,839
Net change in fund balance	47	(46,724)	69,796	410,886
Fund balance at beginning of year	1,060,758	1,060,758	-	649,872
Fund balance at end of year	\$ 1,060,805	\$ 1,014,034	\$ 69,796	\$ 1,060,758

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
ADMISSIONS TAX SPECIAL REVENUE FUND
BALANCE SHEETS
JUNE 30, 2009
 (with comparative amounts for June 30, 2008)

	2009	2008
Assets		
Equity in pooled cash and investments	\$ 360,632	\$ 884
Interest receivable	2,030	39
Due from other governments	31,740	27,970
Total assets	\$ 394,402	\$ 28,893
 Liabilities and Fund Balance		
Liabilities:		
Due to other funds	\$ -	\$ 27,970
Total liabilities	-	27,970
Fund balance		
Unreserved, undesignated	394,402	923
Total fund balance	394,402	923
Total liabilities and fund balance	\$ 394,402	\$ 28,893

See accompanying independent auditors' report.

Horry County, South Carolina
 Admissions Tax Special Revenue Fund
 Schedules of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$ 100,000	\$ 1,321,891	\$ 1,221,891	\$ 115,940
Interest	-	6,778	6,778	103
Total revenues	<u>100,000</u>	<u>1,328,669</u>	<u>1,228,669</u>	<u>116,043</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,000</u>	<u>1,328,669</u>	<u>1,228,669</u>	<u>116,043</u>
Other Financing Sources (Uses)				
Transfers out	<u>(100,000)</u>	<u>(935,190)</u>	<u>(835,190)</u>	<u>(85,192)</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>(935,190)</u>	<u>(835,190)</u>	<u>(85,192)</u>
Net change in fund balance	-	393,479	393,479	30,851
Fund balance (deficit) at beginning of year	<u>923</u>	<u>923</u>	<u>-</u>	<u>(29,928)</u>
Fund balance at end of year	<u>\$ 923</u>	<u>\$ 394,402</u>	<u>\$ 393,479</u>	<u>\$ 923</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
HOSPITALITY 1.0% FEE SPECIAL REVENUE FUND
BALANCE SHEETS
JUNE 30, 2009
 (with comparative amounts for June 30, 2008)

	2009	2008
Assets		
Cash and cash equivalents	\$ 2,674,746	\$ 2,582,406
Equity in pooled cash and investments	631,512	489,171
Receivables, net:		
Accounts	832,438	921,960
Interest receivable	3,719	3,692
Total assets	\$ 4,142,415	\$ 3,997,229
 Liabilities and Fund Balance		
Liabilities:		
Due to other funds	\$ 1,354,657	\$ 702,102
Deferred revenues	98,034	56,965
Total liabilities	1,452,691	759,067
Fund balance:		
Reserved for Baseball Stadium Park	240,659	235,132
Reserved for Infrastructure	1,280,460	2,030,550
Unreserved, undesignated	1,168,605	972,480
Total fund balance	2,689,724	3,238,162
Total liabilities and fund balance	\$ 4,142,415	\$ 3,997,229

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Fees and fines	\$ 7,088,000	\$ 6,179,238	\$ (908,762)	\$ 6,631,804
Interest	51,500	28,024	(23,476)	54,107
Total revenues	<u>7,139,500</u>	<u>6,207,262</u>	<u>(932,238)</u>	<u>6,685,911</u>
Excess of revenues over expenditures	<u>7,139,500</u>	<u>6,207,262</u>	<u>(932,238)</u>	<u>6,685,911</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	196,257
Transfers out	(7,586,595)	(6,755,700)	830,895	(6,493,163)
Total other financing sources (uses)	<u>(7,586,595)</u>	<u>(6,755,700)</u>	<u>830,895</u>	<u>(6,296,906)</u>
Net change in fund balance	(447,095)	(548,438)	(101,343)	389,005
Fund balance at beginning of year	3,238,162	3,238,162	-	2,849,157
Fund balance at end of year	<u>\$ 2,791,067</u>	<u>\$ 2,689,724</u>	<u>\$ (101,343)</u>	<u>\$ 3,238,162</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

VICTIM WITNESS ASSISTANCE SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009

(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Receivables, net:		
Accounts	\$ 42,001	\$ 42,954
Due from other governments	-	220
Interest receivable	51	-
Total assets	<u>\$ 42,052</u>	<u>\$ 43,174</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 653	\$ 870
Accrued salaries and wages	16,801	12,882
Due to other funds	102,743	152,634
Deferred revenues	2,961	-
Total liabilities	<u>123,159</u>	<u>166,386</u>
Fund balance:		
Unreserved, undesignated	<u>(81,107)</u>	<u>(123,212)</u>
Total fund balance (deficit)	<u>(81,107)</u>	<u>(123,212)</u>
Total liabilities and fund balance	<u>\$ 42,052</u>	<u>\$ 43,174</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Fees and fines	\$ 584,690	\$ 517,767	\$ (66,923)	\$ 549,040
Interest	(1,000)	353	1,353	(768)
Total revenues	<u>583,690</u>	<u>518,120</u>	<u>(65,570)</u>	<u>548,272</u>
Expenditures				
Current:				
Public safety				
Detention:				
Personal services	252,744	249,855	2,889	242,817
Contractual services	4,920	2,720	2,200	4,535
Supplies & Materials	11,055	8,802	2,253	1,913
Business & Travel	145	-	145	4,137
Total detention	<u>268,864</u>	<u>261,377</u>	<u>7,487</u>	<u>253,402</u>
Police:				
Personal services	89,818	88,273	1,545	87,035
Supplies & Materials	1,212	1,012	200	998
Business & Travel	1,048	750	298	-
Other	97,193	-	97,193	-
Total police	<u>189,271</u>	<u>90,035</u>	<u>99,236</u>	<u>88,033</u>
Victim Witness:				
Personal services	55,140	55,558	(418)	53,078
Supplies & Materials	1,200	990	210	1,680
Business & Travel	3,350	2,636	714	2,543
Total victim witness	<u>59,690</u>	<u>59,184</u>	<u>506</u>	<u>57,301</u>
Solicitor:				
Personal services	277,390	284,899	(7,509)	274,255
Contractual services	12,017	7,705	4,312	16,168
Business & Travel	10,805	7,561	3,244	5,504
Other	400	-	400	1,553
Total solicitor	<u>300,612</u>	<u>300,165</u>	<u>447</u>	<u>297,480</u>
Total expenditures	<u>818,437</u>	<u>710,761</u>	<u>107,676</u>	<u>696,216</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(234,747)</u>	<u>(192,641)</u>	<u>42,106</u>	<u>(147,944)</u>
Other Financing Sources (Uses)				
Transfers in	234,747	234,746	1	121,925
Total other financing sources (uses)	<u>234,747</u>	<u>234,746</u>	<u>1</u>	<u>121,925</u>
Net change in fund balance	-	42,105	42,105	(26,019)
Fund balance (deficit) at beginning of year	(123,212)	(123,212)	-	(97,193)
Fund balance (deficit) at end of year	<u>\$ (123,212)</u>	<u>\$ (81,107)</u>	<u>\$ 42,105</u>	<u>\$ (123,212)</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

SENIOR CITIZEN SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009

(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ 57,834	\$ 53,975
Receivables, net:		
Property taxes	100,600	75,595
Interest receivable	258	585
Total assets	<u>\$ 158,692</u>	<u>\$ 130,155</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 37,330	\$ 38,440
Deferred revenues	92,829	71,279
Total liabilities	<u>130,159</u>	<u>109,719</u>
Fund balance:		
Unreserved, undesignated	28,533	20,436
Total fund balance	<u>28,533</u>	<u>20,436</u>
Total liabilities and fund balance	<u>\$ 158,692</u>	<u>\$ 130,155</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Real property taxes	\$ 691,590	\$ 647,126	\$ (44,464)	\$ 580,649
Personal property taxes	61,250	57,642	(3,608)	57,852
Vehicle taxes	57,000	52,933	(4,067)	54,521
Interest	800	585	(215)	1,921
Other	-	-	-	-
Total revenues	<u>810,640</u>	<u>758,286</u>	<u>(52,354)</u>	<u>694,943</u>
Expenditures				
Current:				
Health and Social Services:				
Contractual services	810,065	749,863	60,202	689,265
Indirect cost allocation	575	326	249	315
Total expenditures	<u>810,640</u>	<u>750,189</u>	<u>60,451</u>	<u>689,580</u>
Excess of revenues over expenditures	<u>-</u>	<u>8,097</u>	<u>8,097</u>	<u>5,363</u>
Net change in fund balance	-	8,097	8,097	5,363
Fund balance at beginning of year	20,436	20,436	-	15,073
Fund balance at end of year	<u>\$ 20,436</u>	<u>\$ 28,533</u>	<u>\$ 8,097</u>	<u>\$ 20,436</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

BASEBALL STADIUM SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009
(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Cash held in trust	\$ 98,633	\$ 98,633
Equity in pooled cash and investments	109,462	49,612
Due from other funds	19,950	-
Total assets	<u>\$ 228,045</u>	<u>\$ 148,245</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 76,865	\$ -
Due to other governments	70,069	83,459
Total liabilities	<u>\$ 146,934</u>	<u>\$ 83,459</u>
Fund balance:		
Unreserved, undesignated	<u>\$ 81,111</u>	<u>\$ 64,786</u>
Total fund balance	<u>81,111</u>	<u>64,786</u>
Total liabilities and fund balance	<u>\$ 228,045</u>	<u>\$ 148,245</u>

See accompanying independent auditors' report.

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, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Fees and fines	\$ 7,775	\$ 10,148	\$ 2,373	\$ 2,247
Interest	18,500	-	(18,500)	11,576
Other	925	-	(925)	720
Total revenues	<u>27,200</u>	<u>10,148</u>	<u>(17,052)</u>	<u>14,543</u>
Expenditures				
Current:				
Culture, Recreation and Tourism:				
Personal services	12,000	15,783	(3,783)	14,256
Contractual services	29,000	32,384	(3,384)	286
Supplies & Materials	64,500	25,456	39,044	37,802
Business & Travel	-	-	-	-
Other	1,500	-	1,500	78
Total expenditures	<u>107,000</u>	<u>73,623</u>	<u>33,377</u>	<u>52,422</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(79,800)</u>	<u>(63,475)</u>	<u>16,325</u>	<u>(37,879)</u>
Other Financing Sources (Uses)				
Transfers in	79,800	79,800	-	47,328
Total other financing sources (uses)	<u>79,800</u>	<u>79,800</u>	<u>-</u>	<u>47,328</u>
Net change in fund balance	-	16,325	16,325	9,449
Fund balance at beginning of year	64,786	64,786	-	55,337
Fund balance at end of year	<u>\$ 64,786</u>	<u>\$ 81,111</u>	<u>\$ 16,325</u>	<u>\$ 64,786</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

ARCADIAN SHORES SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009

(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ 47,983	\$ 56,461
Receivables, net:		
Property taxes	924	712
Interest receivable	214	490
Total assets	<u>\$ 49,121</u>	<u>\$ 57,663</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 1,126	\$ 487
Due to other funds	311,602	332,476
Deferred revenues	454	214
Total liabilities	<u>313,182</u>	<u>333,177</u>
Fund balance (deficit) :		
Unreserved, undesignated	<u>(264,061)</u>	<u>(275,514)</u>
Total fund balance (deficit)	<u>(264,061)</u>	<u>(275,514)</u>
Total liabilities and fund balance	<u>\$ 49,121</u>	<u>\$ 57,663</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Real property taxes	\$ 60,335	\$ 57,400	\$ (2,935)	\$ 57,443
Personal property taxes	390	136	(254)	88
Vehicle taxes	950	2,660	1,710	855
Interest	750	658	(92)	2,001
Other	-	-	-	-
Total revenues	<u>62,425</u>	<u>60,854</u>	<u>(1,571)</u>	<u>60,387</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Personal Services	707	602	105	707
Contractual services	32,551	22,187	10,364	1,600
Supplies and materials	9,610	7,055	2,555	11,016
Indirect cost allocation	3,354	3,354	-	2,515
Other	16,203	16,203	-	17,199
Total expenditures	<u>62,425</u>	<u>49,401</u>	<u>13,024</u>	<u>33,037</u>
Excess of revenues over expenditures	-	11,453	11,453	27,350
Net change in fund balance	-	11,453	11,453	27,350
Fund balance (deficit) at beginning of year	<u>(275,514)</u>	<u>(275,514)</u>	<u>-</u>	<u>(302,864)</u>
Fund balance (deficit) at end of year	<u>\$ (275,514)</u>	<u>\$ (264,061)</u>	<u>\$ 11,453</u>	<u>\$ (275,514)</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

CDBG GRANT PROGRAM SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009

(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Receivables, net:		
Other	\$ 61	\$ -
Due from other governments	65,978	-
Prepaid items	1,545	-
Total assets	<u>\$ 67,584</u>	<u>\$ -</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 10,700	\$ -
Due to other funds	54,289	-
Accrued salaries and wages	2,595	-
Total liabilities	<u>67,584</u>	<u>-</u>
Fund balance:		
Reserved for encumbrances	590,873	-
Reserved for prepaid items	1,545	-
Unreserved, undesignated	(592,418)	-
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 67,584</u>	<u>\$ -</u>

See accompanying independent auditors' report.

