

**HORRY COUNTY SCHOOLS
CONWAY, SOUTH CAROLINA
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

Prepared By:

Fiscal Services

**John K. Gardner
Chief Financial Officer**

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INTRODUCTORY SECTION

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Horry County Schools

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November 21, 2019

**THE CITIZENS OF HORRY COUNTY,
HORRY COUNTY BOARD OF EDUCATION, AND
DR. RICK MAXEY SUPERINTENDENT OF SCHOOLS**

The Comprehensive Annual Financial Report (CAFR) of the Horry County Schools (the District) for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

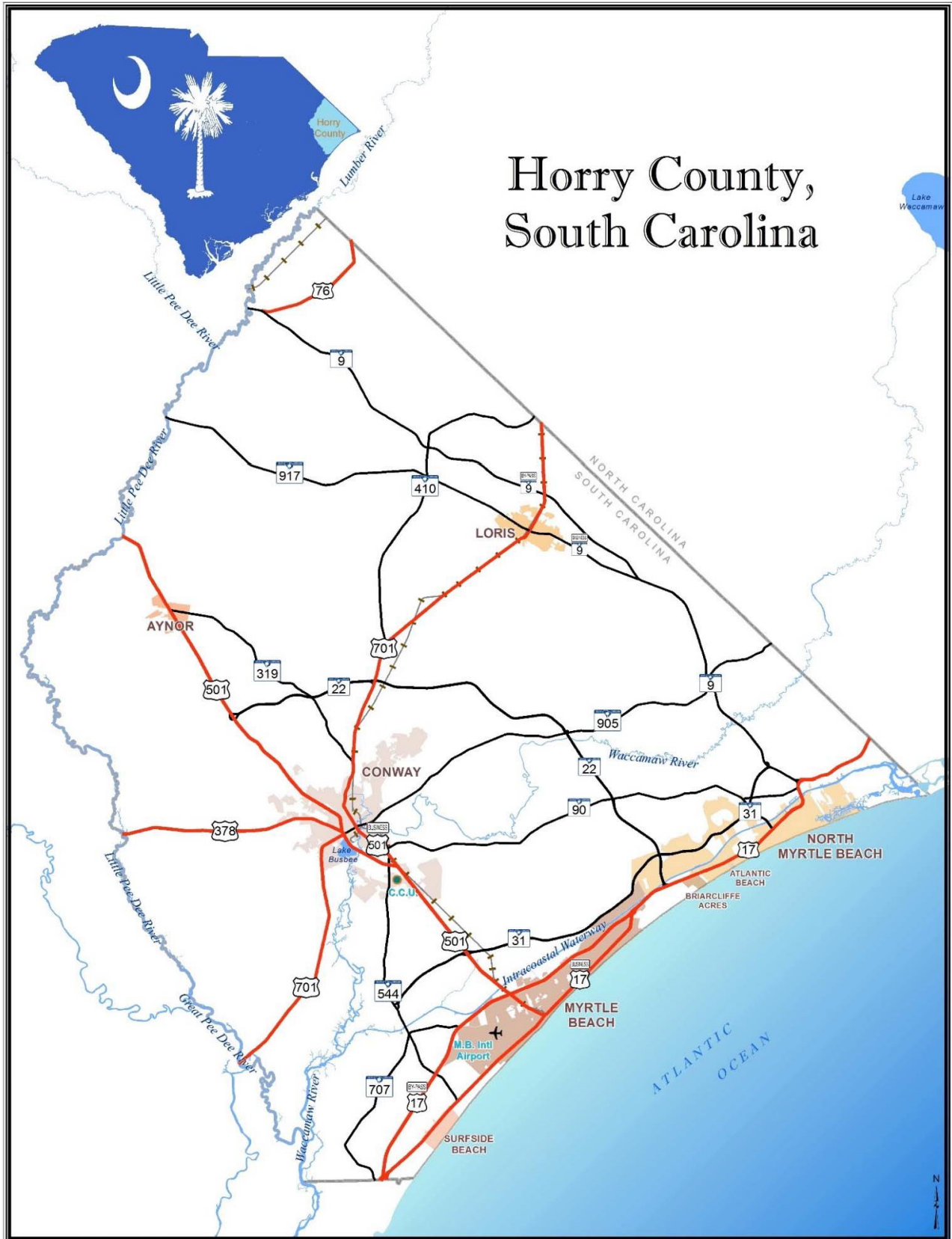
The District's Board of Education is financially accountable for the funds included in this report. The District is not included in any other "reporting entity" as defined by the Government Accounting Standards Board Statement 61, "The Financial Reporting Entity." The Board of Education has decision-making authority including the power to hire management, the ability to significantly influence operations and the accountability for fiscal matters. The District accounts for its financial activity using fund accounting procedures. Note 1 of the financial statements fully describes the various funds used by the District.

The accounting principles generally accepted in the United States 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 (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Horry County Schools' MD&A can be found immediately following the report of the independent auditors.

THE REPORTING ENTITY

Horry County, South Carolina, is located on the east coast of the United States, bounded on the north by the North Carolina state line and the east by the Atlantic Ocean. It encompasses 1,134 square miles of area, creating the largest county in landmass east of the Mississippi River and is slightly larger geographically than the state of Rhode Island. The District serves a county of approximately 344,147 people.

Horry County, South Carolina



The District is governed by a twelve-member Board of Education (the Board); eleven members elected from single-member districts for four-year staggered terms and a chairperson elected at large for a four-year term. The Board has legal authority for the operation of all public schools in Horry County. It has complete and final control over County school matters within the framework set by the State Legislature and the South Carolina Department of Education. The Board acts to interpret the educational needs of the County and then meets those needs with policies and facilities that stimulate the student and the learning process.

The Board is also responsible for hiring the Superintendent, who is a professional educator employed to advise the Board on all matters concerning management of the schools, as well as administering laws, regulations and policies adopted by the Board. As the leader for teaching and learning for the District, the Superintendent is responsible for guiding the development of the curriculum and educational programs that address the needs of students as well as providing leadership and advocacy for education.

The District has nine attendance areas: Myrtle Beach, Conway, Socastee, North Myrtle Beach, Loris, Aynor, Green Sea-Floyds, St. James, and Carolina Forest. Each area consists of a high school and the middle and elementary schools that feed into it. The District operates a total of 56 school facilities. All schools in the District are fully accredited by the South Carolina Department of Education and the Southern Association of Colleges and Schools. The District is the third largest of the State's eighty-five school districts and ranks second in the State in student enrollment growth during the past ten years. According to the 135-day average daily membership, the District has a student population of 43,854.



The District provides a full range of programs and services for its students. These include elementary and secondary course offerings at the general, vocational, college preparatory, and international baccalaureate levels. A broad range of co-curricular and extra-curricular activities to complement the students' curricular programs is also offered.

In addition, Waccamaw Park Public Charter Schools (also known as Bridgewater Academy), Palmetto Academy of Learning and Success (also known as PALS), the Academy of Hope, Inc., and Palmetto Academy for Learning Motor Sports (also known as PALM) are charter schools under legislation enacted on June 18, 1996. A charter school is considered a public school and is part of Horry County Schools for the purposes of state law and state constitution. Because these charter schools are fiscally dependent on the District and exclusion of their financial information would cause the District's financial statements to be incomplete, the financial statements of the charter schools are included in those of the District as discretely presented component units.

FINANCIAL INFORMATION

Internal Controls

The administration of the District is responsible for establishing and maintaining an internal control structure designed to protect the assets of the District from loss, theft, or misuse and to compile sufficient reliable information for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Independent Audit

State statutes require an annual audit by an independent Certified Public Accountant. The accounting firm of Elliott Davis LLC, Certified Public Accountants, was selected to perform this audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the 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 unmodified opinion that the District's financial statements for the year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the Financial Section of this report.

Single Audit

As a recipient of federal revenues, the District is required to undergo an annual single audit in conformity with the provisions of all applicable laws and/or regulations. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditors' reports on the internal control and compliance with applicable laws and regulations, is included in the single audit section of this report.

The District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by the administration of the District. As a part of the single audit process, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

Budgetary Control

The District approves an annual budget which acts as the financial operating plan for the entire fiscal year and provides budgetary controls for all components of the District. The objective of these budgetary controls is to ensure compliance with the annual appropriated budget approved by the Board of Education. Activities of the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund are included in the annual appropriated budget. The legal level of budgetary

control is the fund level. To ensure compliance, the budgetary controls are established by function and activity within each individual fund. All annual appropriations lapse at year-end with the exception of those indicated as an assignment of fund balance. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

Financial Policies

Effective July 1, 2018, the School District converted its food service fund operations from an enterprise fund to a special revenue fund.

ECONOMIC CONDITION AND OUTLOOK

The County's predominantly tourist-based economy continues to expand. Most of the County's sixty (60) miles of coastline, stretching from Little River to Garden City, have been developed. WalletHub named North Myrtle Beach as one of the "2019 Best Beach Towns in America". At the TripAdvisor 2019 Traveler's Choice Awards, Myrtle Beach ranked number twenty-one (21) on the list of most popular destinations in the United States.

The County's population of sixty-five (65) and over grew by 42 percent between 2010 and 2015. The Myrtle Beach area was cited by TopRetirements.com as one of the "20 Most Popular Places to Retire in the Southeast" for 2018. As of May 2019, the Myrtle Beach-Conway-North Myrtle Beach area was listed as the second-fastest growing metro area in the nation. According to the U.S. Census Bureau, the population grew by 74,856 residents, or 27.9 percent, to 344,147 people in 2018 from 269,291 in 2010. Current estimates for 2020 show the population to be 354,830. Population projections indicate that the County will grow by nearly 70 percent to 584,500 people in 2040.

The largest planned development in Horry County, Carolina Forest, was opened by International Paper. The Carolina Forest Development Agreement area, although no longer an active agreement, covers approximately seventeen (17) square miles or 10,850 acres. The Carolina Forest area, however, encompasses an area much larger than the boundaries of the Development Agreement. The area has become a center for surrounding developments to live and shop. There are currently 61 major residential subdivisions within the Carolina Forest area. The population increased 420 percent between 2000 and 2010 and now totals nearly 33,000 as of the last population estimates. Commercial development has continued to expand since 2010 Census numbers became available. With the extension of International Drive, the Towne Center area has begun to develop into a regional shopping destination. Currently, there are approximately 555,000 square feet of commercial under construction within the Carolina Forest Area with over 1.35 million additional square footage estimated over the next decade. A large increase in medical offices and a large Seacoast McLeod Medical campus are contributing to commercial growth in the Towne Center area. On the opposite end of Carolina Forest, near Highway 501, commercial construction is also expanding to meet the needs of the growing population. By 2030, 50,000 to 60,000 people could live in Carolina Forest, twice the current population of the City of Myrtle Beach in an area nearly the same size. As the population of the Carolina Forest area continues to expand, so will the demand for infrastructure and public service upgrades, such as the widening of Carolina Forest Boulevard and the expansion of schools, recreation, and public safety facilities.

Another area of unincorporated Horry experiencing tremendous growth over the past twenty (20) years is the Burgess community. Unlike Carolina Forest, Burgess has grown without a Development Agreement. Burgess is located on the southern end of the County, abutting Georgetown County. The community is approximately 28 square miles in area and is flanked on the west by the Waccamaw River and the east by US Highway 17 Bypass. The northern boundary is an amalgamation of properties

with no clear delineation, south of neighboring Socastee, another area of growth in the County. Burgess has transitioned from a rural community to a predominantly suburban community in recent decades, growing from 3,396 residents in 1990 to approximately 29,470 in 2017. Since 1990, the majority of development has been residential in nature; however, there has been commercial growth in the area to provide retail and food services to the new residents. Parts of the community still retain some of the rural characteristics that preceded the rapid growth. The community has significant transportation infrastructure projects that are being finalized, including the completion of the widening of SC 707, extension of SC 31 from its current terminus at 544 to end at SC 707, and the completion of the Highway 17 Bypass overpass at Holmestown Road. Upcoming road improvement projects are planned for to the McDowell Shortcut Rd and Tournament Blvd intersection and the Tournament Blvd and Hwy 17 Bypass intersection.

The more established communities in unincorporated Horry, including Socastee, Forestbrook, Garden City, and Little River, continue to experience population growth, but at a slower rate than that of Burgess and Carolina Forest. While population growth will be limited, the demand and need for services in these areas will continue to grow. Maintenance of existing infrastructure and planned improvements to meet regional infrastructure demand will have an impact on these communities.

Horry County's population is expected to reach 584,500 people by 2040, which is nearly 240,000 more permanent residents than today. Due to the amount of growth in Horry County, construction, both residential and commercial, has continued to boom over the past several years. From FY 2005 to FY 2006, Horry County received the largest increase in building permit revenue since we started permitting construction in the mid-1970s. From FY 2004 to FY 2006, permit revenue increased from \$4.5 million to a peak of \$9.2 million. After the peak in 2006, permit revenue returned to the 2004 level by the end of FY 2008. Construction has continued to rise since FY 2014. In FY 2018, permit revenue increased 1 percent to \$6.31 million from FY 2017 at \$6.3 million. New Single-Family Residential structure permits increased 9 percent in FY 2018 (SFRs 3,304) from FY 2017 (SFRs 3,023). The construction value has increased 1 percent from FY 2017 (\$706 million) to FY 2018 (\$711 million).

Tourism continues to be the largest industry on the Grand Strand. Myrtle Beach is considered one of the nation's top vacation destinations and hosts an estimated 19.6 million visitors annually. The sixty (60) plus miles of beach, golf, shopping, and entertainment theaters are all major attractions for the region. Group market sales, as well as sports tourism, are also an increasing part of the visitor industry for the Grand Strand. The region now has more than 1,700 full service restaurants, more than 157,000 rooms available for overnight guests, seven (7) live entertainment theaters with approximately 7,500 seats and approximately 88 golf courses. According to Tourism Works for Us, throughout the Grand Strand, tourism accounts for 83,000 jobs. Tourism creates 60,679 jobs directly, and 22,362 jobs are indirectly related to tourism.

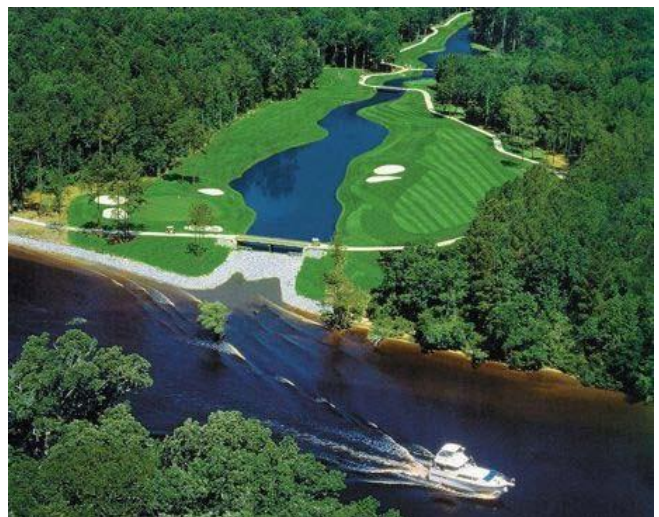




The Myrtle Beach area of South Carolina proves that it is worthy of the moniker “The Grand Strand” year after year by garnering prestigious awards and designations ranging from “America’s Most Awesome Boardwalks” by Budget Travel and seven Grand Strand golf course layouts earned spots on “America’s 100 Greatest Public Golf Course” by Golf Digest. Samantha Brown, well known for her travel programs on The Travel Channel, has ranked Myrtle Beach #1 on her Best Travel Spots list on her show’s website. Flipkey, the vacation rental company of leading travel website TripAdvisor.com, has listed Myrtle Beach as one of the best family vacation spots and one of “The Top East Coast Beaches.”

There are many amusement attractions spanning the Grand Strand, and the 80 plus golf courses located in the area constitute one of the largest concentrations of like facilities in the nation. Golfers are able to tee-off on any of 1,500 golf holes in the area. Vacationing golfers play approximately 2.9 million rounds of golf annually. Golf Week listed Dunes Golf and Beach Club among their “Best Classic Courses” in the United States.

Some of the best-known names in golf, including Jack Nicklaus, Arnold Palmer, Robert Trent Jones, Tom Fazio, Davis Love III, Greg Norman, Gary Player, and Pete and P.B. Dye, have designed area golf courses. Many of the local courses host major professional and amateur golf tournaments including The Myrtle Beach World Amateur Handicap Championship, Hootie and the Blowfish Monday after the Masters, Palmetto High School Golf Championship, the Veterans Golf Classic and the Never Forget Memorial Golf Outing. The Horry County area contributes a large portion of South Carolina’s golf revenue. This industry has been instrumental in the expansion of the tourist season, including early spring and late fall in our regular May through October season.



Retail sales, employment, and construction are all intimately tied to the tourism industry. Retail sales tend to show a seasonal pattern with the first quarter of each year noticeably below the other quarters. However, all signs indicate that the Myrtle Beach area is becoming more of a year-round tourism destination.

The recession affected the tourism industry, and tourism related revenues suffered from FY 2008 to FY 2010 before a slight economic upturn began in FY 2011. The combined total of state and local accommodations tax and the hospitality fees dipped to \$36.7 million in FY 2010. During FY 2011 and FY 2012, the County began to see the return of these combined revenues. Revenues have continued to increase to \$54.5 million in FY 2019.

AIRPORT

Horry County owns and operates the largest airport system in South Carolina with one commercial service airport serving the greater Myrtle Beach Region and three general aviation airports - Grand Strand, Conway, and Loris Twin Cities. The Grand Strand Airport (CRE), located in the City of North Myrtle Beach, serves private and corporate aircraft. The Conway-Horry County Airport (HYW), located 5 miles west of the county seat of Conway, provides operations and services for the growing general aviation community in the western part of Horry County. The Loris Twin Cities Airport (5J9) is an unattended airport for public use.

Myrtle Beach International Airport (MYR) is a county facility located on approximately 2,000 acres within the City of Myrtle Beach and provides air service for the Grand Strand and surrounding counties. The airport consists of a passenger terminal complex, a 9,500-foot lighted runway and related taxiways, a general aviation apron and supporting buildings and hangars. The facilities are located on or adjacent to property formerly utilized as the Myrtle Beach Air Force Base.

The following direct and indirect carriers presently serve the airport: American Airlines, Allegiant Air, Delta Air Lines, Frontier, Porter Airlines, Spirit, Sun Country, United, and WestJet. These carriers collectively offer non-stop air service to 46 markets. Departing seat capacity exceeded 1,926M seats, resulting in a 24 percent increase over previous year. The airport is also served by a number of charter services.

Passenger enplanements for the fiscal year ending June 30, 2019, were 1,281,708, which represents an 5.5 percent increase from the previous fiscal year. This increase of 66,467 passengers is the result of airlines increasing seat capacity and frequencies in existing markets and the introduction of new nonstop air service from markets previously not served.

In fiscal year 2019, new nonstop air service was added to Orlando (MCO), Houston (IAH) and Hagerstown, MD (HGR) to Myrtle Beach International Airport (MYR). As of June 30, 2019, MYR has non-stop service to forty-six (46) markets by nine (9) carriers.

TRANSPORTATION

In order to improve Horry County's transportation system, a major federal interstate is under consideration. I-73/I-74 would begin in Michigan and continue through Ohio, West Virginia, Virginia, North Carolina, and end in Charleston, South Carolina, after passing through the Grand Strand. The Federal Government has allocated \$400,000 for South Carolina to do a feasibility study regarding the project.

In addition, former Governor Beasley approved the most aggressive road construction program in the history of Horry County, RIDE – Road Improvement and Development Effort in September 1996. Horry

County's RIDE Project represents a comprehensive solution for transportation problems which pairs significant funding from the local level with funding provided by the State of South Carolina. Horry County enacted an ordinance in the fall of 1996 that implemented a 1.5 percent hospitality fee (accommodations, restaurants, amusements, golf and theaters) effective January 1, 1997. The purpose of this fee is to provide the financial ability for Horry County to partner with the State of South Carolina to meet the infrastructure needs of the County. The participating parties of the RIDE project are Horry County, the South Carolina Transportation Infrastructure Bank, and the South Carolina Department of Transportation. The total cost of the RIDE I program was \$774 million (\$698 million in 1997 dollars, escalated at 4.5 percent per year over the seven year construction period). The total debt service over the life of the proposed bonds for the RIDE project is \$1.2 billion. Horry County's contribution to retire the debt is \$368 million; the South Carolina Transportation Infrastructure Bank is expected to fund the balance of the debt service, \$859 million. The RIDE Project included a series of interconnected highway construction and road enhancements that improved the overall transportation network in Horry County.

The RIDE II program, submitted to Horry County Council in May 2004, outlined an additional list of priorities for roadway improvements. To fund these projects, a local option sales tax was passed by Horry County voters in November of 2006.

The RIDE III initiative was recently approved by voters in the November 2016 general election. This initiative includes more than twenty projects, which will cost close to \$592 million dollars. RIDE III calls for a one-penny sales tax to be collected for no more than eight years, beginning in May of 2017. The sales tax would remain in effect for eight years through April 30, 2025.

LONG-TERM PLANNING

Sustained unprecedented growth places many demands on the District. Determining future facility needs and their locations; performing enrollment forecasting and monitoring; performing redistricting analysis and making long-term recommendations; and assisting with developing long-range comprehensive facility plans present staff with challenges to meet the District's needs caused by this growth.

The District's strategic planning process represents a collaborative effort of engaging educators and citizens in the decision-making process for their schools. Each of the District's schools has developed a strategic plan, following the same process of involving stakeholders as used by the District's planning process. More than 5,000 teachers, parents, community members, and students have served as planning or action team members at the District or school level. The District has recently updated the Strategic Plan in the spring of 2016. Through this planning process, the needs and challenges facing the District through 2021 will be met. On May 4, 2016, the District earned the distinction of accreditation by AdvancED.

The District promotes the philosophy of site-based management, employing intense involvement by school principals, staff, and community members studying the needs of schools, instructional programs, administrative management, and fiscal authority. Extensive staff development plans continue for teachers and staff at every level of the organization.

The Horry County Board of Education is governed by policies designed to focus the District's attention on "Student Achievement Results," clearly delineating what students should know, understand, and be able to do upon exiting Horry County Schools. Goals are stated in terms of increased student achievement. A literacy program, which offers a structured delivery of reading and writing instruction, has already been implemented in grades K-12 and is only the beginning of the District's planned improvements in education.

In the last ten years, Horry County Schools' enrollment has grown over 6,433 students. Of the District's 58 school facilities, 8 of them are operating over capacity with another 7 schools within 95 – 99% of capacity. To temporarily cope with growth, more than 157 modular classrooms are in use and attendance lines have been redrawn to deal with the swelling population. Looking to the future, the District anticipates the enrollment to increase from 43,854 students in fiscal year 2018-19 to over 45,869 students by fiscal year 2023-24.

As Horry County grows, so grows the need for new schools and classrooms. Although the ages of the facilities range up to 51 years, all buildings have been renovated and/or retrofitted to provide similar accommodations across the District.

In February 2012, Horry County Schools initiated a Long-Term Facility Plan. The purpose of the plan is to evaluate the adequacy of existing educational facilities, plan for future capital facilities spending, and address how the student population will be housed over the next 10 years. This document also provides for facility improvements or adjustments to the programmatic needs of the District. This report contains data and analysis that will provide the basis for decisions regarding when and where to build new capacity, renovate existing facilities, replace facilities, and when and how to provide sustainment activities to maintain our facilities to the highest quality.

Additionally, this report provided a comprehensive analysis of athletic facilities, playgrounds, and grounds along with recommendations for improvements to these areas. The District also produced a set of Educational Specifications. That document provides the guidance necessary to ensure that school facilities are planned and designed to support the mission and vision of Horry County Schools. The total projected cost of the Long-Term Facility Plan was over \$633.9 million.