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, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Intergovernmental	\$ 1,497,837	\$ 237,713	\$ (1,260,124)	\$ -
Total revenues	<u>1,497,837</u>	<u>237,713</u>	<u>(1,260,124)</u>	<u>-</u>
Expenditures				
Current:				
Economic Development:				
Personal services	100,825	86,726	14,099	-
Contractual services	103,191	14,063	89,128	-
Supplies & Materials	32,842	23,542	9,300	-
Business & Travel	8,800	4,166	4,634	-
Other	23,852	-	23,852	-
Other -CDBG community projects	873,250	109,216	764,034	-
Total expenditures	<u>1,142,760</u>	<u>237,713</u>	<u>905,047</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>355,077</u>	<u>-</u>	<u>(355,077)</u>	<u>-</u>
Net change in fund balance	355,077	-	(355,077)	-
Fund balance (deficit) at beginning of year	-	-	-	-
Fund balance (deficit) at end of year	<u>\$ 355,077</u>	<u>\$ -</u>	<u>\$ (355,077)</u>	<u>\$ -</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

STORMWATER MANAGEMENT SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009
(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ 4,249,463	\$ 4,809,444
Receivables, net:		
Fees	296,525	243,334
Interest receivable	22,946	54,288
Due from other governments	-	3,141
Prepaid items	328	133
Total assets	<u>\$ 4,569,262</u>	<u>\$ 5,110,340</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 292,717	\$ 168,914
Accrued salaries and wages	29,840	29,812
Due to other funds	-	-
Deferred revenues	263,507	218,168
Other liabilities	23	-
Total liabilities	<u>586,087</u>	<u>416,894</u>
 Fund balance:		
Reserved for encumbrances	101,513	305,128
Reserved for prepaid items	328	133
Unreserved, designated	1,743,287	2,152,930
Unreserved, undesignated	2,138,047	2,235,255
Total fund balance	<u>3,983,175</u>	<u>4,693,446</u>
Total liabilities and fund balance	<u>\$ 4,569,262</u>	<u>\$ 5,110,340</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Fees	\$ 4,250,000	\$ 4,306,367	\$ 56,367	\$ 4,088,195
Interest	225,000	71,620	(153,380)	203,391
Total revenues	<u>4,475,000</u>	<u>4,377,987</u>	<u>(97,013)</u>	<u>4,291,586</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Personal services	1,627,171	1,437,626	189,545	1,409,656
Contractual services	1,084,310	643,527	440,783	223,220
Supplies & Materials	708,958	251,806	457,152	329,174
Business & Travel	294,053	250,210	43,843	190,121
Construction contracts	2,396,112	2,028,983	367,129	1,734,234
Capital Outlay	363,729	20,291	343,438	66,807
Indirect cost allocation	205,565	205,565	-	156,524
Other	3,160	250	2,910	250
Total expenditures	<u>6,683,058</u>	<u>4,838,258</u>	<u>1,844,800</u>	<u>4,109,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,208,058)</u>	<u>(460,271)</u>	<u>1,747,787</u>	<u>181,600</u>
Other Financing Sources (Uses)				
Transfers out	(250,000)	(250,000)	-	(402,192)
Total other financing sources (uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>	<u>(402,192)</u>
Net change in fund balance	(2,458,058)	(710,271)	1,747,787	(220,592)
Fund balance at beginning of year	4,693,446	4,693,446	-	4,914,038
Fund balance at end of year	<u>\$ 2,235,388</u>	<u>\$ 3,983,175</u>	<u>\$ 1,747,787</u>	<u>\$ 4,693,446</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

GIS/IT SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009

(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ 12,688	\$ 12,837
Interest receivable	60	314
Total assets	<u>\$ 12,748</u>	<u>\$ 13,151</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 192	\$ 6,139
Total liabilities	<u>192</u>	<u>6,139</u>
Fund balance:		
Reserved for encumbrances	11,324	-
Unreserved, undesignated	1,232	7,012
Total fund balance	<u>12,556</u>	<u>7,012</u>
Total liabilities and fund balance	<u>\$ 12,748</u>	<u>\$ 13,151</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Fees and fines	\$ 18,600	\$ 14,288	\$ (4,312)	\$ 30,767
Interest	1,500	1	\$ (1,499)	(582)
Total revenues	<u>20,100</u>	<u>14,289</u>	<u>(5,811)</u>	<u>30,185</u>
Expenditures				
Current:				
Public safety:				
Contractual services	20,100	8,745	11,355	24,100
Capital outlay	-	-	-	33,032
Total expenditures	<u>20,100</u>	<u>8,745</u>	<u>11,355</u>	<u>57,132</u>
Excess (deficiency) of revenues over (under) expenditures	-	5,544	5,544	(26,947)
Net change in fund balance	-	5,544	5,544	(26,947)
Fund balance at beginning of year	7,012	7,012	-	33,959
Fund balance at end of year	<u>\$ 7,012</u>	<u>\$ 12,556</u>	<u>\$ 5,544</u>	<u>\$ 7,012</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

MULTI-COUNTY BUSINESS PARK ROLLBACK SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009
(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ 2,356,637	\$ 2,086,543
Receivables, net:		
Accounts receivable	89,231	13,915
Interest receivable	11,590	19,477
Total assets	<u>\$ 2,457,458</u>	<u>\$ 2,119,935</u>
 Liabilities and Fund Balance		
Liabilities:		
Deferred revenues	\$ 89,231	\$ 13,915
Total liabilities	<u>89,231</u>	<u>13,915</u>
 Fund balance:		
Unreserved, undesignated	\$ 2,368,227	\$ 2,106,020
Total fund balance	<u>2,368,227</u>	<u>2,106,020</u>
Total liabilities and fund balance	<u>\$ 2,457,458</u>	<u>\$ 2,119,935</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Property taxes	\$ -	\$ 218,590	\$ 218,590	\$ 363,775
Interest	-	43,617	43,617	79,455
Total revenues	-	262,207	262,207	443,230
Expenditures				
Current:				
Culture, Recreation and Tourism:				
Cal Ripken Baseball Field	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	262,207	262,207	443,230
Net change in fund balance	-	262,207	262,207	443,230
Fund balance at beginning of year	2,106,020	2,106,020	-	1,662,790
Fund balance at end of year	<u>\$ 2,106,020</u>	<u>\$ 2,368,227</u>	<u>\$ 262,207</u>	<u>\$ 2,106,020</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

E-911 SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009
(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ 418,592	\$ -
Receivables, net:		
Accounts receivable	71,472	76,806
Due from other governments	-	126
Interest receivable	295	-
Prepaid items	1,387	1,387
Total assets	<u>\$ 491,746</u>	<u>\$ 78,319</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 47,641	\$ 2,346
Accrued salaries and wages	4,288	3,576
Due to other funds	-	161,822
Total liabilities	<u>51,929</u>	<u>167,744</u>
 Fund balance:		
Reserved for prepaid items	1,387	1,387
Unreserved, undesignated	438,430	(90,812)
Total fund balance	<u>439,817</u>	<u>(89,425)</u>
Total liabilities and fund balance	<u>\$ 491,746</u>	<u>\$ 78,319</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Intergovernmental	\$ 655,000	\$ 1,074,505	\$ 419,505	\$ 376,179
Fees and fines	915,000	856,329	(58,671)	894,116
Interest	-	1,491	1,491	-
Total revenues	<u>1,570,000</u>	<u>1,932,325</u>	<u>362,325</u>	<u>1,270,295</u>
Expenditures				
Current:				
Public safety:				
Personal services	187,526	190,116	(2,590)	181,647
Contractual services	1,227,000	1,201,497	25,503	1,162,208
Supplies & Materials	6,455	4,720	1,735	2,107
Business & Travel	9,600	6,750	2,850	8,938
Other	139,419	-	139,419	-
Total expenditures	<u>1,570,000</u>	<u>1,403,083</u>	<u>166,917</u>	<u>1,354,900</u>
Excess (deficiency) of revenues over (under) expenditures	-	529,242	529,242	(84,605)
Net change in fund balance	-	529,242	529,242	(84,605)
Fund balance (deficit) at beginning of year	<u>(89,425)</u>	<u>(89,425)</u>	-	<u>(4,820)</u>
Fund balance (deficit) at end of year	<u>\$ (89,425)</u>	<u>\$ 439,817</u>	<u>\$ 529,242</u>	<u>\$ (89,425)</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

LOCAL ACCOMMODATIONS TAX SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009
(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Cash and cash equivalents	\$ 533,167	\$ 719,528
Equity in pooled cash and investments	7,774	20,499
Receivables, net:		
Other	134,408	161,962
Interest receivable	102	108
Total assets	<u>\$ 675,451</u>	<u>\$ 902,097</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 95,889	\$ 149,147
Due to other funds	243,563	467,314
Total liabilities	<u>339,452</u>	<u>616,461</u>
Fund balance:		
Unreserved, undesignated	335,999	285,636
Total fund balance	<u>335,999</u>	<u>285,636</u>
Total liabilities and fund balance	<u>\$ 675,451</u>	<u>\$ 902,097</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Accommodations tax	\$ 1,074,240	\$ 865,217	\$ (209,023)	\$ 995,663
Interest	37,500	4,070	(33,430)	35,270
Total revenues	<u>1,111,740</u>	<u>869,287</u>	<u>(242,453)</u>	<u>1,030,933</u>
Expenditures				
Current:				
Public safety:				
Contractual services	25,900	25,900	-	75,975
Capital outlay	55,319	55,247	72	-
Other	450,530	305,447	145,083	417,994
Total public safety	<u>531,749</u>	<u>386,594</u>	<u>145,155</u>	<u>493,969</u>
Culture, Recreation and Tourism:				
Capital outlay	-	-	-	-
Other	356,549	253,335	103,214	294,605
Total culture, recreation and tourism	<u>356,549</u>	<u>253,335</u>	<u>103,214</u>	<u>294,605</u>
Total expenditures	<u>888,298</u>	<u>639,929</u>	<u>248,369</u>	<u>788,574</u>
Excess of revenues over expenditures	<u>223,442</u>	<u>229,358</u>	<u>5,916</u>	<u>242,359</u>
Other Financing Sources (Uses)				
Transfers out	(223,442)	(178,995)	44,447	(206,323)
Total other financing sources (uses)	<u>(223,442)</u>	<u>(178,995)</u>	<u>44,447</u>	<u>(206,323)</u>
Net change in fund balance	-	50,363	50,363	36,036
Fund balance at beginning of year	<u>285,636</u>	<u>285,636</u>	-	<u>249,600</u>
Fund balance at end of year	<u>\$ 285,636</u>	<u>\$ 335,999</u>	<u>\$ 50,363</u>	<u>\$ 285,636</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
RECREATION SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009
(with comparative amounts for June 30, 2008)

	2009	2008
Assets		
Cash	\$ 100	\$ 100
Equity in pooled cash and investments	3,133,967	3,006,229
Receivables, net:		
Property taxes	481,924	315,014
Other	7,307	-
Interest receivable	16,855	35,334
Due from other governments	-	386,786
Prepaid items	-	1,325
Total assets	\$ 3,640,153	\$ 3,744,788
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 64,418	\$ 116,988
Accrued salaries and wages	43,010	28,834
Due to other funds	-	213,821
Due to component units	25	96
Deferred revenues	437,364	290,884
Total liabilities	544,817	650,623
Fund balance:		
Reserved for encumbrances	108,620	384,413
Reserved for prepaid items	-	1,325
Unreserved, designated	1,372,265	1,617,050
Unreserved, undesignated	1,614,451	1,091,377
Total fund balance	3,095,336	3,094,165
Total liabilities and fund balance	\$ 3,640,153	\$ 3,744,788

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Real property taxes	\$ 3,952,257	\$ 3,714,034	\$ (238,223)	\$ 3,311,004
Personal property taxes	346,450	329,669	(16,781)	326,873
Vehicle taxes	331,250	304,032	(27,218)	235,661
Intergovernmental	-	737	737	-
Fees and fines	-	-	-	589,949
Interest	85,000	55,702	(29,298)	141,712
Other	425,000	468,922	43,922	437,112
Total revenues	<u>5,139,957</u>	<u>4,873,096</u>	<u>(266,861)</u>	<u>5,042,311</u>
Expenditures				
Current:				
Culture, Recreation and Tourism:				
Personal services	1,519,294	1,254,433	264,861	983,527
Contractual services	222,791	203,092	19,699	78,674
Supplies & Materials	308,167	273,917	34,250	244,198
Business & Travel	149,720	140,663	9,057	125,558
Construction contracts	781,513	196,064	585,449	370,108
Capital Outlay	871,764	402,229	469,535	169,613
Indirect cost allocation	373,126	373,126	-	238,332
Other	1,118,461	584,171	534,290	653,932
Total expenditures	<u>5,344,836</u>	<u>3,427,695</u>	<u>1,917,141</u>	<u>2,863,942</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(204,879)</u>	<u>1,445,401</u>	<u>1,650,280</u>	<u>2,178,369</u>
Other Financing Sources (Uses)				
Transfers in	41,298	23,989	17,309	-
Transfers out	(1,837,882)	(1,468,219)	369,663	(2,094,266)
Total other financing sources (uses)	<u>(1,796,584)</u>	<u>(1,444,230)</u>	<u>386,972</u>	<u>(2,094,266)</u>
Net change in fund balance	(2,001,463)	1,171	2,037,252	84,103
Fund balance at beginning of year	3,094,165	3,094,165	-	3,010,062
Fund balance at end of year	<u>\$ 1,092,702</u>	<u>\$ 3,095,336</u>	<u>\$ 2,037,252</u>	<u>\$ 3,094,165</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

INDUSTRIAL PARKS SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009

(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ 4,178,586	\$ 6,340,745
Receivables, net:		
Other	15,702	17,510
Due from other governments	-	337
Interest receivable	26,499	64,162
Prepaid items	4,143	-
Total assets	<u>\$ 4,224,930</u>	<u>\$ 6,422,754</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 184	\$ 4,985
Due to other funds	500,000	-
Total liabilities	<u>500,184</u>	<u>4,985</u>
Fund balance:		
Reserved for infrastructure development	-	1,553,336
Reserved for prepaid items	4,143	-
Unreserved, undesignated	3,720,603	4,864,433
Total fund balance	<u>3,724,746</u>	<u>6,417,769</u>
Total liabilities and fund balance	<u>\$ 4,224,930</u>	<u>\$ 6,422,754</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Fees	\$ 82,655	\$ 80,328	\$ (2,327)	\$ 89,240
Interest	130,000	86,132	(43,868)	246,568
Rural Development Act contribution	-	-	-	600,000
Other	-	60,980	60,980	334
Total revenues	<u>212,655</u>	<u>227,440</u>	<u>14,785</u>	<u>936,142</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Contractual services	550,275	526,530	23,745	634,932
Materials and supplies	26,165	20,229	5,936	39,257
Capital outlay	56,443	56,443	-	-
Other	35,792	17,261	18,531	6,410
Total expenditures	<u>668,675</u>	<u>620,463</u>	<u>48,212</u>	<u>680,599</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(456,020)</u>	<u>(393,023)</u>	<u>62,997</u>	<u>255,543</u>
Other Financing Sources (Uses)				
Transfers out	<u>(2,300,000)</u>	<u>(2,300,000)</u>	-	-
Total other financing sources (uses)	<u>(2,300,000)</u>	<u>(2,300,000)</u>	-	-
Net change in fund balance	<u>(2,756,020)</u>	<u>(2,693,023)</u>	<u>62,997</u>	<u>255,543</u>
Fund balance at beginning of year	<u>5,843,786</u>	<u>6,417,769</u>	-	<u>6,162,226</u>
Fund balance at end of year	<u>\$ 3,087,766</u>	<u>\$ 3,724,746</u>	<u>\$ 62,997</u>	<u>\$ 6,417,769</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

RAILROAD SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009

(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ -	\$ -
Total assets	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	\$ -	\$ -
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009			2008
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Expenditures				
Current:				
Infrastructure and Regulation:				
Indirect cost allocation	\$ -	\$ -	\$ -	\$ -
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers out	-	-	-	(51,471)
Total other financing sources (uses)	-	-	-	(51,471)
Net change in fund balance	-	-	-	(51,471)
Fund balance at beginning of year	-	-	-	51,471
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

CDBG REVOLVING SPECIAL REVENUE FUND
BALANCE SHEETS

JUNE 30, 2009

(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Cash held in trust	\$ -	\$ -
Total assets	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Fund Balance		
Fund balance:		
Unreserved, undesignated	\$ -	\$ -
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

Fro the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009			2008
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Other Financing Sources				
Transfers out	\$ -	\$ -	\$ -	\$ (489)
Total other financing sources	-	-	-	(489)
Net change in fund balance	-	-	-	(489)
Fund balance at beginning of year	-	-	-	489
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

JUNE 30, 2009

(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Cash and cash equivalents	\$ 1,481,590	\$ 2,500,285
Equity in pooled cash and investments	764,879	182,043
Receivables, net:		
Fees	4,127,473	4,481,523
Interest receivable	5,897	10,031
Total assets	<u>\$ 6,379,839</u>	<u>\$ 7,173,882</u>
 Liabilities and Fund Balance		
Liabilities:		
Due to other funds	\$ 6,075,134	\$ 7,002,480
Deferred revenue	271,119	164,987
Total liabilities	<u>6,346,253</u>	<u>7,167,467</u>
Fund balance:		
Unreserved, undesignated	33,586	6,415
Total fund balance	<u>33,586</u>	<u>6,415</u>
Total liabilities and fund balance	<u>\$ 6,379,839</u>	<u>\$ 7,173,882</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

For the Year ended June 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Fees and fines	\$ 32,415,730	\$ 28,329,396	\$ (4,086,334)	\$ 30,418,755
Interest	65,000	39,230	(25,770)	128,935
Total revenues	<u>32,480,730</u>	<u>28,368,626</u>	<u>(4,112,104)</u>	<u>30,547,690</u>
Excess of revenues over expenditures	<u>32,480,730</u>	<u>28,368,626</u>	<u>(4,112,104)</u>	<u>30,547,690</u>
Other Financing Sources (Uses)				
Transfers out - RIDE Debt Service	(32,162,730)	(28,062,917)	4,099,813	(30,174,250)
Transfers out - General Fund	(318,000)	(278,538)	39,462	(492,542)
Total other financing sources (uses)	<u>(32,480,730)</u>	<u>(28,341,455)</u>	<u>4,139,275</u>	<u>(30,666,792)</u>
Net change in fund balance	-	27,171	27,171	(119,102)
Fund balance at beginning of year	6,415	6,415	-	125,517
Fund balance at end of year	<u>\$ 6,415</u>	<u>\$ 33,586</u>	<u>\$ 27,171</u>	<u>\$ 6,415</u>

See accompanying independent auditors' report.