Construction Document Scanning and archiving will complete the digitization of over 200,000 construction documents stored in the warehouse. Capacity & Higher Utilization Planning will assist with developing capacity analysis and higher utilization modifications needed to handle growth and program additions in the future.



The Long-Term Facility Plan focused on a comprehensive approach to all facilities including custodial, maintenance, and capital improvements. The **revised** plan focuses on establishing a capital plan within forecasted revenue from 2013-14 to 2023-24 and Board priorities established on June 15, 2013. The Capital Plan was approved on September 30, 2013, revised on June 9, 2014, revised June 30, 2014, revised July 28, 2014, revised May 26, 2015, revised July 29, 2015, revised on November 2, 2015, revised on June 6, 2016, revised on December 11, 2017, and revised on June 3, 2019, to the current Board Approved Short-term Capital Plan as indicated below.

Short-term Capital Plan

Current Board Approved Project List	Total	Proposed Completion Date
Addition & Renovation - NMB Middle	9,676,646	Operational August 2017
Addition & Renovation - Midland Elementary	15,951,887	January 2018
Replace HCEC	13,018,792	December 2021
New Intermediate (St. James)	51,092,249	Opened August 2017
New Middle (Carolina Forest)	50,607,560	Opened August 2017
Replace Socastee Elementary	40,152,949	Opened August 2017
New Middle (Myrtle Beach)	49,091,607	Opened January 2018
Addition & Renovation - Aynor Middle	-	Project Delayed
New Middle (Socastee)	47,988,843	Opened August 2018
Renovation - NMBH	21,086,340	Completed March 2018
Support Space & Building Modifications	57,000,000	Annual \$5,181,818 (End: June 2024)
Sustainment Projects	72,000,000	Annual \$6,545,455 (End: June 2024)
Unplanned Projects or Maintenance Repair	10,000,000	Annual \$909,091 (End: June 2024)
Property Acquisitions	3,989,799	September 2016
Capital Administration	20,000,000	Annual \$1,818,182 (End: June 2024)
Owner's Contingency for Five Design-Build Projects	106,015	
Off-Site Development Contingency for Five Design-Build Projects	-	
Contingency - Residual Funding	2,141,734	
Renovation - Old Myrtle Beach Middle School	20,560,631	February 2019
Misc. Equipment	5,000,000	Annual \$454,545 (End: June 2024)
Technology	86,000,000	Annual \$9,100,000 (End: June 2024)
Total	575,465,052	

The Board is reviewing a Capital Improvement Plan for Fiscal Years 2020-2024, which is also known as "The Five-Year Plan." The "Plan" addresses capacity and growth needs, replacement/renovation projects, sustainment projects (roofing, HVAC), athletic upgrades, and paving/grounds projects. The estimated cost of the "Plan" is approximately \$755 million.

HONORS AND DISTINCTIONS

Our Performance

[Horry County Schools](#) is fully-accredited by AdvancED, a non-profit, non-partisan organization that conducts rigorous, on-site external reviews of Pre-K-12 schools and school systems to ensure that all learners realize their full potential. Combining the knowledge and expertise of a research institute, the skills of a management consulting firm and the passion of a grassroots movement for educational change, AdvancED is a trusted partner to 34,000 schools and school systems across the United States and 70 other nations.

In a concurrent evaluation, the [Academy for the Arts, Science, and Technology](#) was awarded the new AdvancED STEM Certification as an accredited whole school STEM site, distinguishing the Academy as a highly-effective school that prioritizes education in science, technology, engineering and math.

In the first release of overall ratings in four years for State Report Cards, 63 percent of [Horry County Schools'](#) received overall ratings of Excellent and Good. Across the State, only 44 percent of public schools received the same ratings, the highest possible ratings under new accountability requirements.

[Horry County Schools](#) performed higher than the State on both SC Palmetto Assessment of State Standards (SCPASS) and SC College-and-Career Ready Assessments (SC READY). Administered each spring, these standardized assessments measure achievement in English language arts, mathematics, science, and social studies for grades 3-8.

[Horry County Schools](#) surpassed the national composite on the SAT by 46 points in 2018. The District's two-part composite for Evidence-Based Reading and Writing and Mathematics is 1095, which is 46 points above the national average of 1049 and is 31 points above the state average of 1064. HCS SAT test takers increased by seven percent.

[Horry County Schools'](#) made an impressive five-point gain in the percentage of students earning scores of 3 or higher on Advanced Placement (AP) exams during the 2017-2018 school year. Results show that 66 percent of District students attained scores of 3, 4, or 5 on exams, up from 61 percent the previous year. The percentage of HCS students passing AP exams is higher than the State's 58 percent, which is higher than 57 percent at the national level.

[Horry County Schools'](#) juniors had a composite mean score of 18.3, down from 19.0 in 2017. Under new accountability requirements, students now have the option of taking the ACT or the SAT during their junior year, making 2018 the last year of reporting for ACT census testing.

[Horry County Schools'](#) students scored significantly higher than the State on all End-of-Course tests.

School and Team Awards

The Class of 2018 set new records for [Horry County Schools](#). The District's largest graduating class in history was awarded \$74.4 million in scholarships. The District's largest number of college-bound students earned the highest number of dual-credit courses in history, providing academic and financial advantages for students and their families.

The Class of 2018 totaled 2,724 graduates from the District's 10 high schools, an increase of 193 graduates over last year. Among the graduates, 76 percent plan to attend either a two-year or four-year college or university.

[Horry County Schools'](#) Honors Diplomas were awarded to 15 percent of graduates, an increase from 13 percent in 2017. Eighty percent of our college-bound graduates met eligibility requirements for scholarships supported by the South Carolina Education Lottery.

Three HCS high schools are among the Top 25 in South Carolina, as ranked in US News & World Report's annual list of Best High Schools. [Carolina Forest High School](#) (#18), [St. James High School](#) (#23), and [Socastee High School](#) (#24) each earned Silver designations. [North Myrtle Beach High School](#), [Aynor High School](#), and [HCS Early College High School](#) earned Bronze designations.

[St. James Middle School](#) earned the honor of being re-designated as a National 2017- 2018 Schools to Watch®, which was originally earned during the 2014-2015 school year.

[Ocean Bay Elementary School's](#) SMART Recycling Program received one of two inaugural Green Apple Day of Service Awards presented nationally by the Center for Green Schools in collaboration with the Green Schools National Network.

[Black Water](#), [Socastee](#), [Green Sea Floyds](#), and [Ocean Bay Middle Schools](#) received 2017-2018 National Beta School of Merit Awards from the National Junior Beta School Organization.

[Green Sea Floyds Middle School](#) was one of three schools in the state to win a \$100K DON'T QUIT! Fitness Center through the National Foundation for Governors' Fitness Councils.

[Ten Oaks Middle School's](#) STEM (Science, Technology, Engineering and Math) program was named the South Carolina winner of the Samsung Solve for Tomorrow competition and was awarded a \$25,000 Samsung technology prize package.

[Ten Oaks Middle School's](#) Technology Student Association (TSA) received the South Carolina Middle School of Excellence Award, and advisor [Jerrin Martus](#) received the South Carolina Middle School Chapter Advisor Award from the State Association. Students attended the 40th Annual National TSA Conference, where they earned "Top Ten" finalists awards in Coding, System Control Technology, Video Game Design, Community Service Video, and Junior Solar Sprint. Students won a national third place award for System Control Technology.

[Myrtle Beach Middle School](#) was named the South Carolina School of the Year by the National Energy Education Development (NEED) Project for their outstanding energy education project to monitor energy usage of the school and to help educate others about the importance of energy efficiency.

[Lakewood Elementary School's](#) Bobcats Archery Team won the 2018 South Carolina Archery in the Schools BULLSEYE Championship, winning both the Elementary and 3D divisions.

2018 State Champions: [Myrtle Beach High School](#), AAAA Football; [Green Sea Floyds High School](#), A Football; [North Myrtle Beach High School](#), AAAA Volleyball; and [Ian Morgan](#), [Myrtle Beach High](#), AAAA Boys' 500-meter Freestyle.

Student Awards

[Ward Wilson of Socastee High School](#) was chosen as one of two students in the state to participate in the 57th Annual United States Senate Youth Program.

[Dylan Rush of the Scholars Academy and Conway High School](#) was named a 2018 Presidential Scholar.

Nine [Horry County Schools'](#) students were named Semi-finalists in the 64th annual National Merit Scholarship Program. They are: [Annamaria Bleyer](#), the Academy for Arts, Science & Technology and Carolina Forest High School; [Cade Stanley](#), the Academy for Arts, Science & Technology and Myrtle Beach High School; [Jessica Pikula](#), the Scholars Academy and Carolina Forest High School; [Caleb Jordan](#), the Scholars Academy and Lorris High School; [Alexandra Simons](#), the Scholars Academy and Myrtle Beach High School; [Dash Stevanovich](#), the Scholars Academy and Socastee High School; [Hunter Staiger](#), Socastee High; [Alexis Clark](#), the Scholars Academy and St. James High School; and [Hailey Lingle](#), the Scholars Academy and St. James High School.

[Aynor High School](#) students [Hannah Thomas](#) and [James Feaser](#) won first place in the statewide Video Book Award Trailer Contest sponsored by the South Carolina Association of School Librarians. Thomas and Feaser won in the Young Adult division for their entry based on "The Secrets We Keep" by Trisha Leaver.

[Charli Watts of Myrtle Beach High School](#) was recognized by State Superintendent of Education for graduating with a perfect 12-year attendance record.

[Tonka Hemingway of Conway High School](#) was named to the first team for the 2018 ALL-USA South Carolina Football Team.

[Mark Zheng of Conway Middle School](#) won The Sun News Regional Spelling Bee, earning him an all-expense-paid trip to Washington D.C. for the Scripps National Spelling Bee. The 13-year-old eighth grader was one of 49 elementary and middle school students who competed in the event.

Staff Awards

The South Carolina Council of Teachers of English recognized two District teachers for their professionalism, contributions, and leadership. [Kay Sellers-Carte of Carolina Forest High School](#) was presented the Secondary High School Teacher of Excellence award. [Jennifer Penegar of Conway Middle School](#) received the Council's Leadership Development Award.

Bus driver trainer [Kroggy Woodard](#) won first place at the Spring 2018 Road-E-O competition, sponsored by the South Carolina Association of Pupil Transportation.

[Katelyn DuBose of Myrtle Beach High School](#) won first place in Feature Photography from the 2018 South Carolina Press Association. The winning photograph, titled "Riding for a Reason," was published in the Myrtle Beach Herald with an article about the 36th Annual American Heart Association's Beach Ride.

[John Sumter of Ocean Bay Middle School](#) was selected as a 2018 Dr. Martin D. Jenkins Scholar by the National Association for Gifted Children.

[Lucia Watson](#), a health sciences teacher at [Conway High School](#), was named the 2018 Outstanding Teacher by South Carolina Health Science Educators, a division of the South Carolina Association of Career and Technical Education. This award recognizes educators who provide outstanding career and technical education programs.

[Marion Touzel of Ten Oaks Middle School](#) was named the Harris History Teacher of the Year for middle schools in South Carolina for her involvement with the National History Day program. Touzel was recognized for having clearly illustrated the development and usage of creative teaching methods that interest students in history and help them make exciting discoveries about the past.

[Michael McCracken](#); principal at [Aynor High School](#), was named the Administrator of the Year by the South Carolina Association of School Librarians. The award is presented each year to honor a school administrator who has made a sustained, unique contribution toward furthering the role of the library media center.

Special Education Coordinator [Jackie Bryant](#) was named the Advocate of the Year by the South Carolina Council for Exceptional Children. She was recognized for her commitment to developing occupational programming opportunities for students with disabilities.

[Tory Gibson](#), cafeteria manager at [North Myrtle Beach High](#), was named the 2018 Manager of the Year for South Carolina by the School Nutrition Association of South Carolina.

[HCS awarded Budget Award](#)

The District has received the Distinguished Budget Presentation Award from the Government Finance Officers Association.

[HCS awarded Certificate of Achievement for Excellence in Financial Reporting](#)

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Horry County School District for its comprehensive annual financial report for the past seventeen fiscal years. A Certificate of Excellence is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Excellence Program's requirements, and we are submitting it to the ASBO to determine its eligibility for another certificate.

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 School District for its comprehensive annual financial report for the past seventeen fiscal years. 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 our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The completion of this Comprehensive Annual Financial Report could not have been accomplished without the professionalism and dedication of the entire Fiscal Services staff. Each staff member has our sincere appreciation for their contributions in the timely closing of financial records. We also acknowledge and thank the other District departments for assistance in the presentation of information for this report.

In closing, without the leadership and support of the Superintendent and the Horry County Schools' Board of Education, the outstanding results described in the Fiscal Year 2019 Comprehensive Annual Financial Report would not have been possible.

Respectfully Submitted,



John K. Gardner
Chief Financial Officer

BOARD OF EDUCATION

ChairpersonKen Richardson
District 1 Board Member Holly Heniford
District 2 Board MemberSherrie Todd
District 3 Board Member Ray Winters
District 4 Board Member, David Cox
District 5 Board Member Janice Morreale
District 6 Board Member Helen Smith
District 7 Board Member Janet Graham
District 8 Vice Chairperson John Poston
District 9 Board Member Chris Hardwick
District 10, Board MemberNeil James
District 11 Board MemberShanda Allen

ADMINISTRATIVE OFFICIALS

SuperintendentDr. Rick Maxey
Chief Academic Officer Boone Myrick
Chief Support Services OfficerDaryl Brown
Chief Financial Officer John K. Gardner
Chief Human Resources Officer Mary J. Anderson
Chief Student Services Officer Velna Allen



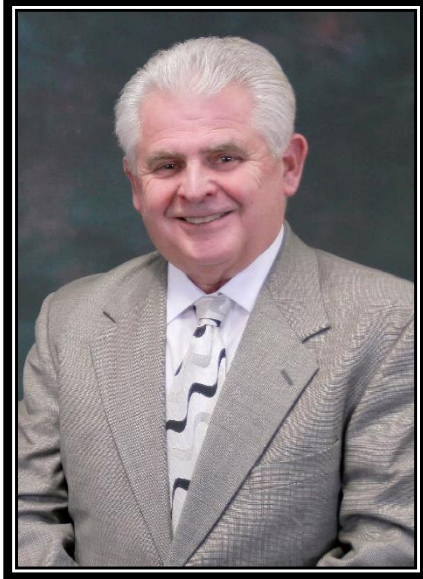
Dr. Rick Maxey, Superintendent of Schools: With 34 years of experience in teaching and educational leadership, Dr. Rick Maxey was appointed the Acting Superintendent of Horry County Schools on January 1, 2015 and then was named Superintendent on June 15, 2015. Dr. Maxey has been the Deputy Superintendent for HCS for more than three years, where he supervised District Operations in the areas of facilities, food services, student affairs, and transportation.

Dr. Maxey has a foundation of educational leadership experiences having been HCS' executive director for both middle and secondary schools. At the district-level, he also served as a principal specialist for support services where he supervised the Department of Special Education.

Before he began working as a District administrator, Dr. Maxey was the principal at Conway High School for five years (2000-2005) and at Carolina Forest High School for two years (1998-2000). He was an assistant principal and technology coordinator at Loris High School after six years of teaching English at the school. Prior to beginning his career in secondary education, Dr. Maxey was an English instructor at both Presbyterian College and Clemson University.

Dr. Maxey earned master's and doctoral degrees in Educational Leadership from the University of South Carolina. He also holds master's and bachelor's degrees in English from Clemson University.

Dr. Maxey and his wife, Vencie, are career educators. They are the parents of two adult sons.



Ken Richardson, Chairperson – Ken Richardson was elected Chair of the Horry County Board of Education in a county-wide election in November 2018. After two decades serving on the Board of Directors for Horry Georgetown Technical College, most of that time as the Chair, Richardson resigned his state appointment after being elected to be the Chair of the Board of Education. He will continue to expand his passionate commitment to public education, while focusing now on the foundational importance of K-12 teaching and learning. His four-year term ends in 2022.

A native of Horry County, Richardson attended Conway schools and became the owner of a successful automobile dealership. He hopes to bring his business experience and understanding of higher education to his new leadership role as the Chair of the Board of Education, the governing body for Horry County Schools.

Richardson and his wife, Donna, are both longtime Conway residents. They have two adult children and two grandchildren.

Holly Heniford, District 1 – Ms. Heniford was elected to the School Board in November 2014. A native of Horry County and a graduate of Loris High School, Heniford is a licensed real estate broker in the Carolinas and is currently the broker-in-charge of B Mack & Co. Real Estate in North Myrtle Beach. Heniford has served as a member of the Board of Directors for Sandhills Bank, the Grand Strand Board of Realtors, and the Horry Georgetown Home Builders Association. She served on the Horry County Planning Commission from 2004-2009. She earned degrees from the Art Institute and Brenau Women’s College which are both in Georgia. She earned a master’s degree in human resource management from Webster University in Myrtle Beach. She is the mother of one daughter, Carly, who attended Horry County Schools and now attends college.

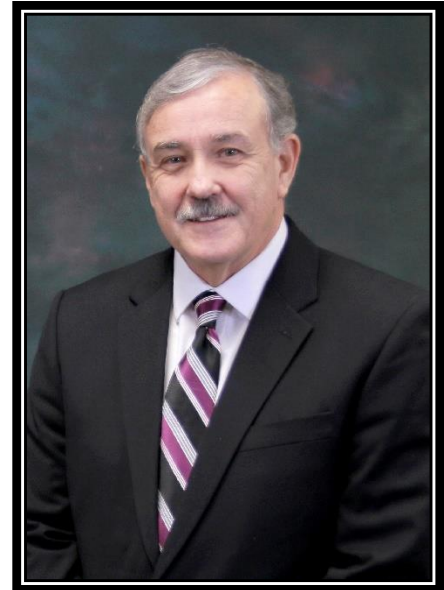


Sherrie Todd, District 2 – “I was elected to the Horry County Board of Education in November 2014. I was re-elected for another 4-year term in 2018. I am a life-long resident of Myrtle Beach. My husband, Ting, and I have two adult daughters, one adult son, and six grandchildren.”



Ray H. Winters, District 3 – “I was elected as a member of the Horry County Board of Education in November 2014. I obtained my undergraduate degrees in History and Political Science from the University of South Alabama, where I also earned a Master’s degree in Public Administration in 1994. I received my Juris Doctorate from Loyola University (New Orleans) in 1998. I am a licensed attorney in the states of South Carolina and Alabama, as well as the U. S. Tax Court. I am the managing attorney of my own law practice that focuses on real estate, corporate and business transactions, and other basic transactional matters. My wife, Tracy, and I have one daughter, Alyssa.”

David Cox, District 4– “I was first elected to the Horry County Board of Education in November 2008. I represent District 4, which includes parts of St. James and Socastee within the Burgess Community. My wife, Karen, and I live in the Market Common area on the south end of Myrtle Beach. Together we have eight children and 16 grandchildren. I graduated from the University of South Carolina with a degree in Journalism and am presently employed by Elliott Realty as a content writer for websites, and a realtor with Better Homes and Gardens Elliot Coastal Living.”



Janice Morreale, District 5 – “I was elected to the Horry County Board of Education in November 2012. I am on the Board of Directors with the South Carolina School Board Association. I am a graduate of Horry Georgetown Technical College with an Associate’s Degree in Public Service Technology. I am a paralegal at Nelson Mullins Riley and Scarborough. My husband, John, and I have two children, Anthony and Gabriel.”

Helen Smith, District 6 – Helen Smith returns to the Horry County Board of Education after 16 years to represent District 6, serving communities in Socastee, St. James, and Carolina Forest for a four-year term ending in 2022. Smith was the former Chair of the Board of Education from 1996 through 2002 and represented District 6 from 1982 until a successful, mid-term run for Chair in 1996.

Smith is a native of Socastee and a graduate of Socastee High School. She opened her own business at age 22 and after 32 years, she turned her salon over to her daughter-in-law and began a new career as a project manager for S. E. Smith Construction Company, Inc., overseeing commercial and residential construction projects, including the Socastee Branch Library and multiple fire stations throughout Horry County. Smith “retired,” again, after 12 years of managing building projects.

Smith and her husband, Randy, have been married for 50 years and have three adult children and seven grandchildren.

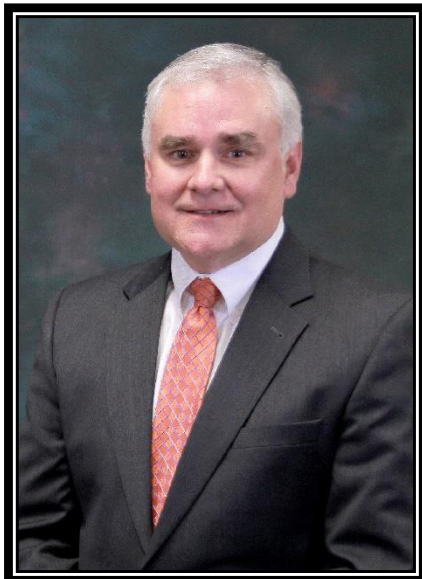


Janet P. Graham, District 7 – “I was appointed to the Horry County Board of Education in September 2012 and was elected in November 2014. I am an Area Manager for the Myrtle Beach Area Small Business Development Center at Coastal Carolina University. I received a Bachelor’s Degree in Finance from Coastal Carolina University in 2000 and a Master of Business Administration from Winthrop University in 2004. My husband, Gregory, and I have three children and nine grandchildren.”

John R. Poston, District 8, Vice Chairperson, – “I was first elected to the Horry County Board of Education in November 2008. I am a practicing Civil Engineer and Land Surveyor. I am a graduate of Francis Marion College and Clemson University. My wife, Robin, and I have three children.”



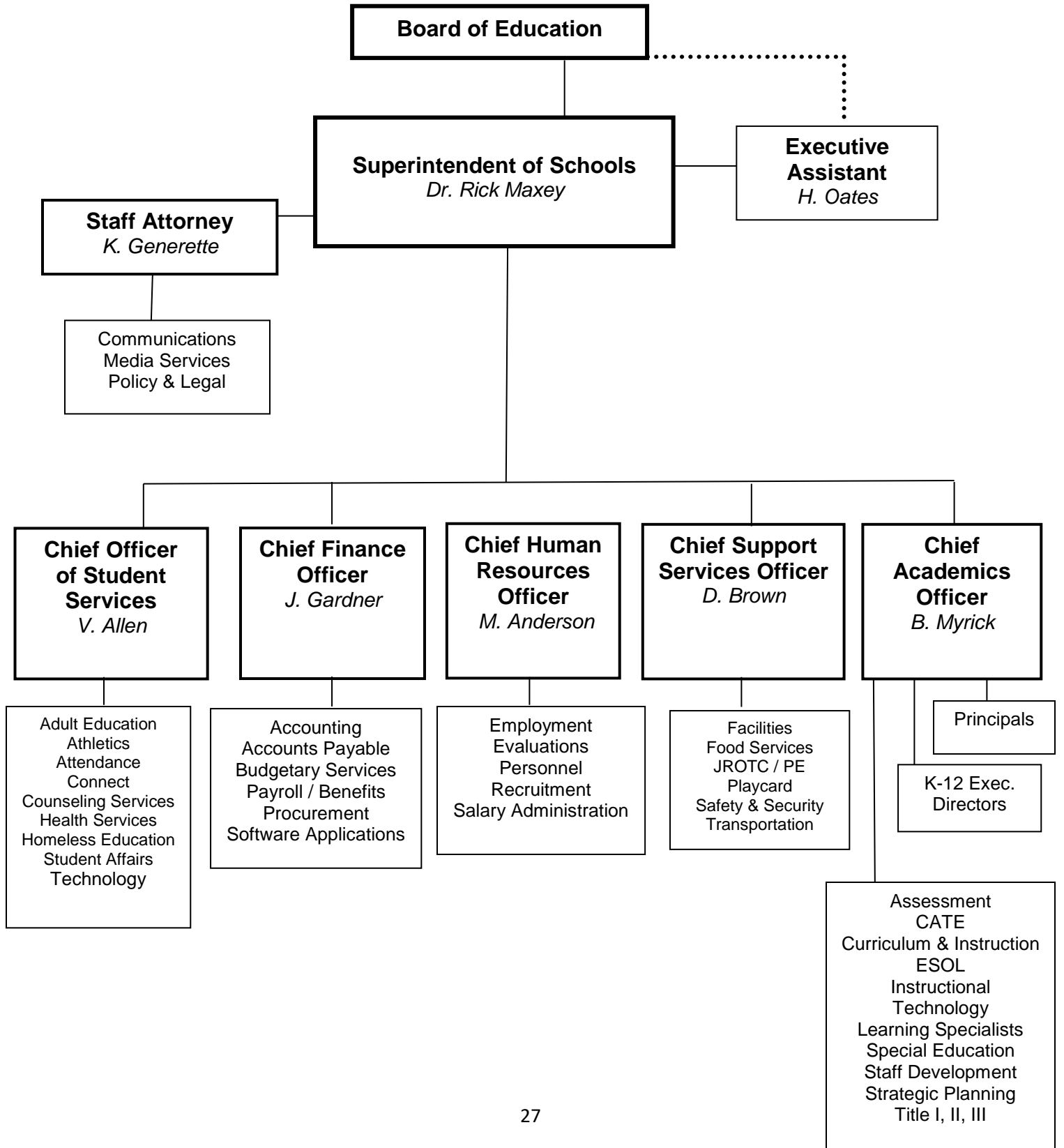
Chris Hardwick, District 9 – “I was elected to the Horry County Board of Education in 2016. I am the owner and president of Hardwick Funeral Home in Loris. I graduated from the University of South Carolina with degrees in English and Business Management and from Gupton-Jones College with a degree in Mortuary Science. I am a former president of the Loris Area Chamber of Commerce and attend the Loris Presbyterian Church. My wife, Cindy, and I have two daughters.”