CAPITAL PROJECTS FUNDS

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

June 30, 2009

	Major Funds		
	General Improvement Capital Projects	Capital Projects Sales Tax	Total Major Funds
Assets			
Equity in pooled cash and investments	\$ 61,692,998	\$ 95,687,623	\$ 157,380,621
Funds held in escrow	2,573,580	-	2,573,580
Receivables, net:			
Accounts and other	506,171	-	506,171
Interest receivable	113,142	710,496	823,638
Due from component unit	68,849	-	68,849
Due from other governments	162,447	13,689,773	13,852,220
Total assets	<u>\$ 65,117,187</u>	<u>\$ 110,087,892</u>	<u>\$ 175,205,079</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable - trade	\$ 2,247,137	\$ 1,770,951	\$ 4,018,088
Retainage payable	2,076,676	74,215	2,150,891
Other accrued liabilities	271,878	-	271,878
Total liabilities	<u>4,595,691</u>	<u>1,845,166</u>	<u>6,440,857</u>
Fund balance :			
Reserved for encumbrances	26,294,055	3,698,115	29,992,170
Reserved for Fire Special Revenue Fund	2,003,229	-	2,003,229
Reserved for bonded capital projects	39,650,343	-	39,650,343
Reserved for infrastructure development	-	104,544,611	104,544,611
Unreserved			
Undesignated (deficit)	<u>(7,426,131)</u>	<u>-</u>	<u>(7,426,131)</u>
Total fund balance	<u>60,521,496</u>	<u>108,242,726</u>	<u>168,764,222</u>
Total liabilities and fund balance	<u>\$ 65,117,187</u>	<u>\$ 110,087,892</u>	<u>\$ 175,205,079</u>

See accompanying independent auditors' report.

Note: Separation is for presentation purposes only.

HORRY COUNTY, SOUTH CAROLINA

MAJOR CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2009

	Major Funds		
	General Improvement Capital Projects	Capital Projects Sales Tax	Total Major Funds
Revenues			
Intergovernmental	\$ 933,587	\$ 63,548,738	\$ 64,482,325
Disposal Fee	608,514	-	608,514
Interest	1,899,268	1,700,852	3,600,120
Other- donations	270,500	-	270,500
Total revenues	<u>3,711,869</u>	<u>65,249,590</u>	<u>68,961,459</u>
Expenditures			
Economic Development:			
Construction contracts	3,499,744	-	3,499,744
Capital Outlay	32,589,186	-	32,589,186
Other	20,444	-	20,444
Total economic development	<u>36,109,374</u>	<u>-</u>	<u>36,109,374</u>
Infrastructure & regulation:			
Capital Outlay	-	15,094,317	15,094,317
Total infrastructure & regulation	<u>-</u>	<u>15,094,317</u>	<u>15,094,317</u>
Total expenditures	<u>36,109,374</u>	<u>15,094,317</u>	<u>51,203,691</u>
Excess (deficiency) of revenue over expenditures	<u>(32,397,505)</u>	<u>50,155,273</u>	<u>17,757,768</u>
Other Financing Sources (Uses)			
Transfers in	8,699,221	-	8,699,221
Transfers out	(238,907)	-	(238,907)
Total other financing sources (uses)	<u>8,460,314</u>	<u>-</u>	<u>8,460,314</u>
Net change in fund balance	<u>(23,937,191)</u>	<u>50,155,273</u>	<u>26,218,082</u>
Fund balance at beginning of year	<u>84,458,687</u>	<u>58,087,453</u>	<u>142,546,140</u>
Fund balance at end of year	<u>\$ 60,521,496</u>	<u>\$ 108,242,726</u>	<u>\$ 168,764,222</u>

See accompanying independent auditors' report.

Note: Separation is for presentation purposes only.

HORRY COUNTY, SOUTH CAROLINA

GENERAL IMPROVEMENT CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2009
(with comparative total amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ 61,692,998	\$ 82,857,356
Funds held in escrow	2,573,580	2,555,219
Receivables, net:		
Accounts and other	506,171	62,759
Interest Receivable	113,142	185,528
Due from other funds	-	387,001
Due from component unit	68,849	63,981
Due from other governments	162,447	-
Total assets	<u>\$ 65,117,187</u>	<u>\$ 86,111,844</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 2,247,137	\$ 1,054,863
Retainage payable	2,076,676	355,497
Other accrued liabilities	271,878	242,797
Total liabilities	<u>4,595,691</u>	<u>1,653,157</u>
Fund balance :		
Reserved for encumbrances	26,294,055	5,700,179
Reserved for Fire Special Revenue Fund	2,003,229	893,244
Reserved for bonded capital projects	39,650,343	66,905,757
Unreserved		
Designated	-	10,959,507
Undesignated (deficit)	(7,426,131)	-
Total fund balance	<u>60,521,496</u>	<u>84,458,687</u>
Total liabilities and fund balance	<u>\$ 65,117,187</u>	<u>\$ 86,111,844</u>

See accompanying independent auditors' report.

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, 2009
(With comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Disposal fee	\$ 747,727	\$ 608,514	\$ (139,213)	\$ 725,893
Intergovernmental	899,375	933,587	34,212	-
Interest	500,000	1,899,268	1,399,268	1,203,751
Other -Donations	270,500	270,500	-	96,755
Total revenues	<u>2,417,602</u>	<u>3,711,869</u>	<u>1,294,267</u>	<u>2,026,399</u>
Expenditures				
Capital Outlay:				
Construction contracts	20,504,007	3,499,744	17,004,263	3,706,418
Capital Outlay	85,937,377	32,589,186	53,348,191	26,568,585
Other	1,293,432	20,444	1,272,988	35,773
Total expenditures	<u>107,734,816</u>	<u>36,109,374</u>	<u>71,625,442</u>	<u>30,310,776</u>
Excess (deficiency) of revenue over expenditures	<u>(105,317,214)</u>	<u>(32,397,505)</u>	<u>72,919,709</u>	<u>(28,284,377)</u>
Other Financing Sources (Uses)				
Sale of assets	296,000	-	(296,000)	-
Bond proceeds	-	-	-	62,000,000
Capital lease	-	-	-	4,442,258
Transfer out to Horry Georgetown TECH	-	-	-	-
Transfers in	8,699,220	8,699,221	1	10,331,755
Transfers out	(238,907)	(238,907)	-	(211,300)
Total other financing sources (uses)	<u>8,756,313</u>	<u>8,460,314</u>	<u>(295,999)</u>	<u>76,562,713</u>
Net change in fund balance	<u>(96,560,901)</u>	<u>(23,937,191)</u>	<u>72,623,710</u>	<u>48,278,336</u>
Fund balance at beginning of year	<u>84,458,687</u>	<u>84,458,687</u>	<u>-</u>	<u>36,180,351</u>
Fund balance at end of year	<u>\$ (12,102,214)</u>	<u>\$ 60,521,496</u>	<u>\$ 72,623,710</u>	<u>\$ 84,458,687</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 CAPITAL PROJECTS SALES TAX FUND
 BALANCE SHEETS

June 30, 2009
 (with comparative total amounts for June 30, 2008)

	2009	2008
Assets		
Equity in pooled cash and investments	\$ 95,687,623	\$ 43,792,980
Interest Receivable	710,496	-
Due from other governments	13,689,773	14,721,808
Total assets	\$ 110,087,892	\$ 58,514,788
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable - trade	\$ 1,770,951	\$ 427,335
Retainage payable	74,215	-
Total liabilities	1,845,166	427,335
Fund balance :		
Reserved for encumbrances	3,698,115	2,338,408
Reserved for infrastructure development	104,544,611	55,749,045
Total fund balance	108,242,726	58,087,453
Total liabilities and fund balance	\$ 110,087,892	\$ 58,514,788

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA
 CAPITAL PROJECTS SALES TAX FUND
 SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2009
 (With comparative actual amounts for the year ended June 30, 2008)

	<u>2009</u>			<u>2008</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues				
Sales Tax	\$ 360,821,791	\$ 63,548,738	\$ (297,273,053)	\$ 63,537,101
Interest	-	1,700,852	1,700,852	389,409
Total revenues	<u>360,821,791</u>	<u>65,249,590</u>	<u>(295,572,201)</u>	<u>63,926,510</u>
Expenditures				
Infrastructure & regulation:				
Capital Outlay	419,265,750	15,094,317	404,171,433	5,587,358
Other	284,602	-	284,602	-
Total expenditures	<u>419,550,352</u>	<u>15,094,317</u>	<u>404,456,035</u>	<u>5,587,358</u>
Net change in fund balance	<u>(58,728,561)</u>	<u>50,155,273</u>	<u>108,883,834</u>	<u>58,339,152</u>
Fund balance (deficit) at beginning of year	<u>58,087,453</u>	<u>58,087,453</u>	-	<u>(251,699)</u>
Fund balance at end of year	<u>\$ (641,108)</u>	<u>\$ 108,242,726</u>	<u>\$ 108,883,834</u>	<u>\$ 58,087,453</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

DEVELOPER CONTRIBUTIONS CAPITAL PROJECTS FUND
BALANCE SHEETS

June 30, 2009

(with comparative total amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ 189,870	\$ 1,711,413
Interest receivable	2,717	17,391
Total assets	<u>\$ 192,587</u>	<u>\$ 1,728,804</u>
Liabilities and Fund Balance		
Liabilities:		
Retainage payable	\$ -	\$ 20,644
Total liabilities	<u>-</u>	<u>20,644</u>
Fund balance :		
Reserved for encumbrances	-	252,292
Unreserved		
Designated	<u>192,587</u>	<u>1,455,868</u>
Total fund balance	<u>192,587</u>	<u>1,708,160</u>
Total liabilities and fund balance	<u>\$ 192,587</u>	<u>\$ 1,728,804</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2009
 (With comparative actual amounts for the year ended June 30, 2008)

	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Interest	\$ -	\$ 2,431	\$ 2,431	\$ 99,877
Other- donations	-	8,000	8,000	1,978,200
Total revenues	-	10,431	10,431	2,078,077
Expenditures				
Economic Development:				
Construction contracts	1,697,692	1,526,004	171,688	-
Capital Outlay	-	-	-	475,802
Total expenditures	1,697,692	1,526,004	171,688	475,802
Excess of revenue over expenditures	(1,697,692)	(1,515,573)	182,119	1,602,275
Other Financing Sources (Uses)				
Transfers out	-	-	-	(166,190)
Total other financing sources (uses)	-	-	-	(166,190)
Net change in fund balance	(1,697,692)	(1,515,573)	182,119	1,436,085
Fund balance at beginning of year	272,075	1,708,160	-	272,075
Fund balance at end of year	\$ (1,425,617)	\$ 192,587	\$ 182,119	\$ 1,708,160

See accompanying independent auditors' report.

DEBT SERVICE FUNDS

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

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

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

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

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

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

HORRY COUNTY, SOUTH CAROLINA

NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET

June 30, 2009

	Non-Major Funds				
	General Debt	Higher Education	Horry Georgetown TECH	Special Obligation Debt	Total Non-Major Funds
ASSETS					
Equity in pooled cash and investments	\$ 15,558,769	\$ 189,189	\$ 646,643	\$ -	\$ 16,394,601
Funds held in trust - restricted	-	-	-	11,014,593	11,014,593
Receivables, net:					
Taxes	1,394,397	180,627	480,302	-	2,055,326
Interest receivable	88,544	2,206	5,416	-	96,166
Total Assets	\$ 17,041,710	\$ 372,022	\$ 1,132,361	\$ 11,014,593	\$ 29,560,686
LIABILITIES AND FUND BALANCE					
Liabilities:					
Deferred Revenue	\$ 1,291,486	\$ 167,061	\$ 443,438	\$ -	\$ 1,901,985
Total Liabilities	1,291,486	167,061	443,438	-	1,901,985
Fund Balance:					
Reserved for Debt Service	\$ 15,750,224	\$ 204,961	\$ 688,923	\$ 11,014,593	\$ 27,658,701
Total Fund Balance	15,750,224	204,961	688,923	11,014,593	27,658,701
Total Liabilities and Fund Balance	\$ 17,041,710	\$ 372,022	\$ 1,132,361	\$ 11,014,593	\$ 29,560,686

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2009

	Non-Major Funds				
	General Debt	Higher Education	Horry Georgetown TECH	Special Obligation Debt	Total Non-Major Funds
Revenues					
Real property taxes	\$ 8,578,171	\$ 1,132,477	\$ 3,073,849	\$ -	\$ 12,784,497
Personal property taxes	764,602	100,947	273,875	-	1,139,424
Vehicle taxes	701,879	92,899	251,734	-	1,046,512
Intergovernmental	35,028	10,636	13,880	-	59,544
Interest	358,397	6,658	18,452	601,889	985,396
Total revenues	<u>10,438,077</u>	<u>1,343,617</u>	<u>3,631,790</u>	<u>601,889</u>	<u>16,015,373</u>
Expenditures					
Debt service:					
Principal	7,999,320	125,000	120,000	1,541,500	9,785,820
Interest	5,152,188	101,600	126,313	732,025	6,112,126
Agents fees	3,723	425	400	3,075	7,623
Other	-	-	-	75,369	75,369
Total debt service	<u>13,155,231</u>	<u>227,025</u>	<u>246,713</u>	<u>2,351,969</u>	<u>15,980,938</u>
Current:					
Horry Georgetown TECH	-	-	3,000,000	-	3,000,000
Higher Education Commission	-	1,170,000	-	-	1,170,000
Total current	<u>-</u>	<u>1,170,000</u>	<u>3,000,000</u>	<u>-</u>	<u>4,170,000</u>
Total expenditures	<u>13,155,231</u>	<u>1,397,025</u>	<u>3,246,713</u>	<u>2,351,969</u>	<u>20,150,938</u>
Excess (deficiency) of revenues over expenditures	<u>(2,717,154)</u>	<u>(53,408)</u>	<u>385,077</u>	<u>(1,750,080)</u>	<u>(4,135,565)</u>
Other Financing Sources (Uses)					
Transfers in	2,177,769	-	-	1,735,607	3,913,376
Issuance of debt	-	-	-	8,155,000	8,155,000
Total other financing sources (uses)	<u>2,177,769</u>	<u>-</u>	<u>-</u>	<u>9,890,607</u>	<u>12,068,376</u>
Net change in fund balance	(539,385)	(53,408)	385,077	8,140,527	7,932,811
Fund balance at beginning of year as restated	<u>16,289,609</u>	<u>258,369</u>	<u>303,846</u>	<u>2,874,066</u>	<u>19,725,890</u>
Fund balance at end of year	<u>\$ 15,750,224</u>	<u>\$ 204,961</u>	<u>\$ 688,923</u>	<u>\$ 11,014,593</u>	<u>\$ 27,658,701</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