Neil James, District 10 – “I was appointed to the Horry County Board of Education in November 2009 and elected to office in 2010, 2014, and 2018. I served as Interim Chair from May 2018 through January 2019. I am a professional engineer and hold Bachelor of Science degrees in Agricultural Engineering and Electrical Engineering from Clemson University, and a Master’s degree in Business Administration from Webster University. I am employed by Santee Cooper. My wife, Felicia, and I have two daughters.”

Shanda Allen, District 11 – “I was elected to the Horry County Board of Education in 2016. I am the owner and operator of Allen Aviation, Inc., and have served on the Higher Education Commission at Coastal Carolina University. I am a native of Horry County. My husband, Al, and I have two children, and two grandchildren.”







**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting
is presented to**

Horry County Schools

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, appearing to read 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Horry County School District
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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Independent Auditor's Report

To the Board of Education
Horry County Schools
Conway, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Horry County Schools (the "School District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Waccamaw Park Public Charter School, Inc., d/b/a Bridgewater Academy ("Bridgewater"), a discretely presented component unit, whose financial statements represent 13.35% of the assets, 25.02% of the net position and 21.75% of the revenues of the total discretely presented component units. Those financial statements were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Bridgewater, is based solely on the reports of the other auditor. 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial positions of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the School District as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. GAAP.

Change in Accounting Principle

As discussed in Note 14 to the financial statements, the School District has elected to change its policy for accounting and reporting its food service fund operations from an enterprise fund to a special revenue fund. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules, OPEB schedules and budgetary comparison schedules, as presented in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, the statistical section, and the other supplementary schedules, as presented in the Table of Contents, and the accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are not a required part of the basic financial statements.

The other supplementary schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2019, 2019, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Charleston, South Carolina
November 21, 2019

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**HORRY COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

The discussion and analysis of Horry County School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. We encourage readers to consider this information in conjunction with the additional information in the District's financial statements, and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- Beginning June 30, 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which established new financial reporting requirements for most governments that provide pension benefits through a multiple-employer, cost-sharing defined-benefit pension plan. District employees, including the charter schools' employees, are in a program administered by the South Carolina Public Benefit Authority (PEBA). Statement No. 68 requires the District and its charter schools to record a proportionate share of PEBA's unfunded pension liability. The District and its charter schools have no legal obligation to fund any shortfall, nor do they have any liability to affect funding, benefits, or annual required contribution decisions made by PEBA.
- Beginning June 30, 2017, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, which revised and established new financial reporting requirements for most governments that provide OPEB benefits through a multiple-employer, cost-sharing defined-benefit plan. District employees, including the charter schools' employees, are in a program administered by PEBA. Statement No. 75 requires the District and its charter schools to record a proportionate share of PEBA's unfunded OPEB liability. The District and its charter schools have no legal obligation to fund any shortfall, nor do they have any liability to affect funding, benefits, or annual required contribution decisions made by PEBA.
- The liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources at June 30, 2019, by \$267.8 million, primarily due to the net OPEB and pension liabilities, noted above, of \$1,016 million.
- The District's total net position for 2018-19 increased by \$20.2 million.
- Our principal operating fund, the General Fund, had \$404.6 million in fiscal year 2019 revenues, which primarily consisted of state aid and property taxes. In addition, the General Fund had \$13.1 million in other financing sources, which consisted primarily of transfers from the Special Revenue Funds in the form of indirect cost and teacher salary supplement transfers. The General Fund incurred \$410.9 million in expenditures, as well as \$9.6 million in other financing uses.
- The General Fund's fund balance decreased from \$110.5 million as of June 30, 2018, to \$107.7 million as of June 30, 2019. In the 2018-19 funding plan, the District planned to utilize \$15.9 from fund balance. This significant change in fund balance was the result of several events. The District received \$6.9 million more in total revenues than was budgeted. This was most notably the result of a \$1.2 million increase in local property tax revenues, a \$2.8 million increase in interest earnings on investments, and a \$2.2 million increase for employee fringe benefits and retiree insurance.

- Analysis of the positive budget variances related to expenditures indicate \$16.9 million in salaries and employee benefits and \$10.1 million in operating expenditures contributed to the surplus. As it is the District's position to budget all vacant positions at the full complement, it is not uncommon for the District to have unspent funds in salaries and employee benefits at the fiscal year end. In addition, it is the policy of the District to assign fund balance in the subsequent year for certain items not received prior to the fiscal year end and to assign reserve funds for workers' compensation claims. Included in the \$10.1 million operating expenditure surplus was \$5.9 million assigned from fiscal year 2018.
- The District's total general and special obligation debt decreased by \$43 million during fiscal year 2019 to \$383.8 million. This was attributed to scheduled principal payments.
- The District currently has a Standard & Poor's underlying rating of AA and a Moody's Investor Services underlying rating of Aa2.
- Effective July 1, 2018, the School District converted its food service fund operations from an enterprise fund to a special revenue fund. This change in accounting principle resulted in an adjusted beginning fund balance for the special revenue – school food service fund of \$6.5 million and an increase in net position for the enterprise fund of \$21.1 million. The changes relate to the net pension and OPEB liabilities and related deferred inflows and outflows of resources, capital assets net of accumulated depreciation, and accrued compensated absences, which are reflected on the full accrual enterprise fund and government-wide statements, but are not reflected on the modified accrual governmental fund statements.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements (General, Special Revenue, Debt Service, Capital Projects, and Fiduciary), and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. A description of these statements and some related definitions follow:

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. These statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities) The governmental activities of the District include instruction, support services, community services, and intergovernmental activities. Short-term and long-term information about the District's overall financial status is provided in these statements. These statements are prepared utilizing the accrual basis of accounting which takes into account all current year revenues and expenses regardless of when cash is received or paid.

The government-wide financial statements include not only the District itself (known as the primary government), but also the component units of Waccamaw Park Public Charter Schools, Inc. (also known as Bridgewater Academy), Palmetto Academy of Learning and Success (also known as PALS), Academy of Hope, and Palmetto Academy of Learning Motor Sports (also known as PALM). Bridgewater Academy, PALS, Academy of Hope, and PALM are charter schools sponsored by the District. Financial information for the charter schools is reported separately from the financial information presented for the primary government itself. Additional information on the District's component units can be found on pages 162-177.

The government-wide financial statements are included on pages 47 and 48 of this report.

Statement of Net Position: The statement of net position presents information on all of the District's assets plus deferred outflows and liabilities plus deferred inflows except for those related to fiduciary funds, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Statement of Activities: The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Fund Financial Statements: 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. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements. The modified accrual basis of accounting is used for governmental funds.

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 District'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 a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 50 and 51.

Fiduciary Funds: Fiduciary (Pupil Activity) funds are used to account for resources held for the benefit of students and are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accrual basis of accounting is used for fiduciary funds.

The District maintains its accounting records in conformity with the South Carolina Department of Education's Financial Accounting Handbook. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Special Projects, Education Improvement Act (EIA), School Food Service, Debt Service and Capital Projects, all of which are considered to be major funds.

Notes to the Financial Statements: The notes 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 55-94.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information that further supports the financial statements with a comparison of the District's budget for the year and other supplementary information schedules required either by the State Department of Education, the Certificate of Achievement Program of the Governmental Finance Officer's Association, or the Certificate of Excellence Program of the Association of School Business Officials.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$267.8 million as of June 30, 2019.

The following table presents a comparative analysis of the District's net position for the fiscal years ended June 30, 2019, and June 30, 2018.

Net Position						
(Amounts expressed in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 292,529	\$ 299,997	\$ -	\$ 7,895	\$ 292,529	\$ 307,892
Capital assets, net	898,797	894,616	-	4,820	898,797	899,436
Total assets	<u>1,191,326</u>	<u>1,194,613</u>	<u>-</u>	<u>12,715</u>	<u>1,191,326</u>	<u>1,207,328</u>
Deferred outflows of resources	111,501	136,432	-	4,557	111,501	140,989
Current liabilities	126,975	132,112	-	1,428	126,975	133,540
Long-term liabilities	1,401,021	1,392,538	-	34,340	1,401,021	1,426,878
Total liabilities	<u>1,527,996</u>	<u>1,524,650</u>	<u>-</u>	<u>35,768</u>	<u>1,527,996</u>	<u>1,560,418</u>
Deferred inflows of resources	42,673	73,281	-	2,623	42,673	75,904
Net position						
Net investment in capital assets	467,134	404,743	-	4,820	467,134	409,563
Restricted	106,893	115,091	-	-	106,893	115,091
Unrestricted	<u>(841,869)</u>	<u>(786,720)</u>	<u>-</u>	<u>(25,939)</u>	<u>(841,869)</u>	<u>(812,659)</u>
Total Net position	<u>\$ (267,842)</u>	<u>\$ (266,886)</u>	<u>\$ -</u>	<u>\$ (21,119)</u>	<u>\$ (267,842)</u>	<u>\$ (288,005)</u>

The following are significant current year transactions that have had an impact on the Statement of Net Position.

- The \$20.9 million decrease in cash and cash equivalents in governmental activities was primarily due to expenses related to the construction renovation of a middle school to an elementary school.
- Total receivables increased by \$5.2 million primarily due to current year state revenues that were received after June 30, 2019.
- The \$0.6 million decrease in capital assets is primarily due to depreciation.

- Total deferred outflows of resources decreased \$29.5 million primarily due to decreases in deferred outflows related to pensions and OPEB.
- Total liabilities decreased \$32.4 million primarily due to a \$50.5 million reduction in long-term obligations due to principal payments on outstanding debt and amortization of deferred bond premiums, offset by an increase in compensated absences. The decrease in other liabilities is due to a \$4.3 million decrease in retainage payable, a \$2.1 million decrease in accounts payable and other accrued liabilities, a \$0.7 million decrease in accrued interest payable, and a \$1.5 million decrease in unearned revenue. This decrease was offset by a \$3.0 million increase in the net pension liability and a \$23.7 million increase in the net OPEB liability.
- Total deferred inflows of resources decreased \$33.2 million primarily due to decreases in deferred inflows related to pensions and OPEB.

The District's financial position is the product of several financial transactions including the net results of activities, the restructuring and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The most notable impact on the District's net position was the the impacts of GASB 68 and GASB 75.

The following table presents a six-year comparative analysis of the District's net position for the fiscal years ended 2014 through 2019.

Net Position By Component
(Amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019
Governmental Activities	\$ 32,250	\$ 61,337	\$ 114,796	\$ 151,861	\$ (266,886)	\$ (267,842)
Business - Type Activities	(211)	153	118	(305)	(21,119)	-
Total Primary Government	\$ 32,039	\$ 61,490	\$ 114,914	\$ 151,556	\$ (288,005)	\$ (267,842)

Prior to the implementation of GASB Statements 68 and 75, the largest portion of the District's positive net position reflected its net investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress), less any related debt used to acquire those assets that is still outstanding.

The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The restriction for Capital Projects represents residual funding for building construction scheduled in fiscal year 2020 and beyond.

An additional portion of the District's net position represents resources subject to external restrictions on how they may be used. The amount identified as restricted for Debt Service is earmarked for principal and interest payments. The remaining balance of unrestricted net position may be used to meet the District's ongoing activities.

The following table presents a six-year comparative analysis of the District's net position for the fiscal years ended 2014 through 2019.

Net Position By Classification
(Amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019
Net Investment in Capital Assets	\$ 288,317	\$ 311,053	\$ 142,238	\$ 317,208	\$ 409,563	\$ 467,134
Restricted for Debt Service	27,198	26,431	36,832	34,069	56,185	53,913
Restricted for Capital Projects	56,408	61,496	265,227	141,037	57,224	44,968
Restricted for Special Projects	-	-	677	1,385	1,682	1,455
Restricted for School Food Service	-	-	-	-	-	6,557
Unrestricted	(339,884)	(337,490)	(330,060)	(342,143)	(812,659)	(841,869)
Total Primary Government	\$ 32,039	\$ 61,490	\$ 114,914	\$ 151,556	\$ (288,005)	\$ (267,842)

As mentioned previously, the implementation of GASB Statement 68 continues to have a significant impact on the District's ending net position. The following table presents a six-year comparative analysis of the District's net pension liability for the fiscal years ended 2014 through 2019.

Net Pension Liability By Component
(Amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019
Governmental Activities	\$ 452,587	\$ 434,410	\$ 469,632	\$ 529,681	\$ 543,601	\$ 566,398
Business - Type Activities	7,155	6,868	7,912	9,598	19,827	-
Total Primary Government	\$ 459,742	\$ 441,278	\$ 477,544	\$ 539,279	\$ 563,428	\$ 566,398

As previously mentioned, the implementation of GASB Statement 75 continues to have a significant impact on the District's ending net position. The following table presents a six-year comparative analysis of the District's net OPEB liability for the fiscal years ended 2014 through 2019.

Net OPEB Liability By Component
(Amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019
Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ 411,773	\$ 449,948
Business - Type Activities	-	-	-	-	14,489	-
Total Primary Government	\$ -	\$ -	\$ -	\$ -	\$ 426,262	\$ 449,948

Changes in net position. The District's total revenues for the fiscal year ended June 30, 2019, were \$580.5 million. The total cost of all programs and services before transfers was \$560.3 million.

The following table presents a comparative analysis of changes in net position for the fiscal years ended June 30, 2019, and June 30, 2018.

Changes in Net Position
(Amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 4,724	\$ 635	\$ -	\$ 4,101	\$ 4,724	\$ 4,736
Operating grants and contributions	223,198	202,062	-	17,263	223,198	219,325
General revenues						
Property taxes	290,329	277,205	-	-	290,329	277,205
State aid	55,957	54,063	-	-	55,957	54,063
Other	6,301	3,625	-	145	6,301	3,770
Total revenues	<u>580,509</u>	<u>537,590</u>	<u>-</u>	<u>21,509</u>	<u>580,509</u>	<u>559,099</u>
Expenses						
Instruction	333,064	321,479	-	-	333,064	321,479
Support services	212,453	185,218	-	-	212,453	185,218
Community services	2,020	1,963	-	-	2,020	1,963
Interest on long-term debt	12,809	17,446	-	-	12,809	17,446
Food service	-	-	-	30,405	-	30,405
Total expenses	<u>560,346</u>	<u>526,106</u>	<u>-</u>	<u>30,405</u>	<u>560,346</u>	<u>556,511</u>
Increase (decrease) in net position before transfers	20,163	11,484	-	(8,896)	20,163	2,588
Transfers	-	(3,110)	-	3,110	-	-
Increase (decrease) in net position	20,163	8,374	-	(5,786)	20,163	2,588
Net position July 1, as originally stated	(266,886)	151,861	(21,119)	(305)	(288,005)	151,556
Restatement for GASB 75	-	(427,121)	-	(15,028)	-	(442,149)
Change in accounting principle - see Note 14	(21,119)	-	21,119	-	-	-
Net position July 1, as restated	<u>(288,005)</u>	<u>(275,260)</u>	<u>-</u>	<u>(15,333)</u>	<u>(288,005)</u>	<u>(290,593)</u>
Net position June 30	<u>\$ (267,842)</u>	<u>\$ (266,886)</u>	<u>\$ -</u>	<u>\$ (21,119)</u>	<u>\$ (267,842)</u>	<u>\$ (288,005)</u>

The following are significant current year transactions that have had an impact on the Statement of Activities.

- Total operating grants and contributions increased by \$3.9 million due to a combination of factors. The District received \$0.2 million more in Education Finance Act (EFA) revenues due to an increase in students and an increase in the per student allocation. EFA is the State of South Carolina's primary vehicle for financing public education. The District also received an additional \$2.5 million to help offset the increases in employee insurance and retirement, a \$0.1 million increase in miscellaneous local revenues, and a \$0.4 million increase in E-Rate reimbursements. Initiatives funded from the Education Improvement Act (EIA) fund increased by \$2.2 million. In the Special Projects Fund, the District experienced an increase in federal receipts in the amount of \$1.0 million and \$2.0 million reduction in state revenues. The School Food Service Fund experienced a \$0.5 million reduction in federal reimbursements and commodities.

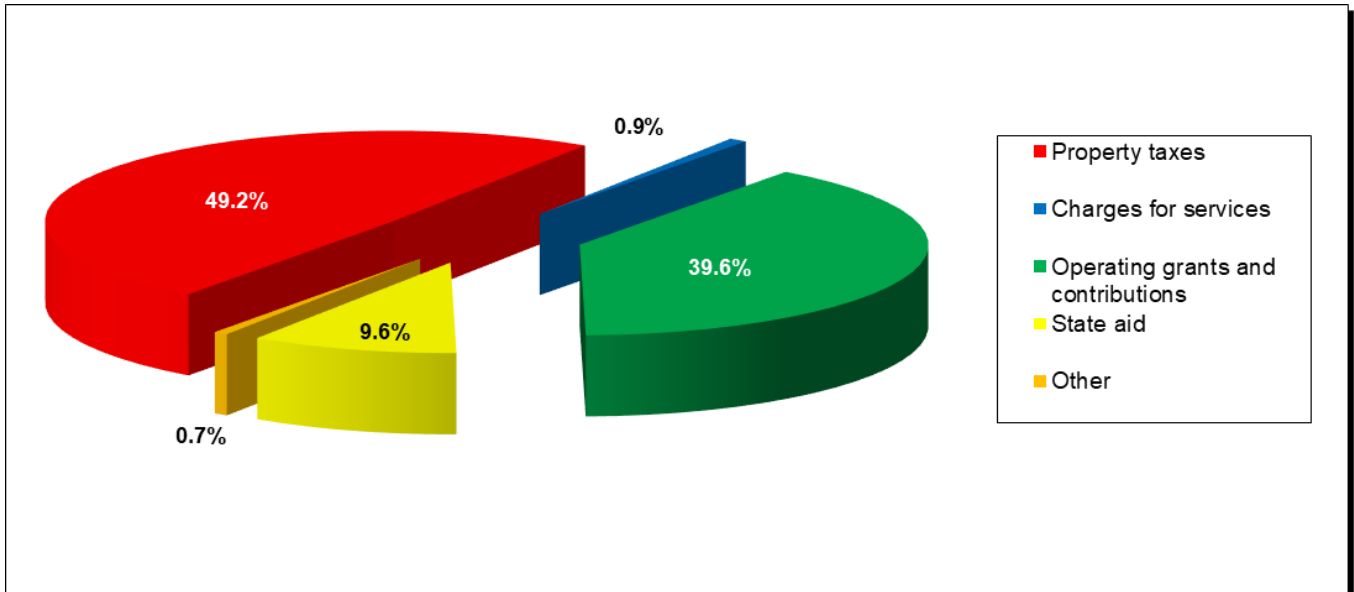
- Ad valorem tax revenue had a net increase of \$13.1 million in fiscal year 2019. This was the net result of a \$7.6 million increase in actual collections coupled with a \$5.5 million increase in deferred tax revenues. Included in property taxes is the collection of the Education Capital Improvements Sales tax (additional penny sales tax) for debt service and the funding of capital improvement projects. Under the accrual approach, a receivable for property taxes (current taxes billed but not paid) is recognized as revenue less an allowance. Under the modified accrual basis, the receivable for property taxes is based on actual collections for July and August of the subsequent year.
- State Aid increased due to ACT 388. The ACT provides a 100 percent exemption from school operating tax for residential owner-occupied property. In fiscal year 2008, the State fully reimbursed districts the foregone amount. The District received \$24.8 million in fiscal year 2008; however, future payments will be “frozen” at the 2008 actual reimbursement with a proportionate share of the growth in the State entitlement. The District received an additional \$1.4 million as its proportionate share of the fiscal year 2019 entitlement.
- Other revenue increased due to an \$2.6 million increase in interest earnings.
- Included in the expenses for 2019 was a 1% cost of living adjustment (COLA) plus a longevity increase for all certified teachers. All other employees received a longevity increase.
- The District did incur additional operating expenses for the 2019 fiscal year. These include property insurance, employee benefits, utilities, and maintenance of facilities.

Governmental activities. The following table presents the cost of the four major District functional activities: instruction, support services, community services, and interest on long-term debt for the fiscal years ended June 30, 2019, and June 30, 2018. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District taxpayers by each of these functions.

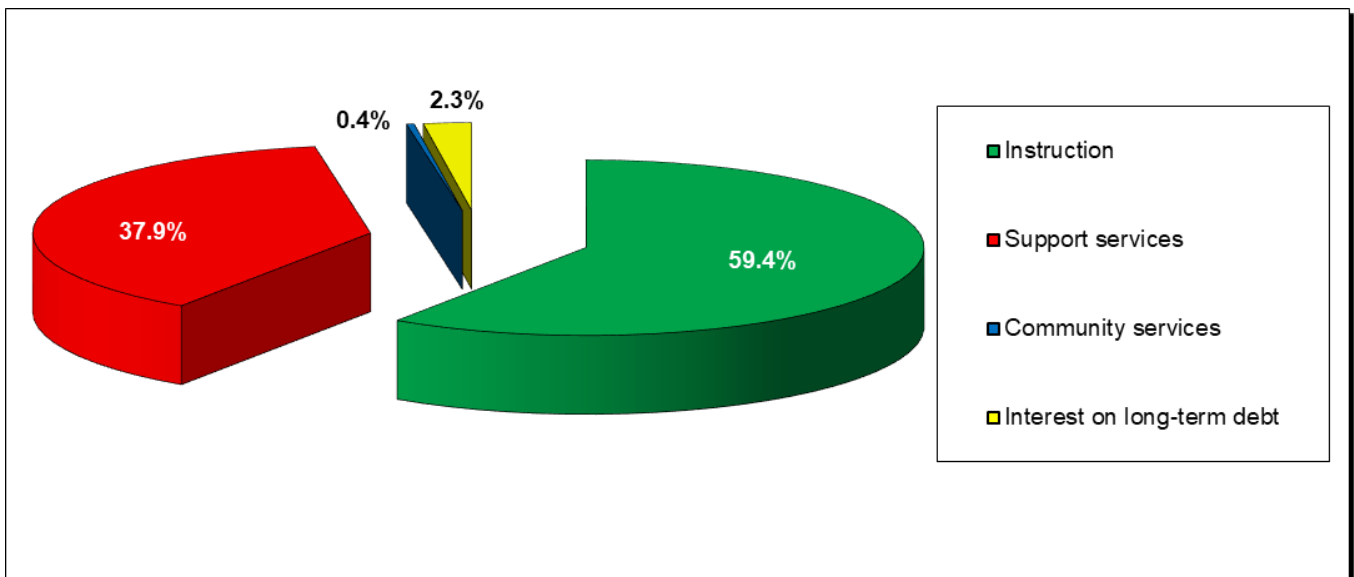
	2019		2018	
	Total Expenses	Net (Expense) Revenue	Total Expenses	Net (Expense) Revenue
Instruction	\$ 333,064	\$ (189,733)	\$ 321,479	\$ (182,013)
Support services	212,453	(127,915)	185,218	(122,060)
Community services	2,020	(1,967)	1,963	(1,890)
Interest on long-term debt	12,809	(12,809)	17,446	(17,446)
Total expenses	<u>\$ 560,346</u>	<u>\$ (332,424)</u>	<u>\$ 526,106</u>	<u>\$ (323,409)</u>

- The cost of all governmental activities this fiscal year was \$560.3 million.
- Operating grants and charges for services subsidized certain programs in the amount of \$227.9 million.
- Net cost of governmental activities, \$332.4 million was financed by general revenues, which are made up primarily of property taxes in the amount of \$290.3 million and state aid of \$56 million. Unrestricted grants/other contributions and other revenue accounted for \$6.3 million.