GENERAL DEBT SERVICE FUND
BALANCE SHEETS

June 30, 2009

(with comparative total amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ 15,558,769	\$ 16,099,710
Receivables, net:		
Property taxes	1,394,397	1,052,449
Interest receivable	88,544	132,632
Total assets	<u>\$ 17,041,710</u>	<u>\$ 17,284,791</u>
Liabilities and Fund Balance		
Liabilities:		
Deferred Revenue	\$ 1,291,486	\$ 995,182
Total Liabilities	<u>\$ 1,291,486</u>	<u>\$ 995,182</u>
Fund balance:		
Reserved for debt service	\$ 15,750,224	\$ 16,289,609
Total fund balance	<u>15,750,224</u>	<u>16,289,609</u>
Total liabilities and fund balance	<u>\$ 17,041,710</u>	<u>\$ 17,284,791</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2009
(with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Real property taxes	\$ 9,141,119	\$ 8,578,171	\$ (562,948)	\$ 7,698,200
Personal property taxes	735,300	764,602	29,302	769,521
Vehicle taxes	747,500	701,879	(45,621)	722,546
Intergovernmental	35,026	35,028	2	116,752
Interest	290,000	358,397	68,397	586,796
Other	-	-	-	22,347
Total revenues	<u>10,948,945</u>	<u>10,438,077</u>	<u>(510,868)</u>	<u>9,916,162</u>
Expenditures				
Debt Service:				
Principal	7,989,320	7,999,320	(10,000)	4,119,722
Interest	5,673,179	5,152,188	520,991	3,127,929
Agents fees	4,497	3,723	774	3,513
Total expenditures	<u>13,666,996</u>	<u>13,155,231</u>	<u>511,765</u>	<u>7,251,164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,718,051)</u>	<u>(2,717,154)</u>	<u>897</u>	<u>2,664,998</u>
Other Financing Sources (Uses)				
Transfers in	2,547,698	2,177,769	(369,929)	1,857,555
Bond Premium	-	-	-	1,496,310
Total other financing sources	<u>2,547,698</u>	<u>2,177,769</u>	<u>(369,929)</u>	<u>3,353,865</u>
Net change in fund balance	(170,353)	(539,385)	(369,032)	6,018,863
Fund balance at beginning of year	<u>16,289,609</u>	<u>16,289,609</u>	-	<u>10,270,746</u>
Fund balance at end of year	<u>\$ 16,119,256</u>	<u>\$ 15,750,224</u>	<u>\$ (369,032)</u>	<u>\$ 16,289,609</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

HIGHER EDUCATION DEBT SERVICE FUND
BALANCE SHEETS

June 30, 2009

(with comparative total amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ 189,189	\$ 245,445
Receivables, net:		
Property taxes	180,627	137,868
Interest Receivable	2,206	5,369
Total assets	<u>\$ 372,022</u>	<u>\$ 388,682</u>
 Liabilities and Fund Balance		
Liabilities:		
Deferred Revenue	\$ 167,061	\$ 130,313
Total Liabilities	<u>\$ 167,061</u>	<u>\$ 130,313</u>
 Fund balance:		
Reserved for debt service	\$ 204,961	\$ 258,369
Total fund balance	<u>204,961</u>	<u>258,369</u>
Total liabilities and fund balance	<u>\$ 372,022</u>	<u>\$ 388,682</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Real property taxes	\$ 1,230,808	\$ 1,132,477	\$ (98,331)	\$ 1,015,810
Personal property taxes	115,150	100,947	(14,203)	101,578
Vehicle taxes	98,300	92,899	(5,401)	95,650
Intergovernmental	10,640	10,636	(4)	10,636
Interest	2,000	6,658	4,658	19,419
Total revenues	<u>1,456,898</u>	<u>1,343,617</u>	<u>(113,281)</u>	<u>1,243,093</u>
Expenditures				
Debt Service:				
Principal	125,000	125,000	-	120,000
Interest	101,600	101,600	-	106,700
Agents fees	400	425	(25)	426
Total debt service	<u>227,000</u>	<u>227,025</u>	<u>(25)</u>	<u>227,126</u>
Current:				
Higher Ed Commission-student grants	<u>1,229,898</u>	<u>1,170,000</u>	<u>59,898</u>	910,000
Total expenditures	<u>1,456,898</u>	<u>1,397,025</u>	<u>59,873</u>	<u>1,137,126</u>
Excess of revenues over expenditures	<u>-</u>	<u>(53,408)</u>	<u>(53,408)</u>	<u>105,967</u>
Net change in fund balance	-	(53,408)	(53,408)	105,967
Fund balance at beginning of year	<u>258,369</u>	<u>258,369</u>	-	<u>152,402</u>
Fund balance at end of year	<u>\$ 258,369</u>	<u>\$ 204,961</u>	<u>\$ (53,408)</u>	<u>\$ 258,369</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

HORRY-GEORGETOWN TECH DEBT SERVICE FUND
BALANCE SHEETS

June 30, 2009

(with comparative total amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Equity in pooled cash and investments	\$ 646,643	\$ 273,261
Receivables, net:		
Property taxes	480,302	359,175
Interest Receivable	5,416	10,139
Total assets	<u>\$ 1,132,361</u>	<u>\$ 642,575</u>
 Liabilities and Fund Balance		
Liabilities:		
Deferred Revenue	\$ 443,438	\$ 338,729
Total Liabilities	<u>\$ 443,438</u>	<u>\$ 338,729</u>
Fund balance:		
Reserved for debt service	\$ 688,923	\$ 303,846
Total fund balance	<u>688,923</u>	<u>303,846</u>
Total liabilities and fund balance	<u>\$ 1,132,361</u>	<u>\$ 642,575</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Real property taxes	\$ 3,251,421	\$ 3,073,849	\$ (177,572)	\$ 2,683,940
Personal property taxes	280,450	273,875	(6,575)	348,892
Vehicle taxes	272,160	251,734	(20,426)	259,192
Intergovernmental	13,880	13,880	-	13,880
Interest	35,000	18,452	(16,548)	35,576
Total revenues	<u>3,852,911</u>	<u>3,631,790</u>	<u>(221,121)</u>	3,341,480
Expenditures				
Debt Service:				
Principal	120,000	120,000	-	115,000
Interest	126,313	126,313	-	130,338
Agents fees	840	400	440	400
Total debt service	<u>247,153</u>	<u>246,713</u>	<u>440</u>	245,738
Current:				
Horry Georgetown Tech	<u>3,605,758</u>	<u>3,000,000</u>	<u>605,758</u>	3,000,000
Total expenditures	<u>3,852,911</u>	<u>3,246,713</u>	<u>606,198</u>	3,245,738
Excess (deficit) of revenues over (under) expenditures	-	385,077	385,077	95,742
Net change in fund balance	-	385,077	385,077	95,742
Fund balance at beginning of year	<u>303,846</u>	<u>303,846</u>	-	208,104
Fund balance at end of year	<u>\$ 303,846</u>	<u>\$ 688,923</u>	<u>\$ 385,077</u>	<u>\$ 303,846</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

SPECIAL OBLIGATION DEBT SERVICE FUND
BALANCE SHEETS

June 30, 2009

(with comparative total amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Funds held in trust (restricted)	<u>\$ 11,014,593</u>	<u>\$ 2,874,066</u>
Total assets	<u><u>\$ 11,014,593</u></u>	<u><u>\$ 2,874,066</u></u>
 Liabilities and Fund Balance		
Fund balance:		
Reserved for debt service	<u>\$ 11,014,593</u>	<u>\$ 2,874,066</u>
Total fund balance	<u><u>11,014,593</u></u>	<u><u>2,874,066</u></u>
Total liabilities and fund balance	<u><u>\$ 11,014,593</u></u>	<u><u>\$ 2,874,066</u></u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2009
 (with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Interest	\$ 208,580	\$ 601,889	\$ 393,309	\$ 205,307
Other	-	-	-	197,522
Total revenues	<u>208,580</u>	<u>601,889</u>	<u>393,309</u>	<u>402,829</u>
Expenditures				
Debt Service:				
Principal	1,541,500	1,541,500	-	1,464,000
Interest	732,025	732,025	-	826,672
Agent fees	3,150	3,075	75	3,110
Other	-	75,369	(75,369)	-
Total debt service	<u>2,276,675</u>	<u>2,351,969</u>	<u>(75,294)</u>	<u>2,293,782</u>
Excess (deficiency) of revenues over expenditures	<u>(2,068,095)</u>	<u>(1,750,080)</u>	<u>318,015</u>	<u>(1,890,953)</u>
Other Financing Sources				
Issuance of debt	-	8,155,000	(8,155,000)	-
Transfers in - Hospitality	<u>2,068,095</u>	<u>1,735,607</u>	<u>332,488</u>	<u>2,223,947</u>
Total other financing sources	<u>2,068,095</u>	<u>9,890,607</u>	<u>(7,822,512)</u>	<u>2,223,947</u>
Net change in fund balance	-	8,140,527	(7,504,497)	332,994
Fund balance at beginning of year as restated	<u>2,874,066</u>	<u>2,874,066</u>	-	2,541,072
Fund balance at end of year	<u>\$ 2,874,066</u>	<u>\$ 11,014,593</u>	<u>\$ (7,504,497)</u>	<u>\$ 2,874,066</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

RIDE PROGRAM DEBT SERVICE FUND - MAJOR FUND
BALANCE SHEETS

June 30, 2009

(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Funds held in trust (restricted):		
Loan Reserve Account	\$ 35,132,306	\$ 31,562,765
Due from other funds	6,041,034	7,020,798
Total assets	<u>\$ 41,173,340</u>	<u>\$ 38,583,563</u>
 Liabilities and Fund Balance		
Fund balance:		
Reserved	\$ 41,173,340	\$ 38,583,563
Total fund balance	<u>41,173,340</u>	<u>38,583,563</u>
Total liabilities and fund balance	<u>\$ 41,173,340</u>	<u>\$ 38,583,563</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2009
(with comparative actual amounts for the year ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues				
Interest	\$ 1,450,000	\$ 1,565,482	\$ 115,482	\$ 1,632,329
Total revenues	<u>1,450,000</u>	<u>1,565,482</u>	<u>115,482</u>	<u>1,632,329</u>
Expenditures				
Debt Service:				
Principal				
Insured	11,346,522	11,346,522	-	10,985,130
Uninsured	6,133,465	6,996,625	(863,160)	5,043,843
Interest				
Insured	3,653,478	3,653,478	-	4,014,869
Uninsured	6,227,483	6,227,483	-	6,383,207
Contingency	6,641,282	-	6,641,282	-
Total debt service	<u>34,002,230</u>	<u>28,224,108</u>	<u>5,778,122</u>	<u>26,427,049</u>
Excess (deficiency) of revenue over expenditures	<u>(32,552,230)</u>	<u>(26,658,626)</u>	<u>5,893,604</u>	<u>(24,794,720)</u>
Other Financing Sources (Uses)				
Transfers in - Hospitality	32,452,230	28,313,213	(4,139,017)	30,464,111
Transfers in-Admissions Tax	100,000	935,190	835,190	85,192
Total other financing sources (uses)	<u>32,552,230</u>	<u>29,248,403</u>	<u>(3,303,827)</u>	<u>30,549,303</u>
Net change in fund balance	-	2,589,777	2,589,777	5,754,583
Fund balance, beginning of year	<u>38,583,563</u>	<u>38,583,563</u>	-	<u>32,828,980</u>
Fund balance, end of year	<u>\$ 38,583,563</u>	<u>\$ 41,173,340</u>	<u>\$ 2,589,777</u>	<u>\$ 38,583,563</u>

See accompanying independent auditors' report.

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, 2009

(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,938,283	\$ 25,643,462
Investments	38,677,211	18,235,874
Accounts receivable (net of allowance of \$294,358 in 2009 and 2008)	655,171	779,837
Interest receivable	305,071	152,667
Due from other governments	1,196,535	310,389
Inventories	332,949	387,944
Prepaid items	81,247	81,520
Total current assets	<u>50,186,467</u>	<u>45,591,693</u>
Restricted current assets:		
Restricted assets:		
Cash and cash equivalents	1,677,713	1,662,520
Investments	25,294,903	24,392,721
Due from Industrial Park	500,000	-
Receivables - PFC's and CFC's	255,208	274,056
Total restricted assets	<u>27,727,824</u>	<u>26,329,297</u>
Capital assets:		
Land, easements and infrastructure	32,041,192	31,983,581
Depreciable buildings, runways, taxiways, aprons, machinery and equipment, net	56,132,256	58,381,936
Construction-in-progress	9,958,654	1,001,419
Total capital assets, net	<u>98,132,102</u>	<u>91,366,936</u>
Bond issuance costs, net	<u>273,475</u>	<u>295,032</u>
Total assets	<u>\$ 176,319,868</u>	<u>\$ 163,582,958</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
BALANCE SHEETS

- CONTINUED -

	<u>2009</u>	<u>2008</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 241,729	\$ 183,940
Construction accounts and retainage payable	2,099,191	358,757
Accrued salaries, wages and compensated absences	411,981	393,197
Other accrued expenses	629,518	452,735
Unearned revenue	232,019	189,388
Due to other funds	784,326	1,142,638
Capital leases payable - current portion	40,393	39,025
Amounts due to tenants	532,732	541,850
Total current liabilities	<u>4,971,889</u>	<u>3,301,530</u>
Current liabilities payable from restricted assets:		
Revenue bonds payable - current portion	545,000	520,000
Accrued interest payable	288,255	300,270
Total current liabilities payable from restricted assets	<u>833,255</u>	<u>820,270</u>
Non-current liabilities:		
Revenue bonds payable	9,658,931	10,172,171
Compensated absences - long term	839,919	820,497
Net other post-employment benefits obligation	315,901	155,363
Due to tenants for capital improvements	150,000	200,000
Capital leases	265,502	305,895
Total non-current liabilities	<u>11,230,253</u>	<u>11,653,926</u>
Total liabilities	<u>17,035,397</u>	<u>15,775,726</u>
Net assets:		
Investment in capital assets, net of related debt	87,136,946	80,374,878
Restricted for:		
Debt service	26,091,465	24,025,631
Capital projects	803,104	2,303,666
Unrestricted	45,252,956	41,103,057
Total net assets	<u>159,284,471</u>	<u>147,807,232</u>
Total liabilities and net assets	<u>\$ 176,319,868</u>	<u>\$ 163,582,958</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2009
(with comparative amounts for the year ended June 30, 2008)