As the graph below illustrates, the largest portion of revenues supporting governmental activities is the collection of property taxes.



The following graph below illustrates, the largest portion of governmental activity expenditures are for instruction.



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The General Fund is the principal operating fund of the District. As mentioned previously, the decrease in fund balance in the General Fund for the fiscal year was \$2.8 million. Incorporating *nonspendable categories* that include inventories and prepaid expenditures; *assigned categories* that include encumbrances and subsequent years' expenditures; the remaining *unassigned* fund balance is \$78.9 million. It is the policy of the Board of Education to designate 15 percent of the prior year's General Fund expenditures as a minimum fund balance designation as advised by the District's bond counsel and financial advisors. Therefore, \$63.1 million of the *unassigned* fund balance is utilized to address cash flow requirements pending the receipt of local property tax revenues. The remaining \$15.8 million of *unassigned* fund balance is available for future Board initiatives.

The Special Revenue Funds: Special Projects Fund, Education Improvement Act (EIA) Fund, and School Food Service Fund are primarily used to account for revenues derived from the state of South Carolina and the federal government. The Special Revenue Fund - Special Projects Fund had a fund balance of \$1.5 million at the end of the current year, which was a decrease of \$0.2 million due to expenditures and transfers out exceeding revenues. The Special Revenue – EIA Fund does not have a fund balance as revenues should be expended, deferred (unearned), or returned to the grantor. The Special Revenue Fund – School Food Service Fund's fund balance increased by \$0.4 million to \$6.9 million. This increase is due to indirect cost transfers to the General Fund being less than originally budgeted.

The Debt Service fund balance showed a decrease of \$2.2 million from the prior year. Incorporating the negative budgeted variance of \$2.5 million, this decrease is net result of \$0.1 million in additional property tax revenue, \$0.7 million in additional receipts from Education Capital Improvements tax, a \$1.1 million increase in interest earnings, and a \$1.6 million increase in the transfer of funds to the Capital Projects Fund. The additional penny sales tax enacted in March 2009 allows all consumers, including more than 14 million people who visit our area each year, to help support the needs of educational facilities. Penny revenues allowed the school district to reduce the debt service millage from 28 to 10 mills over fiscal years' 2009 - 2012. In addition to rolling-back property taxes and broadening the tax base, the penny sales tax will enable Horry County Schools, Coastal Carolina University, and Horry Georgetown Technical College to collaborate on more shared initiatives to increase access and services to students of all ages. The penny sales tax does not apply to groceries, gasoline, or prescription drugs.

The District maintains sufficient fund balance in the Debt Service Fund to pay the ensuing six-month principal and interest payments on general obligation debt. By statute, only funds received and certified as of June 30 could be considered in the establishment of millage for 2019-20 principal and interest payments.

In 2012, the District completed a comprehensive Long-Term Facility Plan. The Plan was initiated to evaluate the adequacy of existing educational facilities, plan for future capital facilities spending and address how the student population will be housed over the next 10 years. After several revisions to the facility plan during 2015-16, the District awarded contracts to build 3 new middle schools, 1 new intermediate school, and one new elementary school in November 2015. Three of these schools were operational when school began in August 2017, and the remaining two opened in 2017-18.

The Capital Projects fund balance decreased from \$42.7 million to \$39.3 million due to the construction of the new schools. The funding for existing as well as future projects will be provided from the utilization of the Capital Projects fund balance and from the Education Capital Improvements tax. In 2019, \$37.8 million was transferred from the Debt Service fund to the Capital Projects fund. As capital projects may span fiscal years, the Capital Projects fund balance is restricted for these commitments.

Proprietary funds. As mentioned previously, the Food Service Fund was converted to a special revenue fund effective July 1, 2018. This new treatment is preferable because the District plans to internally report the food service operations in the same manner as it does for all governmental activities, using the modified accrual basis of accounting. In addition, the food service revenues are received from grants and fees that are restricted or assigned to the operations of the food service fund; thus, this new treatment would be comparable with the School District's treatment of other similar programs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The net change between the General Fund's expenditure and other financing uses' original budget and final budget (\$20.4 million) is primarily due to the prior year assignments of fund balance, insurance claims, and contributions and donations. The table below indicates the changes:

Reserve for workers compensation	\$ 3,021,318
School carryover budgets and enrollment adjustments	567,055
Subsequent years expenditures	260,025
Funding for Horry County Education Center	9,000,000
Purchase property for regional bus lot	2,789,000
Additional ESOL Teachers	554,666
Additional modular classrooms for FY 2019-20	1,796,642
Board of Education funds	90,000
Modular classrooms for FY 2018-19	1,917,387
Insurance claims	346,988
Donations	7,212
	<u>\$20,350,293</u>

The net change between the General Fund's revenue and other financing sources' original budget and final budget is \$354,200, which is due to reimbursement from insurance claims and donations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2019, the District had invested \$1,229.6 million in capital assets, which includes land, school buildings, construction in progress, athletic facilities, buses and other vehicles, computers, and other equipment. Accumulated depreciation was \$330.8 million including current depreciation expense of \$26.3 million for the year.

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2019, and June 30, 2018.

**Capital Asset Balances
Net of Depreciation
(Amounts expressed in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 29,999	\$ 27,185	\$ -	\$ -	\$ 29,999	\$ 27,185
Buildings and improvements	785,320	799,461	-	-	785,320	799,461
Improvements other than buildings	28,204	28,637	-	-	28,204	28,637
Autos and trucks	5,043	5,199	-	34	5,043	5,233
Machinery and equipment	11,767	8,123	-	4,786	11,767	12,909
Construction in progress	38,464	26,011	-	-	38,464	26,011
Total	\$ 898,797	\$ 894,616	\$ -	\$ 4,820	\$ 898,797	\$ 899,436

Additional information on the District's capital assets can be found in Note 5 of this report.

Debt Administration: At year-end, the District had \$320 million in general obligation bonds and \$63.9 million in special obligation bonds outstanding, of which \$62.9 million in principal and interest payments are due within one year. The following table presents a summary of the District's outstanding long-term debt for the fiscal years ended June 30, 2019, and June 30, 2018.

**Outstanding Debt
(Amounts expressed in millions)**

	2019	2018
8% General obligation debt	\$ 109.7	\$ 125.0
Special obligation debt	63.9	72.8
Referendum general obligation debt	210.3	229.0
Total	\$ 383.9	\$ 426.8

State statutes currently limit the amount of general obligation debt a District may issue to 8 percent of its total assessed valuation. Additional information on the District's long-term debt can be found in Note 6 of this report.

NEXT YEAR'S BUDGET

The 2019-20 comprehensive budget as proposed by the administration represents months of involvement by various stakeholders. This budget incorporates the parameters established by the Board of Education for the 2019-20 fiscal year:

1. The District will comply with all applicable State and/or Federal laws and regulations.
2. Resources will support the District's vision to be a premier world-class school system in which every student acquires an excellent education.

3. The District will provide the curriculum programs and instructional support which have been proven to be effective for students.
4. The District must provide the instructional support essential to meet the State and Local accountability goals.
5. The District must provide resources for unfunded mandates.
6. The support services and operational aspects of the District will be maintained such that the essential services provided to students and staff will be continued.
7. The District will identify funding sources for new programs and/or initiatives.

The District expects to serve approximately 397 new students when school begins in August. Funding is included in the budget to accommodate the instructional needs of these students as well as to provide services to newly identified special needs, gifted, and non-English speaking students.

The District will incur additional operating expenses for the 2019-20 fiscal year. These include increases in retirement and other fixed costs. Additionally, the 2019-20 funding plan incorporates a longevity or 2% salary increase for all eligible employees and a 4% salary increase for teachers.

Although there is always a great deal of uncertainty regarding State funding, education received a large portion of the recurring dollars in the FY 2019-20 Appropriations Act. Most significant was increasing a beginning teacher's salary to \$35,000 and the 4% salary increase mentioned above. A major shift in several revenue classifications to the new State Aid to Classrooms - Teacher Salary and State Aid to Classrooms - EFA Formula served as the funding allocation formula for the teacher salary increases. In addition, there has been much discussion regarding education reform within the two legislative bodies. The "South Carolina Career Opportunity and Access for All Act" addresses a variety of topics that include college and career readiness, school district consolidation, teacher pay and retention, state testing, and increased accountability.

The revenue projections incorporated in this document are generally based on the Senate Finance version of the state budget, where appropriate. Otherwise, projections are based on the current year allocations. Property tax revenues have seen a modest increase for the past several years. The 2019-20 funding plan anticipates that this growth will continue next year. Looking forward, Horry County is scheduled to implement a countywide reassessment in the fall of 2019.

ACT 388 limits millage increases to the percent of growth in CPI and the population growth of the County. Based on information received from the South Carolina Revenue and Fiscal Affairs Office, the CPI increased 2.44%, and the population increase for the County is 3.46%. Under this statute, the District cannot exceed a 5.9% or 7.2 mill increase for operations.

The proposed 2019-20 General Fund budget indicates the utilization of \$19.1 million of the unassigned fund balance. The projected fund balance at June 30, 2019, for the General Fund was expected to be \$113.4 million. This amount maintains the Board established minimum of 15% and provides adequate reserves for 2019-20.

This budget allows the District to continue the significant progress in academic achievement and addresses the instructional and operational needs of serving a growing student population.

The following table presents a summary of the original budgets for the District's Governmental Funds for the years 2019-20 and 2018-19.

	2019-20	2018-19	Change
Governmental Funds Budget (total)	\$ 675,984,934	\$ 675,472,779	\$ 512,155
General Fund	449,169,361	427,146,145	22,023,216
Special Projects Fund	36,011,779	34,172,929	1,838,850
Education Improvement Act Fund (EIA)	30,535,281	29,552,061	983,220
Debt Service Fund	91,543,321	90,089,508	1,453,813
Capital Projects Fund	46,040,397	73,162,623	(27,122,226)
School Food Service Fund	22,684,795	21,349,513	1,335,282
Millage required for General Fund	118.1 mills	123.1 mills	(5.0 mills)
Millage required for Debt Service	10.0 mills	10.0 mills	no change
Total millage required	128.1 mills	133.1 mills	(5.0 mills)

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate accountability for the resources it receives. If you have questions about this report or need additional information, contact the Office of Fiscal Services, Horry County School District, P.O. Box 260005, 335 Four Mile Road, Conway, South Carolina 29528-6005.