	<u>2009</u>	<u>2008</u>
Operating Revenues		
Landing fees	\$ 876,108	\$ 2,271,303
Airline terminal rents	4,085,932	3,971,709
Concessions and rentals	5,971,117	6,267,135
Security fees	216,734	200,826
Leases	1,102,085	1,164,700
Fuel sales - FBO	3,504,377	4,207,318
Other Airline Services	774,930	880,871
Federal revenue- TSA LEO reimbursement program	123,924	156,080
Other	576,938	529,329
Total operating revenues	<u>17,232,145</u>	<u>19,649,271</u>
Less, signatory airline contract operating rebate	<u>(365,240)</u>	<u>(754,539)</u>
Net operating revenues	<u>16,866,905</u>	<u>18,894,732</u>
Operating Expenses		
Salaries and benefits	6,014,109	5,955,075
Utilities	847,481	780,225
Outside and professional services	738,427	750,062
Maintenance and supplies	594,383	622,801
Fuel cost of sales	2,498,664	3,107,938
Vehicle and equipment (non-capital) expense	336,835	306,121
Insurance	255,862	235,848
Dues, memberships, and travel	165,872	196,363
Office supplies	23,728	20,885
Horry County administrative costs	246,676	350,000
Depreciation and amortization	4,732,264	4,711,815
Total operating expenses	<u>16,454,301</u>	<u>17,037,133</u>
Operating income	<u>412,604</u>	<u>1,857,599</u>

- CONTINUED -

HORRY COUNTY, SOUTH CAROLINA

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

- CONTINUED -

	<u>2009</u>	<u>2008</u>
Non-Operating Revenues (Expenses)		
Passenger Facility Charges (PFC's)	-	256,368
Contract Facility Charges (CFC's)	2,494,096	2,929,086
Intergovernmental revenues	1,725,761	1,727,659
Sale of assets	9,910	68,772
Redevelopment Authority grant revenue	236,179	71,250
Grant expenses	-	(315,982)
Reimbursement of funds to the FAA	-	-
Interest income	1,607,101	2,832,622
Interest expense	(619,445)	(1,607,144)
Legal settlement	1,029,961	-
Net non-operating revenues (expenses)	<u>6,483,563</u>	<u>5,962,631</u>
Income before capital contributions and transfers	<u>6,896,167</u>	<u>7,820,230</u>
Capital Contributions		
State grants - capital projects	314,931	2,085,833
State contributed capital	-	33,526
Federal grants - capital projects	3,766,141	1,314,001
Transfers	500,000	-
Net change in net assets	<u>11,477,239</u>	<u>11,253,590</u>
Net assets, beginning of year	<u>147,807,232</u>	<u>136,553,642</u>
Net assets, end of year	<u><u>\$ 159,284,471</u></u>	<u><u>\$ 147,807,232</u></u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

DEPARTMENT OF AIRPORTS ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2009
(with comparative amounts for the year ended June 30, 2008)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Cash received for:		
Landing fees, terminal rents, and concessions leases	\$ 11,994,514	\$ 12,993,226
FBO sales and airline services	4,497,529	5,046,273
Other	533,041	695,002
Cash paid for:		
Salaries and benefits	(5,815,365)	(5,549,070)
Maintenance, supplies, fuel, utilities and equipment	(5,776,400)	(6,273,972)
Net cash provided by operating activities	<u>5,433,319</u>	<u>6,911,459</u>
Cash flows from non-capital financing activities		
Repayment to the federal government	1,029,961	(7,051,452)
Grant expenditures	-	(315,982)
Intergovernmental revenues	-	71,250
Net cash (used in) non-capital financing activities	<u>1,029,961</u>	<u>(7,296,184)</u>
Cash flows from capital and related financing activities		
Receipt of passenger and contract facility charges	2,512,944	3,832,622
Acquisition and construction of fixed assets	(9,785,439)	(2,298,946)
Sale of assets	9,910	68,772
Principal payments on bonds and notes	(520,000)	(1,890,000)
Interest paid on bonds and notes	(599,700)	(1,438,247)
Bonds redeemed with airport cash	-	(11,270,000)
Call premium on cash redemption	-	(225,400)
Principal payments on capital lease obligation	(39,025)	(37,703)
Receipt of intergovernmental and private grants	1,738,980	1,668,315
Proceeds from Airport Improvement Program and State grants	3,417,886	3,424,972
Net cash (used in) capital and related financing activities	<u>(3,264,444)</u>	<u>(8,165,615)</u>
Cash flows from investing activities		
Investment purchases	(63,972,114)	(42,628,595)
Investment sales	42,628,595	26,951,756
Interest on investments	1,454,697	3,046,200
Net cash (used in) investing activities	<u>(19,888,822)</u>	<u>(12,630,639)</u>
Net increase (decrease) in cash and cash equivalents	<u>(16,689,986)</u>	<u>(21,180,979)</u>
Cash and cash equivalents, beginning of year		
Unrestricted	25,643,462	42,635,128
Restricted	1,662,520	5,851,833
	<u>27,305,982</u>	<u>48,486,961</u>
Cash and cash equivalents, end of year		
Unrestricted	8,938,283	25,643,462
Restricted	1,677,713	1,662,520
	<u>\$ 10,615,996</u>	<u>\$ 27,305,982</u>

- CONTINUED -

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

- CONTINUED -

	2009	2008
Reconciliation of operating income to cash flows from operating activities		
Operating income	\$ 412,604	\$ 1,857,599
Adjustments to reconcile operating income to net cash provided by:		
Depreciation and amortization	4,732,264	4,711,815
(Increase) decrease in certain assets:		
Accounts receivable	124,666	(45,847)
Prepaid items	273	34,609
Inventories	54,995	(119,993)
Increase (decrease) in certain liabilities:		
Accounts payable	57,789	(64,357)
Accrued salaries, wages and compensated absences	38,206	250,642
Net other post-employment benefit obligation	160,538	155,363
Other accrued expenses	176,783	(73,521)
Due to other funds	(358,312)	319,533
Unearned Revenue	42,631	18,969
Amounts due to airlines and car rental companies	(9,118)	(133,353)
Net cash provided by operating activities	\$ 5,433,319	\$ 6,911,459
 Supplemental information-noncash investing, capital and financing activities		
Donated assets	\$ -	\$ 33,526

See accompanying independent auditors' report.

INTERNAL SERVICE FUND

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

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

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
BALANCE SHEETS

June 30, 2009

(with comparative amounts for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Current assets:		
Equity in pooled cash and investments	\$ 7,956,353	\$ 7,264,032
Petty Cash	100	100
Interest receivable	41,527	67,624
Inventory	329,288	291,799
Total current assets	<u>8,327,268</u>	<u>7,623,555</u>
Non-current assets:		
Capital assets:		
Machinery and Equipment	12,908,629	12,097,397
Less, accumulated depreciation	<u>(7,729,669)</u>	<u>(7,338,667)</u>
Net capital assets	<u>5,178,960</u>	<u>4,758,730</u>
Total assets	<u>\$ 13,506,227</u>	<u>\$ 12,382,285</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 42,992	\$ 47,316
Accrued salaries, wages and compensated absences	18,871	15,208
Total current liabilities	<u>61,863</u>	<u>62,524</u>
Net Assets:		
Invested in capital assets	5,178,960	4,758,730
Restricted for fleet replacement	4,820,847	5,119,334
Unrestricted	<u>3,444,557</u>	<u>2,441,697</u>
Total net assets	<u>13,444,364</u>	<u>12,319,761</u>
Total liabilities and net assets	<u>\$ 13,506,227</u>	<u>\$ 12,382,285</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2009
(with comparative amounts for the year ended June 30, 2008)

	<u>2009</u>	<u>2008</u>
Operating Revenues		
Charges for services	\$ 4,763,170	\$ 4,659,815
Other	-	15,007
Total operating revenues	<u>4,763,170</u>	<u>4,674,822</u>
Operating Expenses		
Personal services	841,260	879,611
Contractual services	1,313,762	1,326,971
Supplies and materials	46,025	47,723
Business and travel	44,699	58,443
Indirect Cost Allocation Plan	9,647	4,324
Depreciation	1,675,283	1,595,953
Capital Outlay	-	9,630
Total operating expenses	<u>3,930,676</u>	<u>3,922,655</u>
Operating income	<u>832,494</u>	<u>752,167</u>
Non-operating revenues (expenses)		
Gain (loss) on disposal of assets	129,433	121,278
Interest	158,823	279,001
Net non-operating revenues (expenses)	<u>288,256</u>	<u>400,279</u>
Transfers in	<u>3,853</u>	<u>-</u>
Net change in net assets	1,124,603	1,152,446
Net assets, beginning of year	<u>12,319,761</u>	<u>11,167,315</u>
Net assets, end of year	<u>\$ 13,444,364</u>	<u>\$ 12,319,761</u>

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

FLEET SERVICE INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2009
(with comparative amounts for the year ended June 30, 2008)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Cash received from:		
Services	\$ 4,763,170	\$ 4,659,815
Miscellaneous charges	-	15,007
Cash paid for:		
Fleet maintenance	(2,248,843)	(2,265,761)
Other supplies and miscellaneous costs	(44,699)	(58,443)
Net cash provided by operating activities	<u>2,469,628</u>	<u>2,350,618</u>
Cash flows from non-capital and related financing activities		
Transfers in	<u>3,853</u>	-
Net cash provided by non-capital and related financing activities	<u>3,853</u>	-
Cash flows from capital and related financing activities		
Purchase of capital assets	(2,151,471)	(2,069,897)
Proceeds from disposition of property and equipment	185,391	171,427
Net cash provided by (used in) capital and other related financing activities	<u>(1,966,080)</u>	<u>(1,898,470)</u>
Cash flows from investing activities		
Interest income	<u>184,920</u>	319,730
Net cash provided by investing activities	<u>184,920</u>	319,730
Net change in cash and cash equivalents	<u>692,321</u>	771,878
Cash and cash equivalents, beginning of year	<u>7,264,132</u>	6,492,254
Cash and cash equivalents, end of year	<u>\$ 7,956,453</u>	<u>\$ 7,264,132</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 832,494	\$ 752,167
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,675,283	1,595,953
(Increase) decrease in assets:		
Inventories	(37,489)	(25,046)
Increase (decrease) in liabilities		
Accounts payable	(4,324)	24,941
Accrued salaries, wages and compensated absences	3,663	2,603
Net cash provided by operating activities	<u>\$ 2,469,628</u>	<u>\$ 2,350,618</u>

See accompanying independent auditors' report.

FIDUCIARY (AGENCY) FUNDS

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

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

FOR THE YEAR ENDED JUNE 30, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
Totals-Agency Funds				
Assets:				
Cash	\$ 18,967,482	\$ 8,682,730	\$ 8,012,330	\$ 19,637,882
Equity in pooled cash and investments	190,967,819	468,442,366	478,339,907	181,070,278
Taxes receivable	84,412,678	467,600,727	469,432,089	82,581,316
Total assets	\$ 294,347,979	\$ 944,725,823	\$ 955,784,326	\$ 283,289,476
Liabilities:				
Due to others	\$ 294,347,979	\$ 944,725,823	\$ 955,784,326	\$ 283,289,476
Total liabilities	\$ 294,347,979	\$ 944,725,823	\$ 955,784,326	\$ 283,289,476

See accompanying independent auditors' report.

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

-CONTINUED-

	Balance June 30, 2008 as restated	Additions	Deductions	Balance June 30, 2009
City of Conway				
Assets:				
Equity in pooled cash and investments	\$ 49,200	\$ 4,889,576	\$ 4,881,466	\$ 57,310
Taxes receivable	1,558,761	5,269,262	4,889,576	1,938,447
Total	<u>\$ 1,607,961</u>	<u>\$ 10,158,838</u>	<u>\$ 9,771,042</u>	<u>\$ 1,995,757</u>
Liabilities:				
Due to others	<u>\$ 1,607,961</u>	<u>\$ 10,158,838</u>	<u>\$ 9,771,042</u>	<u>\$ 1,995,757</u>
City of Myrtle Beach				
Assets:				
Equity in pooled cash and investments	\$ 234,737	\$ 30,968,425	\$ 30,898,517	\$ 304,645
Taxes receivable	4,344,101	32,392,822	30,968,425	5,768,498
Total	<u>\$ 4,578,838</u>	<u>\$ 63,361,247</u>	<u>\$ 61,866,942</u>	<u>\$ 6,073,143</u>
Liabilities:				
Due to others	<u>\$ 4,578,838</u>	<u>\$ 63,361,247</u>	<u>\$ 61,866,942</u>	<u>\$ 6,073,143</u>
Town of Loris				
Assets:				
Equity in pooled cash and investments	\$ 113,827	\$ 831,950	\$ 834,774	\$ 111,003
Taxes receivable	540,190	939,645	831,950	647,885
Total	<u>\$ 654,017</u>	<u>\$ 1,771,595</u>	<u>\$ 1,666,724</u>	<u>\$ 758,888</u>
Liabilities:				
Due to others	<u>\$ 654,017</u>	<u>\$ 1,771,595</u>	<u>\$ 1,666,724</u>	<u>\$ 758,888</u>
City of North Myrtle Beach				
Assets:				
Equity in pooled cash and investments	\$ 94,727	\$ 11,091,750	\$ 11,052,736	\$ 133,741
Taxes receivable	1,298,699	11,552,935	11,091,750	1,759,884
Total	<u>\$ 1,393,426</u>	<u>\$ 22,644,685</u>	<u>\$ 22,144,486</u>	<u>\$ 1,893,625</u>
Liabilities:				
Due to others	<u>\$ 1,393,426</u>	<u>\$ 22,644,685</u>	<u>\$ 22,144,486</u>	<u>\$ 1,893,625</u>
Town of Surfside				
Assets:				
Equity in pooled cash and investments	\$ 22,223	\$ 2,310,714	\$ 2,305,627	\$ 27,310
Taxes receivable	568,171	2,341,731	2,310,714	599,188
Total	<u>\$ 590,394</u>	<u>\$ 4,652,445</u>	<u>\$ 4,616,341</u>	<u>\$ 626,498</u>
Liabilities:				
Due to others	<u>\$ 590,394</u>	<u>\$ 4,652,445</u>	<u>\$ 4,616,341</u>	<u>\$ 626,498</u>

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

-CONTINUED-

	<u>Balance June 30, 2008 as restated</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
<u>Town of Atlantic Beach</u>				
Assets:				
Equity in pooled cash and investments	\$ 11,224	\$ 207,468	\$ 207,363	\$ 11,329
Taxes receivable	90,981	231,367	207,468	114,880
Total	<u>\$ 102,205</u>	<u>\$ 438,835</u>	<u>\$ 414,831</u>	<u>\$ 126,209</u>
Liabilities:				
Due to others	<u>\$ 102,205</u>	<u>\$ 438,835</u>	<u>\$ 414,831</u>	<u>\$ 126,209</u>
<u>Town of Aynor</u>				
Assets:				
Equity in pooled cash and investments	\$ 1,978	\$ 177,781	\$ 178,005	\$ 1,754
Taxes receivable	83,703	219,088	177,781	125,010
Total	<u>\$ 85,681</u>	<u>\$ 396,869</u>	<u>\$ 355,786</u>	<u>\$ 126,764</u>
Liabilities:				
Due to others	<u>\$ 85,681</u>	<u>\$ 396,869</u>	<u>\$ 355,786</u>	<u>\$ 126,764</u>
<u>Town of Briarcliff</u>				
Assets:				
Equity in pooled cash and investments	\$ 2,644	\$ 274,339	\$ 273,849	\$ 3,134
Taxes receivable	53,593	285,330	274,339	64,584
Total	<u>\$ 56,237</u>	<u>\$ 559,669</u>	<u>\$ 548,188</u>	<u>\$ 67,718</u>
Liabilities:				
Due to others	<u>\$ 56,237</u>	<u>\$ 559,669</u>	<u>\$ 548,188</u>	<u>\$ 67,718</u>
<u>Horry County School District</u>				
<u>Operations/Debt</u>				
Assets:				
Equity in pooled cash and investments	\$ 185,720,548	\$ 415,245,136	\$ 424,289,877	\$ 176,675,807
Taxes receivable	75,737,299	410,829,820	415,245,136	71,321,983
Total	<u>\$ 261,457,847</u>	<u>\$ 826,074,956</u>	<u>\$ 839,535,013</u>	<u>\$ 247,997,790</u>
Liabilities:				
Due to others	<u>\$ 261,457,847</u>	<u>\$ 826,074,956</u>	<u>\$ 839,535,013</u>	<u>\$ 247,997,790</u>
<u>Murrells Inlet-Garden City</u>				
<u>Operation/Debt Fire District</u>				
Assets:				
Equity in pooled cash and investments	\$ 50,925	\$ 1,153,575	\$ 1,187,251	\$ 17,249
Taxes receivable	131,278	1,179,458	1,153,575	157,161
Total	<u>\$ 182,203</u>	<u>\$ 2,333,033</u>	<u>\$ 2,340,826</u>	<u>\$ 174,410</u>
Liabilities:				
Due to others	<u>\$ 182,203</u>	<u>\$ 2,333,033</u>	<u>\$ 2,340,826</u>	<u>\$ 174,410</u>
<u>Grand Strand Water and Sewer</u>				
Assets:				
Equity in pooled cash and investments	\$ -	\$ 7,314	\$ 6,650	\$ 664
Front footage assessment	2,287	6,431	7,314	1,404
Total	<u>\$ 2,287</u>	<u>\$ 13,745</u>	<u>\$ 13,964</u>	<u>\$ 2,068</u>
Liabilities:				
Due to others	<u>\$ 2,287</u>	<u>\$ 13,745</u>	<u>\$ 13,964</u>	<u>\$ 2,068</u>

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

-CONTINUED-

	<u>Balance June 30, 2008 as restated</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
<u>Fireman's Fund</u>				
Assets:				
Cash	\$ 353,827	\$ 1,762,302	\$ 1,883,654	\$ 232,475
Liabilities:				
Due to others	\$ 353,827	\$ 1,762,302	\$ 1,883,654	\$ 232,475
<u>Police Asset Forfeiture Fund</u>				
Assets:				
Cash	\$ 112,130	\$ 127,111	\$ 138,002	\$ 101,239
Liabilities:				
Due to others	\$ 112,130	\$ 127,111	\$ 138,002	\$ 101,239
<u>Police Fund</u>				
Assets:				
Cash	\$ 23,710	\$ 100,210	\$ 102,529	\$ 21,391
Liabilities:				
Due to others	\$ 23,710	\$ 100,210	\$ 102,529	\$ 21,391
<u>Police Federal Forfeiture Fund</u>				
Assets:				
Cash	\$ 40,297	\$ 253,060	\$ 99,833	\$ 193,524
Liabilities:				
Due to others	\$ 40,297	\$ 253,060	\$ 99,833	\$ 193,524
<u>Environmental Services</u>				
Assets:				
Cash	\$ 44,022	\$ 1,362	\$ -	\$ 45,384
Liabilities:				
Due to others	\$ 44,022	\$ 1,362	\$ -	\$ 45,384
<u>Library Endowment</u>				
Assets:				
Cash	\$ 25,751	\$ 2,527	\$ -	\$ 28,278
Liabilities:				
Due to others	\$ 25,751	\$ 2,527	\$ -	\$ 28,278
<u>Inmate Trust</u>				
Assets:				
Cash	\$ 66,445	\$ 358,825	\$ 354,525	\$ 70,745
Liabilities:				
Due to others	\$ 66,445	\$ 358,825	\$ 354,525	\$ 70,745

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

-CONTINUED-

	<u>Balance June 30, 2008 as restated</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
<u>Solicitor DEU</u>				
Assets:				
Cash	\$ 8,092	\$ 66,697	\$ 66,075	\$ 8,714
Liabilities:				
Due to others	\$ 8,092	\$ 66,697	\$ 66,075	\$ 8,714
<u>Solicitor DEU Forfeiture</u>				
Assets:				
Cash	\$ 117,893	\$ 369,858	\$ 359,779	\$ 127,972
Liabilities:				
Due to others	\$ 117,893	\$ 369,858	\$ 359,779	\$ 127,972
<u>Police Counterfeit Program</u>				
Assets:				
Cash	\$ 1,236	\$ -	\$ -	\$ 1,236
Liabilities:				
Due to others	\$ 1,236	\$ -	\$ -	\$ 1,236
<u>B&C MCBP- Infrastructure</u>				
Assets:				
Equity in pooled cash and investments	\$ (9,977)	\$ 11,176	\$ -	\$ 1,199
Cash	18,174,079	2,262,885	3,908,612	16,528,352
Taxes receivable	3,615	2,352,838	2,274,061	82,392
Total	<u>\$ 18,167,717</u>	<u>\$ 4,626,899</u>	<u>\$ 6,182,673</u>	<u>\$ 16,611,943</u>
Liabilities:				
Due to others	<u>\$ 18,167,717</u>	<u>\$ 4,626,899</u>	<u>\$ 6,182,673</u>	<u>\$ 16,611,943</u>
<u>Developer LOC</u>				
Assets:				
Equity in pooled cash and investments	\$ 4,675,763	\$ 1,273,162	\$ 2,223,792	\$ 3,725,133
Liabilities:				
Due to others	\$ 4,675,763	\$ 1,273,162	\$ 2,223,792	\$ 3,725,133
<u>Magistrates & Clerk of Court</u>				
Assets:				
Cash	\$ -	\$ 3,377,893	\$ 1,099,321	\$ 2,278,572
Liabilities:				
Due to others	\$ -	\$ 3,377,893	\$ 1,099,321	\$ 2,278,572

See accompanying independent auditors' report.

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS

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

HORRY COUNTY, SOUTH CAROLINA

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

June 30, 2009

(With comparative amounts for June 30, 2008)

	2009	2008 (as restated)
Governmental funds- capital assets		
Land	\$ 19,618,589	\$ 18,528,521
Buildings	131,623,128	130,102,037
Furniture and equipment	76,224,515	72,531,907
Vehicles	4,509,094	5,250,326
Infrastructure	409,279,102	400,935,322
Construction -in-progress	51,040,445	5,209,238
 Total governmental funds capital assets	 \$ 692,294,873	 \$ 632,557,351
 Investment in governmental funds capital assets by source		
General Obligations Bonds	\$ 132,689,347	\$ 114,554,632
General Fund Revenue	93,563,031	82,577,027
Special Revenue Fund Revenue	46,713,090	24,440,067
Certificates of Participation	10,050,303	10,050,303
Capital Projects Fund	409,279,102	400,935,322
 Total investment in governmental funds capital assets	 \$ 692,294,873	 \$ 632,557,351

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

JUNE 30,2009

	Land	Buildings	Furniture and Equipment	Vehicles	Construction in Progress	Infrastructure	Totals
Function and Activity:							
General government	\$ 6,813,635	\$ 60,362,440	\$ 20,746,545	\$ 292,936	\$ -	\$ -	\$ 88,215,556
Public safety	2,714,056	50,314,704	35,636,507	2,873,315	-	-	91,538,582
Infrastructure	2,799,706	3,801,466	16,118,563	1,221,812	-	409,279,102	433,220,649
Health and social services	90,000	2,273,646	-	-	-	-	2,363,646
Cultural and recreation	7,201,192	14,870,872	3,722,900	121,031	-	-	25,915,995
Construction-in-progress	-	-	-	-	51,040,445	-	51,040,445
Total governmental funds capital assets	\$ 19,618,589	\$ 131,623,128	\$ 76,224,515	\$ 4,509,094	\$ 51,040,445	\$ 409,279,102	\$ 692,294,873

See accompanying independent auditors' report.

HORRY COUNTY, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2009

	Balances June 30, 2008 (as restated)	Additions	Deductions	Balances June 30, 2009
Functions and Activity:				
General government	\$ 90,879,974	\$ 409,422	\$ (3,073,840)	\$ 88,215,556
Public Safety	88,857,496	6,565,965	(3,884,879)	91,538,582
Infrastructure & Regulation	420,718,896	13,991,340	(1,489,587)	433,220,649
Health and Social Services	2,371,127	-	(7,481.00)	2,363,646
Cultural and Recreation	24,520,620	1,395,375	0	25,915,995
Construction-in-progress	5,209,238	47,243,251	(1,412,044)	51,040,445
Total governmental funds capital assets	<u>\$ 632,557,351</u>	<u>\$ 69,605,353</u>	<u>\$ (9,867,831)</u>	<u>\$ 692,294,873</u>
Class:				
Land	\$ 18,528,521	\$ 1,150,968	\$ (60,900)	\$ 19,618,589
Buildings	130,102,037	1,521,091	-	131,623,128
Furniture and equipment	72,531,907	8,503,252	(4,810,644)	76,224,515
Vehicles	5,250,326	386,151	(1,127,383)	4,509,094
Infrastructure	400,935,322	10,800,640	(2,456,860)	409,279,102
Construction-in-progress	5,209,238	47,243,251	(1,412,044)	51,040,445
Total governmental funds capital assets	<u>\$ 632,557,351</u>	<u>\$ 69,605,353</u>	<u>\$ (9,867,831)</u>	<u>\$ 692,294,873</u>

See accompanying independent auditors' report.

VICTIMS' RIGHTS

HORRY COUNTY, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

FOR THE YEAR ENDED JUNE 30, 2009
(with comparison for the year ended June 30, 2008)

	<u>Clerk of Court</u>	<u>Magistrate</u>	<u>Probate</u>	<u>Total 2009</u>	<u>Total 2008</u>
Fines collected	\$ 2,679,426	\$ 4,204,737	\$ 66,540	\$ 6,950,703	\$ 6,904,564
Assessments collected	115,014	510,754	-	625,768	577,490
Surcharges collect	109,438	1,155,764	-	1,265,202	1,216,795
 Total fines and assessments collected	 <u>\$ 2,903,878</u>	 <u>\$ 5,871,255</u>	 <u>\$ 66,540</u>	 <u>\$ 8,841,673</u>	 <u>\$ 8,698,849</u>
 Fines retained by County	 689,797	 2,540,825	 -	 3,230,622	 3,332,573
Assessments retained by County	39,452	210,831	-	250,283	260,276
Surcharges retained by County	85,795	126,486	-	212,281	230,514
 Total fines and assessments retained by County	 <u>\$ 815,044</u>	 <u>\$ 2,878,142</u>	 <u>\$ -</u>	 <u>\$ 3,693,186</u>	 <u>\$ 3,823,363</u>
 Fines remitted to State Treasurer	 1,989,629	 1,663,912	 66,540	 3,720,081	 3,571,991
Assessments remitted to State Treasurer	75,562	299,923	-	375,485	317,214
Surcharges remitted to State Treasurer	23,643	1,029,278	-	1,052,921	986,281
 Total fines and assessments remitted to State Treasurer	 <u>\$ 2,088,834</u>	 <u>\$ 2,993,113</u>	 <u>\$ 66,540</u>	 <u>\$ 5,148,487</u>	 <u>\$ 4,875,486</u>

See accompanying independent auditors' report.

STATISTICAL SECTION

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

Contents

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>
Governmental activities								
Invested in capital assets, net of related debt	\$305,896	\$339,241	\$360,367	\$364,396	\$387,935	\$406,013	\$386,522	\$488,550
Restricted	51,500	30,647	41,368	27,465	38,317	64,674	186,578	217,187
Unrestricted	(388,949)	(343,802)	(346,365)	(298,109)	(264,451)	(251,630)	(241,001)	(255,722)
Total governmental activities net assets	<u>(\$31,553)</u>	<u>\$26,086</u>	<u>\$55,370</u>	<u>\$93,752</u>	<u>\$161,801</u>	<u>\$219,057</u>	<u>\$332,099</u>	<u>\$450,015</u>
Business-type activities								
Invested in capital assets, net of related debt	\$68,475	\$68,768	\$73,877	\$81,247	\$84,760	\$72,687	\$80,109	\$87,137
Restricted	16,116	18,149	20,955	24,705	29,635	34,046	26,679	26,894
Unrestricted	19,918	24,599	27,395	33,920	36,054	32,682	41,020	45,253
Total business-type activities net assets	<u>\$104,509</u>	<u>\$111,516</u>	<u>\$122,227</u>	<u>\$139,872</u>	<u>\$150,449</u>	<u>\$139,415</u>	<u>\$147,808</u>	<u>\$159,284</u>
Primary government								
Invested in capital assets, net of related debt	\$374,371	\$408,009	\$434,244	\$445,643	\$472,695	\$478,700	\$466,631	\$575,687
Restricted	67,616	48,796	62,323	52,170	67,952	98,719	213,257	244,081
Unrestricted	(369,031)	(319,203)	(318,970)	(264,189)	(228,397)	(218,948)	(199,981)	(210,469)
Total primary government net assets	<u>\$72,956</u>	<u>\$137,602</u>	<u>\$177,597</u>	<u>\$233,624</u>	<u>\$312,250</u>	<u>\$358,471</u>	<u>\$479,907</u>	<u>\$609,299</u>

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

Source: Horry County Finance Department

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

	For the Fiscal Year Ended June 30							
	2002	2003	2004	2005	2006 as restated	2007	2008 as restated	2009
Expenses								
Governmental activities:								
General government	\$ 25,805	\$ 32,590	\$ 27,978	\$ 25,724	\$ 27,960	\$ 40,691	\$ 38,239	\$ 37,914
Public safety	44,839	44,667	54,201	63,171	68,799	72,570	98,133	101,642
Health and social services	3,296	3,457	1,987	2,089	920	980	2,542	2,432
Infrastructure and regulation	26,209	85,910	23,631	25,797	30,145	14,126	18,910	23,492
Culture, recreation and tourism	4,959	5,985	6,497	8,211	8,534	9,133	10,836	9,426
Economic development	1,581	1,626	209	58	843	312	383	2,292
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
Horry-Georgetown TECH	-	1,950	1,950	2,154	2,591	2,800	3,000	3,000
Higher Education Commission	-	270	290	303	500	410	910	1,170
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>
Business-type activities:								
Airport	13,519	13,917	14,978	18,190	18,483	26,663	19,714	17,440
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>
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>
Program Revenues								
Governmental activities:								
Charges for services:								
General government	2,139	11,410	7,702	7,822	20,635	2,206	12,295	10,203
Public safety	13,396	7,748	4,733	4,807	4,002	12,559	15,687	16,918
Health and social services	-	100	-	-	-	101	49	71
Infrastructure and regulation	5,641	6,627	5,546	12,729	10,596	11,936	4,177	4,387
Culture, recreation and tourism	55	288	-	-	-	97	593	99
Economic Development	-	-	-	-	-	-	-	-
Operating grants and contributions	1,210	2,330	688	2,462	1,991	641	597	1,115
Capital grants and contributions	2,593	732	1,384	1,344	2,400	358	666	317
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>33,110</u>

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

	For the Fiscal Year Ended June 30							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Business-type activities:								
Charges for services:								
Airport	12,157	12,469	14,790	21,394	23,403	26,539	24,634	19,726
Industrial Parks	322	277	174	265	-	-	-	-
Baseball Stadium	-	8	7	9	-	9	-	-
Operating grants and contributions	-	143	-	-	-	-	-	2,992
Capital grants and contributions	9,074	9,444	9,203	8,731	7,031	-	-	4,081
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>26,799</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>
Net (Expense)/Revenues								
Governmental activities	(98,487)	(167,728)	(108,512)	(114,736)	(120,760)	(129,318)	(155,703)	(155,788)
Business-type activities	7,076	7,475	8,219	10,440	11,617	(491)	4,920	9,358
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>(150,784)</u>	<u>(146,431)</u>
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes and Fees-in-lieu of taxes	83,856	73,218	73,217	81,679	86,459	105,141	104,702	117,673
Investment earnings	2,903	2,168	1,847	2,945	5,676	8,030	7,880	6,717
Other	35,046	54,835	61,930	68,756	75,504	73,706	156,476	145,733
Transfers	207	(43)	(237)	(262)	(313)	(305)	(312)	(500)
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>
Business-type activities:								
Other	1,809	(1,127)	1,664	5,940	2,224	(14,474)	-	10
Investment earnings	848	694	591	1,003	2,350	3,626	3,161	1,607
Transfers	(207)	124	237	262	313	305	312	500
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>2,117</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>275,821</u>
Change in Net Assets								
Governmental activities:	23,525	(37,549)	28,245	38,382	46,566	57,255	113,043	117,916
Business-type activities:	9,526	7,166	10,711	17,645	16,504	(11,034)	8,393	11,476
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>\$ 129,392</u>

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

(2) The Industrial Park 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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	as restated									
General fund										
Reserved	\$ 1,832	\$ 1,720	\$ 794	\$ 828	\$ 620	\$ 482	\$ 2,395	\$ 1,273	\$ 1,250	\$ 1,174
Unreserved/designated	586	757	651	1,592	5,758	10,910	13,547	3,567	3,254	5,309
Unreserved/undesignated	13,650	14,700	15,137	17,597	19,832	18,962	19,102	22,089	24,579	24,341
Total general fund	<u>16,068</u>	<u>17,177</u>	<u>16,582</u>	<u>20,017</u>	<u>26,210</u>	<u>30,354</u>	<u>35,044</u>	<u>26,929</u>	<u>29,083</u>	<u>30,824</u>
All other governmental funds										
Reserved	159,046	56,472	58,204	38,997	50,819	38,048	50,751	57,528	196,056	283,257
Unreserved for:										
Special revenue funds	4,516	9,574	10,705	20,595	22,970	22,985	23,092	33,671	33,327	3,721
Debt service funds	-	-	-	-	-	6,743	5,983	13,172	-	-
Capital project funds (deficit)	-	-	-	-	-	6,347	7,944	19,080	12,415	(7,234)
Total all other governmental funds	<u>163,562</u>	<u>66,046</u>	<u>68,909</u>	<u>59,592</u>	<u>73,789</u>	<u>74,123</u>	<u>87,770</u>	<u>123,451</u>	<u>241,798</u>	<u>279,744</u>
Total governmental fund balances	<u>\$ 179,630</u>	<u>\$ 83,223</u>	<u>\$ 85,491</u>	<u>\$ 79,609</u>	<u>\$ 99,999</u>	<u>\$ 104,477</u>	<u>\$ 122,814</u>	<u>\$ 150,380</u>	<u>\$ 270,881</u>	<u>\$ 310,568</u>

Source: Horry County Finance Department

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

	For the Fiscal Year Ended June 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Property Taxes	\$ 48,980	\$ 54,757	\$ 67,928	\$ 72,818	\$ 75,519	\$ 78,844	\$ 87,680	\$ 93,557	\$ 104,607	\$ 114,821
Licenses and permits	2,870	3,927	4,389	4,982	6,434	9,348	13,841	12,128	9,999	7,551
Intergovernmental	19,063	23,320	19,018	16,890	18,010	18,093	18,913	22,570	21,210	22,296
Sales Tax Major Capital Projects (7)	-	-	-	-	-	-	-	-	63,537	63,549
Fees and fines	38,737	43,062	45,073	46,874	51,030	54,003	58,817	61,679	64,570	65,709
Documentary stamps	2,143	1,980	-	-	-	-	-	-	-	-
Charges for services (1)	-	-	2,139	2,443	3,889	6,472	8,962	6,966	4,356	2,406
Interest on investments	6,032	6,633	2,903	2,168	1,847	2,945	5,650	8,030	7,880	7,834
Accommodation tax (2)	-	-	214	787	834	861	969	1,014	996	865
Cost allocation	1,109	1,058	1,122	991	2,115	1,142	1,697	1,426	1,685	2,100
Other	1,669	1,539	1,453	2,734	1,749	1,652	2,368	3,553	5,585	4,617
Total revenues	<u>120,603</u>	<u>136,276</u>	<u>144,239</u>	<u>150,687</u>	<u>161,427</u>	<u>173,360</u>	<u>198,897</u>	<u>210,923</u>	<u>284,425</u>	<u>291,748</u>
Expenditures										
General government	21,518	22,813	25,966	28,250	20,102	20,866	23,570	27,254	30,143	30,810
Public safety	33,238	37,584	43,353	44,177	56,573	60,478	67,878	73,533	79,117	84,810
Public works	17,789	20,590	18,198	17,144	-	-	-	-	-	-
Infrastructure and regulation (3)	-	-	-	-	23,631	28,367	29,028	31,078	32,898	29,208
Economic development	1,810	1,957	1,581	1,895	208	58	774	312	383	2,292
Health and social services	3,054	2,852	3,296	3,475	1,987	2,069	894	861	822	867
Culture and recreation	7,566	4,410	4,959	5,912	6,497	7,825	8,033	8,387	8,699	8,821
Capital outlay	14,608	26,985	24,298	15,161	8,780	20,563	13,544	11,175	28,822	50,118
Conservation and natural resources	477	263	962	955	342	517	561	1	47	-
Intergovernmental agreement draws (4)	-	98,988	-	-	-	-	-	-	-	-
Horry-Georgetown Tech	-	-	1,825	1,950	1,950	2,153	2,591	2,800	3,000	3,000
Higher Education	-	-	3,267	270	290	303	500	410	910	1,170
Debt service:										
Principal (5)	23,712	24,809	30,043	32,033	30,391	18,798	20,150	19,455	21,704	28,130
Interest and fees	6,695	7,157	4,867	5,038	4,680	16,597	15,659	15,377	14,477	16,075
Other charges	1,526	3,808	2,349	1,352	1,356	1,371	1,457	6,419	10,925	5,008
Total expenditures	<u>131,993</u>	<u>252,216</u>	<u>164,964</u>	<u>157,612</u>	<u>156,787</u>	<u>179,965</u>	<u>184,639</u>	<u>197,062</u>	<u>231,947</u>	<u>260,309</u>
Excess of revenues over (under) expenditures	<u>(11,390)</u>	<u>(115,940)</u>	<u>(20,725)</u>	<u>(6,925)</u>	<u>4,640</u>	<u>(6,605)</u>	<u>14,258</u>	<u>13,861</u>	<u>52,478</u>	<u>31,439</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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Transfers in	30,347	38,274	37,971	37,092	41,013	47,638	57,682	55,044	50,686	48,717
Transfers out	(30,620)	(38,337)	(38,806)	(37,216)	(41,470)	(48,087)	(57,995)	(55,349)	(50,997)	(49,221)
Intergovernmental loan agreement draws: (4)								-		
Ride Table 1 Projects (6)	(218,603)	-	-	-	-	-	-	-	-	-
Ride Table 3 Projects (6)	(10,899)	-	-	-	-	-	-	-	-	-
Administrative costs - Airport	-	-	-	-	-	-	-	-	-	-
Proceeds from note payable	554	493	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	1,290	-	-	-	35,326	-	-	-
Bond proceeds	9,500	19,905	24,585	-	14,000	-	-	11,000	62,000	8,155
Premium on bonds issued	-	-	211	-	47	-	(439)	-	1,496	-
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	(2,866)	-	-	-	(34,883)	-	-	-
Capital leases	1,370	-	507	985	1,032	11,606	7,488	-	4,442	-
Sale of assets	146	332	101	182	89	176	101	44	330	400
Other	-	-	-	-	-	(250)	(3,111)	-	-	-
Total other financing sources (uses)	(218,205)	20,667	22,993	1,043	14,711	11,083	4,169	10,739	67,957	8,051
Net change in fund balances (6) (7)	<u>\$ (229,595)</u>	<u>\$ (95,273)</u>	<u>\$ 2,268</u>	<u>\$ (5,882)</u>	<u>\$ 19,351</u>	<u>\$ 4,478</u>	<u>\$ 18,427</u>	<u>\$ 24,600</u>	<u>\$ 120,435</u>	<u>\$ 39,490</u>
Debt service as a percentage of noncapital expenditures	25.9%	14.2%	24.8%	26.0%	23.7%	22.2%	20.9%	18.7%	17.6%	22.0%

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

(2) Accommodation taxes are considered Special Assessments.

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

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

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

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

(7) Major Capital Projects Sales Tax added 2008.

Source: Horry County Finance Department

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

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				
1999	2000	189,673	559,166	4,975	137,396	95,389	986,599	40.2	16,395,190	6.02%
2000	2001	202,603	592,077	4,914	143,546	107,786	1,050,926	44.5	17,442,481	6.03%
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%

Notes:

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

Source/s:

Horry County Finance Department
Horry County Assessor
Horry County Auditor

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

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

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

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

Notes:

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

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

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

TAXPAYER	Fiscal Year 2009 (Tax Year 2008)			Fiscal Year 2000 (Tax Year 1999)			
	TAXABLE ASSESSED	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE (1)	TAXABLE ASSESSED	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE (1)	
	VALUE			VALUE			
Myrtle Beach Farms Co. Inc./							
Burroughs & Chapin (2)	26,877,387	1	1.36%	18,570,424	1	1.88%	
Horry Electric Co-operative	16,590,635	2	0.84%	6,203,520	3	0.63%	
Horry Telephone Co-operative/HTC	8,333,480	3	0.42%				
Verizon South Inc.	6,676,820	4	0.34%				
Lawyers Title Insurance Corp	6,420,732	5	0.33%				
Broadway at the Beach Inc.	4,542,776	6	0.23%	4,079,062	5	0.41%	
Anderson Ocean Club Dev. LLC	4,218,986	7	0.21%				
Bluegreen Vacations Unlimited Inc.	3,897,614	8	0.20%				
Time Warner Ent.-Advance/Newhouse	3,570,240	9	0.18%				
Dunes Village Properties LLC	3,557,718	10	0.18%				
GTE South (General Telephone)				7,532,512	2	0.76%	
AVX Corporation				7,317,750	4	0.74%	
Montgomery Construction				3,760,390	6	0.38%	Abated 3/07
Carolina Equipment				3,712,360	7	0.38%	Abated 1/02
Ocean Lakes Family Campground				2,573,365	8	0.26%	
Justice, Inc.				3,483,040	9	0.35%	Abated 9/04
Burroughs & Chapin Company, Inc.				2,921,102	10	0.30%	
Totals	<u>84,686,388</u>		<u>4.30%</u>	<u>60,153,525</u>		<u>6.10%</u>	

Notes:

- (1) Property that is exempt from the County portion of taxes have been subtracted from Assessed Value.
- (2) 2009 data includes Burroughs & Chapin Company.

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>
1999	2000	50,889	45,010	88.45%	4,622	\$ 49,632	97.53%
2000	2001	53,313	48,751	91.44%	4,549	\$ 53,300	99.98%
2001	2002	62,665	59,068	94.26%	3,532	\$ 62,600	99.90%
2002	2003	67,605	63,812	94.39%	3,788	\$ 67,600	99.99%
2003	2004	75,692	72,650	95.98%	2,870	\$ 75,520	99.77%
2004	2005	78,211	75,544	96.59%	2,656	\$ 78,200	99.99%
2005	2006	86,977	85,237	98.00%	1,663	\$ 86,900	99.91%
2006	2007	93,573	91,215	97.48%	2,334	\$ 93,549	99.97%
2007	2008	104,866	101,674	96.96%	2,933	\$ 104,607	99.75%
2008	2009	117,588	110,329	93.83%	4,012	\$ 114,341	97.24%

Notes:

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

Sources:

Horry County property tax database

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

FOR THE FISCAL YEAR ENDED JUNE 30	GOVERNMENTAL ACTIVITIES					BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME (2)	PER CAPITA (2)
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	RIDE IGA LOANS	CAPITAL LEASES	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	383	495,176	7.47%	2,076
2007	80,120	12,725	350,132	12,027	2,162	24,300	345	481,811	6.81%	1,928
2008	122,890	26,435	334,103	13,115	2,024	11,140	306	510,013	not available	1,982
2009	116,050	21,945	315,760	9,828	1,880	10,620	266	476,349	not available	not available

Notes:

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

Source: Horry County Finance Department

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

FOR THE FISCAL YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY (2)	NET BONDED DEBT PER CAPITA (3)
2000	\$ 66,820	\$ 3,020	\$ 63,800	0.39%	\$ 326
2001	61,855	2,578	59,277	0.34%	295
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%	430
2009	116,050	14,129	101,921	0.29%	397

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).

Source: Horry County Finance Department

HORRY COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30,2009
(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	\$ 449,615	100.00%	\$ 449,615
City of Myrtle Beach	48,135	100.00%	48,135
City of Conway	1,910	100.00%	1,910
City of North Myrtle Beach	6,248	100.00%	6,248
City of Loris	199	100.00%	199
Town of Surfside	1,560	100.00%	<u>1,560</u>
Subtotal, overlapping debt			507,667
Horry County direct debt	116,050	100.00%	<u>116,050</u>
Total direct and overlapping debt		100.00%	<u><u>\$ 623,717</u></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>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 87,167	\$ 91,405	\$ 89,006	\$ 91,850	\$ 94,790	\$ 97,281	\$ 119,413	\$ 129,015	\$ 142,364	\$ 158,493
Total net debt applicable to limit	<u>55,470</u>	<u>51,335</u>	<u>70,080</u>	<u>65,310</u>	<u>63,315</u>	<u>58,178</u>	<u>55,565</u>	<u>54,609</u>	<u>107,449</u>	<u>101,921</u>
Legal debt margin	<u>31,697</u>	<u>40,070</u>	<u>18,926</u>	<u>26,540</u>	<u>31,475</u>	<u>39,103</u>	<u>63,848</u>	<u>74,406</u>	<u>34,915</u>	<u>56,572</u>
Total net debt applicable to the limit as a percentage of debt limit	63.64%	56.16%	78.74%	71.11%	66.80%	59.80%	46.53%	42.33%	75.47%	64.31%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value (1)	\$ 1,974,550
Less: Exempt industrial personal and real property (1)	(3,963)
Plus: Assessed value - Merchant's inventory	<u>10,572</u>
Total assessed value	\$ 1,981,158
Debt limit(8% of total assessed value)	\$ 158,493
Debt application to limit:	
General obligation bonds	116,050
Less: Amount set aside for repayment of general obligation debt	<u>14,129</u>
Total net debt application to limit	<u>101,921</u>
Legal debt margin	<u>\$ 56,572</u>

Notes:

- (1) Assessed value (above) - Exempt industrial personal and real property (above) = Total Taxable Assessed Value
(see the schedule of Assessed Value and Estimated Actual Value of Taxable Property for Total Taxable Assessed Value).

Source: Horry County Finance Department

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

FOR THE FISCAL YEAR ENDED JUNE 30	AIRPORT REVENUE BONDS						HOSPITALITY FEE SPECIAL OBLIGATION BONDS			
	AIRPORT CHARGES AND OTHER	LESS: OPERATING EXPENSES	NET AVAILABLE REVENUE	DEBT SERVICE		COVERAGE	HOSPITALITY FEE ASSESSMENT COLLECTIONS (1)	DEBT SERVICE		COVERAGE
				PRINCIPAL	INTEREST			PRINCIPAL	INTEREST	
2000	13,664,824	6,029,216	7,635,608	1,210,000	2,350,151	2.14	-	-	-	-
2001	15,527,532	6,852,820	8,674,712	1,330,000	2,147,951	2.49	4,763	415	484	5.30
2002	13,889,728	7,397,052	6,492,676	1,420,000	1,945,227	1.93	5,132	1,000	1,029	2.53
2003	14,478,453	7,750,046	6,728,407	1,500,000	1,862,042	2.00	5,063	1,050	979	2.50
2004	17,278,746	8,619,635	8,659,111	1,590,000	1,773,010	2.57	5,351	1,100	927	2.64
2005	19,595,565	9,967,999	9,627,566	1,685,000	1,677,588	2.86	5,642	1,150	876	2.78
2006	22,238,758	11,525,965	10,712,793	1,780,000	1,575,513	3.19	6,159	1,205	823	3.04
2007	23,858,953	11,196,684	12,662,269	1,890,000	1,466,564	3.77	6,638	1,260	766	3.28
2008 (3)	21,627,977	11,913,538	9,714,439	520,000	991,797	6.43	6,632	1,320	707	3.27
2009	17,721,445	11,261,756	6,459,689	545,000	576,510	5.76	6,179	1,390	641	3.04

Notes:

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

Source: Horry County Airport Finance and Horry County Finance Departments

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

<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)</u>	<u>LABOR FORCE (6B)</u>	<u>EMPLOYMENT (2B) (6B)</u>	<u>COUNTY % UNEMP. (6B)</u>	<u>STATE % UNEMP. (6B)</u>
1999	178,550	4,373,047	24,492 (2B)	27,043	103,936	100,234	3.6	4.1
2000	196,629	4,584,405	23,315 (2B)	28,379	106,429 *	102,698 *	3.5	3.6
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	5.9
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	121,284 **	114,297 **	5.8	** 6.7
2006	238,493	6,632,252	27,809 (3B)	36,068	128,094 **	121,150 **	5.4	6.5
2007	249,925	7,074,627	28,307 (3B)	36,068	129,820 **	123,373 **	5.0	** 7.6
2008	257,380	not available	not available (3B)	37,735	131,478	122,061	11.3	11.5

Notes (A):

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

Sources (B):

- (1) S. C. Statistical Abstract
 - (2) S. C. Employment Security Commission, Labor Market Research Division
 - (3) Bureau of Economic Analysis
 - (4) Horry County Schools 2008
 - (5) U.S. Census Bureau
 - (6) U.S. Department of Labor
- * Reflects adjustments to new statewide controls
** Reflects revised inputs, reestimation, and new statewide controls

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

EMPLOYER	2009			2000 (3)		
	EMPLOYEES (1)	RANK (1)	PERCENTAGE OF TOTAL EMPLOYMENT (2)	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Horry County Dept. of Education	4,400	1	3.18%	3,640	1	3.19%
Wal-Mart	2,100	2	1.52%	-	-	-
Horry County Government (4)	2,019	3	1.46%	1,350	3	1.18%
Grand Strand Regional Medical Center	1,280	4	0.92%	854	5	0.75%
Conway Hospital	1,100	5	0.79%	900	4	0.79%
AVX Corporation	1,100	6	0.79%	1,680	2	1.47%
City of Myrtle Beach	1,076	7	0.78%	750	7	0.66%
Coastal Carolina University	984	8	0.71%	504	9	0.44%
Blue Cross Blue Shield	825	9	0.60%	-	-	-
Burroughs and Chapin Company, Inc	700	10	0.51%	-	-	-
Sand Oceanfront Resort	-	-	-	775	6	0.68%
Loris Community Hospital	-	-	-	670	8	0.59%
Conbraco Ind., Inc	-	-	-	500	10	0.44%
Totals	<u>15,584</u>		<u>11.26%</u>	<u>11,623</u>		<u>10.19%</u>

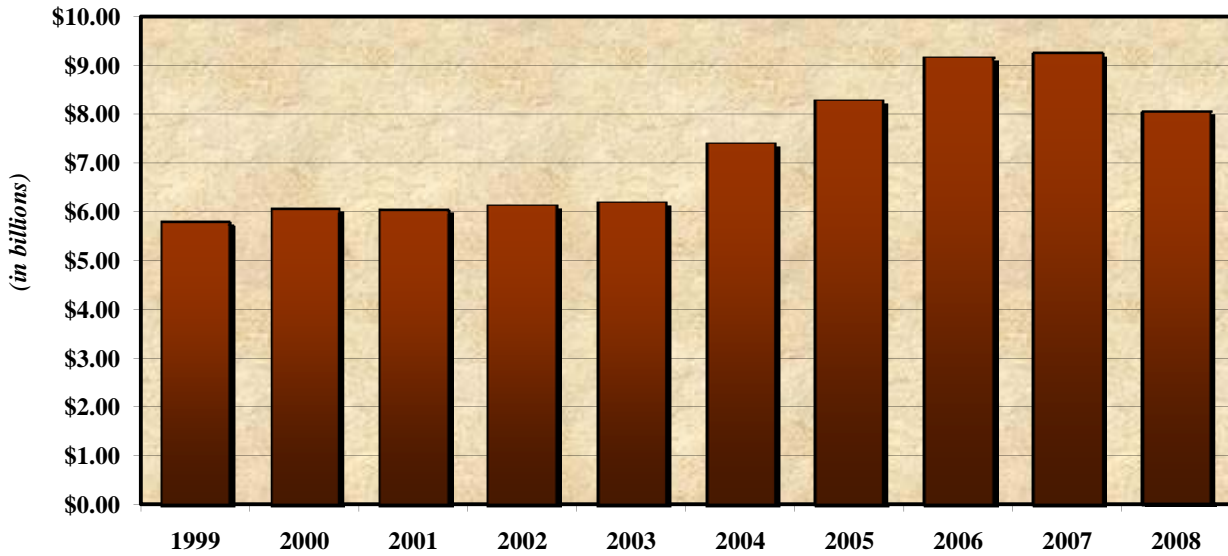
Notes:

The Total Employment is as of June of that year

Source:

- (1) Myrtle Beach Regional Economic Development
SC Employment Security Commission
- (2) U.S Department of Labor Bureau of Labor Statistics
- (3) 2000 Horry County Comprehensive Annual Financial Report
- (4) Horry County Human Resources Department

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



<u>CALENDAR YEAR</u>	<u>GROSS SALES (in Billions)</u>	<u>PERCENTAGE CHANGE</u>
1999	\$5.79	9.0
2000	\$6.06	4.7
2001	\$6.03	(1.0)
2002	\$6.13	1.7
2003	\$6.18	1.0
2004	\$7.39	19.5
2005	\$8.28	12.0
2006	\$9.14	10.4
2007	\$9.26	1.3
2008	\$8.03	(13.3)

Sources:

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

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

	Full-time Equivalent Employees as of June 30								
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Functions and Programs									
<u>Governmental Activities:</u>									
General Government	806	801	794	831	865	921	940	964	970
Public Safety									
Police	267	289	288	299	320	337	342	347	333
Fire	262	259	258	273	272	279	291	288	314
Infrastructure and Regulation									
Public Works	121	122	122	122	121	122	136	127	115
Fleet	17	17	17	17	17	17	17	15	18
Culture, Recreation and Tourism									
Libraries	41	42	42	47	48	48	57	50	57
Parks	6	8	12	15	18	18	18	18	77
<u>Business-type Activities:</u>									
Airports	104	104	132	132	131	132	133	118	131
Total Primary Government	<u>1624</u>	<u>1642</u>	<u>1665</u>	<u>1736</u>	<u>1792</u>	<u>1874</u>	<u>1934</u>	<u>1927</u>	<u>2015</u>

Notes:

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

Source: Horry County Human Resources Department

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

Functions and Programs

For the Fiscal Year Ended June 30

	<u>2002 (3)</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Governmental Activities:</u>								
General Government								
Information Technology/GIS:								
# of GIS Parcels Maintained	N/A	177,603	187,924	199,653	210,710	218,282	227,572	231,344
# of Servers Maintained	7	15	35	52	81	98	98	123
Register of Deeds:								
Total Documents Filed	124,906	147,773	176,586	196,108	209,675	184,043	177,261	150,260
Assessor:								
Assessments of Building Permits	9,723	11,635	9,235	11,314	13,561	16,630	15,294	12,854
Special Assessments	17,774	23,722	23,434	26,206	22,998	19,391	21,054	17,507
Real Property Parcels	172,472	177,906	184,466	189,956	203,304	207,221	226,799	237,276
Human Resources:								
# of Applications Taken	5,000	5,500	6,456	5,637	7,500	8,735	7,392	8,322
Public Safety								
Police:								
# of Calls for Service	98,612	102,765	100,389	114,269	117,079	132,328	139,302	134,514
# of Index Crimes (1)	7,911	8,228	8,374	9,312	Not available	8,586	9,752	9,164
Index Crime Clearance Rate (1)	28.50%	25.04%	22.30%	24.70%	Not available	16.85%	20.45%	19.00%
# of Call Responsive Officers Per Shift	15	17	17	17	18	18	18	20
Fire:								
# of Calls for Service	31,640	32,313	33,597	35,210	38,424	40,910	43,188	42,594
# of Structure Fires	641	631	620	617	667	654	721	674
# of Ambulance Transports	9,880	15,117	14,989	16,171	18,138	21,478	20,510	20,961
# of Career Fire Fighters Per Shift	48	57	61	73	73	81	85	93
Emergency 911:								
# of 911 Calls	196,385	193,045	222,345	204,195	212,511	228,418	225,530	221,693
# of Radio Dispatches	162,889	162,943	162,576	173,537	177,758	170,482	189,244	190,962
# of Telecommunicators per shift	8	8	9	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
Average daily population	475	502	525	550	619	650	632	632
Infrastructure and Regulation								
Code Enforcement:								
# Building Permits	7,873	7,544	8,070	9,647	11,981	9,909	8,459	6,673
Public Works:								
Miles of Dirt Road Scraped	994	1,025	843	843	900	880	793	779
Dirt Roads Paved	11.64	5.43	16.00	1.76	11.13	11.63	2.69	1.77
Signage Replaced/Installed	Not available	Not available	Not available	802	849	968	1,364	1,421
Miles of Ditches Cleaned	2,658	2,660	2,660	2,666	2,666	2,666	2,700	1,123

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

Functions and Programs

For the Fiscal Year Ended June 30

	<u>2002 (3)</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Governmental Activities (Continued):</u>								
Engineering:								
Dirt Roads Paved	7.39	2.52	4.05	11.07	4.30	9.19	9.07	9.72
Fleet:								
# Vehicles Maintained	538	550	573	608	649	659	695	700
# Heavy Equipment Vehicles Maintained	217	220	223	223	306	310	259	270
# Vehicles Repaired or Work Orders	8,060	8,324	7,284	8,190	7,849	8,236	8,501	8,277
Culture, Recreation and Tourism								
Library:								
Circulation	678,703	740,816	824,341	903,583	943,501	969,542	1,041,436	1,141,871
Patron Traffic Count	464,646	500,199	561,870	653,643	652,584	662,494	758,719	772,354
New Patrons Registered	12,679	15,345	21,757	24,371	25,125	28,487	28,780	26,572
Parks & Recreation:								
# Programs	57	68	84	91	141	153	161	180
Baseball Stadium:								
Paid Tickets (2)	171,192	174,211	176,659	167,293	170,285	163,056	187,009	183,094
<u>Business-type Activities:</u>								
Airports								
Deplanements	644,834	622,251	748,225	777,936	719,744	783,241	835,496	740,602
Industrial parks - (Three Parks) (4) (5) (6)								
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%
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%
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%
Total Land Sold / Transferred (acres)	Not available	Not available	Not available	Not available	27.13	21.30	66.20	24.12
Total % of County owned acres in four parks	Not available	Not available	Not available	Not available	10.13%	7.95%	24.71%	9.00%

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 by function prior to FY2002; however, ten years of data will be accumulated over time.
- (4) Operating indicators are not available for the Industrial Parks prior to FY2006.
- (5) Operating indicators were changed and restated in FY2009 for FY2006 - FY2009 to accommodate and illustrate Owners changing needs.
- (6) 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.

Source: Various County Departments

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

	For the Fiscal Year Ended June 30				
	<u>2005 (1)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Functions and Programs					
<u>Governmental Activities:</u>					
General Government					
Building Complexes	4	4	4	4	4
Public Safety					
Police:					
Patrol units	213	315	351	368	352
Fire/Rescue:					
Stations	40	40	40	41	41
Trucks(Fire/Pumpers)	59	61	67	66	66
Ambulances	21	27	33	32	36
Health and Social Services					
Health Departments (bldg)	3	3	3	4	4
Social Services (bldg)	1	1	1	1	1
Infrastructure and Regulation					
Highways and streets:					
Roads (miles)	1281	1271	1369	1334	1413
Heavy equipment:					
Motorgraders	23	23	25	25	25
Dump trucks	20	23	22	21	24
Other	87	92	133	139	206
Culture, Recreation and Tourism					
Museums	1	1	1	1	1
Libraries	9	9	9	9	9
Bookmobile	1	1	1	1	1
Parks:					
Parks	20	20	20	20	35
Tennis Courts	15	15	15	15	7
Ball Fields	28	28	28	28	34
Soccer Fields	15	15	15	15	19
Conservation/Natural Resources					
Off Site Facilities:					
Boat Landings	27	27	27	27	27
Watersheds	6	6	6	6	6
<u>Business-type Activities:</u>					
Airports					
Locations	4	4	4	4	4
Runways	4	4	4	4	4
Industrial Parks					
Locations	4	4	4	4	4
Baseball Stadium					
Baseball field (1/3 ownership)	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.

Source: Horry County Finance Department