BASIC FINANCIAL STATEMENTS

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Horry County Schools*Statement of Net Position**June 30, 2019*

	Governmental Activities	Component Units
Assets		
Cash and cash equivalents	\$ 250,902,590	\$ 1,164,328
Receivables:		
Property taxes receivable	19,845,944	-
Due from federal government	6,139,961	-
Due from other governmental units, net	10,291,513	136,017
Other receivables	1,021,265	9,528
Prepaid and other	3,265,901	144,017
Inventories - supplies and materials	1,061,834	-
Non-current assets:		
Non-depreciable capital assets	68,463,215	-
Depreciable capital assets, net	830,333,952	12,264,303
Total assets	<u>1,191,326,175</u>	<u>13,718,193</u>
Deferred outflows of resources		
Deferred charge on refunding	9,422,777	-
Deferred outflows related to pensions	72,957,956	1,949,860
Deferred outflows related to OPEB	29,119,802	262,158
Total deferred outflows of resources	<u>111,500,535</u>	<u>2,212,018</u>
Liabilities		
Accounts payable and accrued liabilities	56,941,921	467,558
Due to state government, net	17,883	-
Retainage payable	711,604	-
Unearned revenue	8,623,246	325,216
Accrued interest	5,873,744	-
Current portion of non-current liabilities	54,806,823	148,535
Non-current liabilities:		
Due in more than one year	384,674,366	13,058,650
Net pension liability	566,397,949	5,838,734
Net OPEB liability	449,948,232	4,134,127
Total liabilities	<u>1,527,995,768</u>	<u>23,972,820</u>
Deferred inflows of resources		
Deferred inflows related to pensions	5,862,072	932,246
Deferred inflows related to OPEB	36,810,953	873,633
Total deferred inflows of resources	<u>42,673,025</u>	<u>1,805,879</u>
Net position (deficit)		
Net investment in capital assets	467,133,537	(734,294)
Restricted for:		
Debt service	53,913,140	-
Capital projects	44,968,525	-
Special projects	1,454,609	2,085
School food service	6,557,266	-
Net position - unrestricted	(841,869,160)	(9,116,279)
Total net position	<u>\$ (267,842,083)</u>	<u>\$ (9,848,488)</u>

See Notes to Basic Financial Statements

Horry County Schools
Statement of Activities
For the year ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities	Component Units
Primary government:					
Governmental activities:					
Instruction	\$ 333,063,709	\$ 4,670,239	\$ 138,660,256	\$ (189,733,214)	
Support Services	212,452,662	-	84,537,826	(127,914,836)	
Community Service	2,020,402	53,713	-	(1,966,689)	
Interest & Other Charges	12,808,621	-	-	(12,808,621)	
Total governmental activities	<u>560,345,394</u>	<u>4,723,952</u>	<u>223,198,082</u>	<u>(332,423,360)</u>	
Total primary government	<u>\$ 560,345,394</u>	<u>\$ 4,723,952</u>	<u>\$ 223,198,082</u>	<u>\$ (332,423,360)</u>	
Component units:					
Charter Schools	<u>\$ 9,143,470</u>	<u>\$ 10,057</u>	<u>\$ 7,659,268</u>		<u>\$ (1,474,145)</u>
General revenues:					
Property taxes levied for:					
General purposes				203,165,987	-
Debt service				87,162,520	-
State aid not restricted for specific purpose				55,957,004	-
Unrestricted investment earnings				5,231,235	-
Miscellaneous				1,069,662	465,856
Total general revenues and transfers				<u>352,586,408</u>	<u>465,856</u>
Change in net position				20,163,048	(1,008,289)
Net position - beginning of year				(288,005,131)	(8,840,199)
Net position - end of year				<u>\$ (267,842,083)</u>	<u>\$ (9,848,488)</u>

See Notes to Basic Financial Statements

Horry County Schools
Balance Sheet - Governmental Funds
 June 30, 2019

	Special Revenue Funds						Total Governmental Funds
	General	Special Projects	Education Improvement Act	School Food Service	Debt Service	Capital Projects	
Assets							
Cash and cash equivalents	\$ 142,560,228	\$ -	\$ 9,260,484	\$ 7,980,355	\$ 46,195,256	\$ 44,906,267	\$ 250,902,590
Property taxes receivable, net	18,180,140	-	-	-	1,665,804	-	19,845,944
Due from state government, net	-	-	140,906	-	-	-	140,906
Due from federal government	87,484	5,972,703	-	79,774	-	-	6,139,961
Due from other governmental units, net	4,153,617	18,314	-	-	6,052,080	67,502	10,291,513
Prepaid and other	3,219,428	27,919	18,554	-	-	-	3,265,901
Inventories - supplies and materials	725,312	-	-	336,522	-	-	1,061,834
Other receivables	878,616	74,513	1,732	66,404	-	-	1,021,265
Total assets	<u>\$ 169,804,825</u>	<u>\$ 6,093,449</u>	<u>\$ 9,421,676</u>	<u>\$ 8,463,055</u>	<u>\$ 53,913,140</u>	<u>\$ 44,973,769</u>	<u>\$ 292,669,914</u>
Liabilities							
Accounts payable	\$ 4,517,184	\$ 382,518	\$ 852,130	\$ 176,642	\$ -	\$ 4,984,536	\$ 10,913,010
Accrued salaries and payroll related liabilities	40,615,128	2,363,107	1,831,790	1,213,642	-	5,244	46,028,911
Due to state government, net	-	158,789	-	-	-	-	158,789
Retainage payable	-	-	-	-	-	711,604	711,604
Unearned revenue	-	1,706,507	6,737,756	178,983	-	-	8,623,246
Total liabilities	<u>45,132,312</u>	<u>4,610,921</u>	<u>9,421,676</u>	<u>1,569,267</u>	<u>-</u>	<u>5,701,384</u>	<u>66,435,560</u>
Deferred inflows of resources							
Unavailable revenue - property taxes	16,956,100	-	-	-	1,541,021	-	18,497,121
Total deferred inflows of resources	<u>16,956,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,541,021</u>	<u>-</u>	<u>18,497,121</u>
Fund balances							
Non-spendable	3,944,740	27,919	18,554	336,522	-	-	4,327,735
Restricted	-	1,454,609	-	6,557,266	52,372,119	39,272,385	99,656,379
Assigned	24,870,989	-	-	-	-	-	24,870,989
Unassigned	78,900,684	-	(18,554)	-	-	-	78,882,130
Total fund balances	<u>107,716,413</u>	<u>1,482,528</u>	<u>-</u>	<u>6,893,788</u>	<u>52,372,119</u>	<u>39,272,385</u>	<u>207,737,233</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 169,804,825</u>	<u>\$ 6,093,449</u>	<u>\$ 9,421,676</u>	<u>\$ 8,463,055</u>	<u>\$ 53,913,140</u>	<u>\$ 44,973,769</u>	<u>\$ 292,669,914</u>

See Notes to Basic Financial Statements

Horry County Schools

Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2019

Total governmental fund balances	\$ 207,737,233
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of capital assets was \$1,229,635,767 and the accumulated depreciation was \$330,838,600.	898,797,167
Property taxes receivable are not available to pay for current period expenditures and, therefore are deferred in the funds.	18,497,121
Bond premiums are amortized in the Statement of Net Position. The premiums of \$89,512,123 have been amortized by \$37,971,856.	(51,540,267)
Some assets (liabilities), including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(4,090,922)
Deferred refunding	9,422,777
Bonds payable	(383,850,000)
Accrued interest	(5,873,744)
Pension related deferrals	30,834,372
OPEB related deferrals	(24,720,182)
Contributions to the pension plan in the current fiscal year	36,261,512
Contributions to the OPEB plan in the current fiscal year	17,029,031
Pension obligation	(566,397,949)
OPEB obligation	<u>(449,948,232)</u>
Net position of governmental activities	<u>\$ (267,842,083)</u>

Horry County Schools
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
 For the year ended June 30, 2019

	Special Revenue Funds						Total Governmental Funds
	General	Special Projects	Education Improvement Act	School Food Service	Debt Service	Capital Projects	
Revenues							
Local:							
Taxes levied/assessed by the LEA	\$ 195,601,159	\$ -	\$ -	\$ -	\$ 86,707,098	\$ -	\$ 282,308,257
Revenue from local governmental units	6,741,815	-	-	-	547,640	-	7,289,455
Tuition	59,190	11,940	-	-	-	-	71,130
Earnings on investments	3,252,142	-	-	112,925	1,344,405	521,763	5,231,235
Food services	-	-	-	4,036,191	-	-	4,036,191
Pupil activities	-	562,918	-	-	-	-	562,918
Other revenue from local sources	5,620,836	3,542,291	-	80,823	-	-	9,243,950
Intergovernmental	115,239	-	-	-	-	1,055,872	1,171,111
State sources	192,463,933	6,102,602	30,400,428	-	899,480	-	229,866,443
Federal sources	786,488	28,403,653	-	16,706,156	-	-	45,896,297
Total revenues	<u>404,640,802</u>	<u>38,623,404</u>	<u>30,400,428</u>	<u>20,936,095</u>	<u>89,498,623</u>	<u>1,577,635</u>	<u>585,676,987</u>
Expenditures							
Current:							
Instruction	248,983,198	22,340,300	13,774,428	-	-	56,223	285,154,149
Support services	147,761,395	9,060,495	3,816,474	20,131,364	-	6,524,698	187,294,426
Community services	44,605	1,723,484	-	-	-	-	1,768,089
Intergovernmental	7,304,145	3,735,026	669,773	150,467	-	-	11,859,411
Debt Service:							
Principal	-	-	-	-	42,895,000	-	42,895,000
Interest	-	-	-	-	19,973,950	-	19,973,950
Other objects	-	-	-	-	9,369	-	9,369
Capital outlay	6,813,360	1,337,234	475,940	121,878	-	36,211,415	44,959,827
Total expenditures	<u>410,906,703</u>	<u>38,196,539</u>	<u>18,736,615</u>	<u>20,403,709</u>	<u>62,878,319</u>	<u>42,792,336</u>	<u>593,914,221</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,265,901)</u>	<u>426,865</u>	<u>11,663,813</u>	<u>532,386</u>	<u>26,620,304</u>	<u>(41,214,701)</u>	<u>(8,237,234)</u>
Other financing sources (uses)							
Sale of capital assets	-	-	-	-	-	57,000	57,000
Transfers in	13,101,408	-	-	672,083	-	37,800,000	51,573,491
Transfers out	(9,607,611)	(646,686)	(11,663,813)	(790,909)	(28,800,000)	(64,472)	(51,573,491)
Total other financing sources (uses)	<u>3,493,797</u>	<u>(646,686)</u>	<u>(11,663,813)</u>	<u>(118,826)</u>	<u>(28,800,000)</u>	<u>37,792,528</u>	<u>57,000</u>
Net change in fund balances	<u>(2,772,104)</u>	<u>(219,821)</u>	<u>-</u>	<u>413,560</u>	<u>(2,179,696)</u>	<u>(3,422,173)</u>	<u>(8,180,234)</u>
Fund balance, beginning of year as originally stated	<u>110,488,517</u>	<u>1,702,349</u>	<u>-</u>	<u>(21,119,167)</u>	<u>54,551,815</u>	<u>42,694,558</u>	<u>188,318,072</u>
Change in accounting principle - see Note 14	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,599,395</u>	<u>-</u>	<u>-</u>	<u>27,599,395</u>
Fund balance, beginning of year as restated	<u>110,488,517</u>	<u>1,702,349</u>	<u>-</u>	<u>6,480,228</u>	<u>54,551,815</u>	<u>42,694,558</u>	<u>215,917,467</u>
Fund balance, ending of year	<u>\$ 107,716,413</u>	<u>\$ 1,482,528</u>	<u>\$ -</u>	<u>\$ 6,893,788</u>	<u>\$ 52,372,119</u>	<u>\$ 39,272,385</u>	<u>\$ 207,737,233</u>

See Notes to Basic Financial Statements

Horry County Schools**Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the year ended June 30, 2019**

Net change in fund balance - total governmental funds	\$ (8,180,234)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which net depreciation expense (\$26,292,348) exceeded capitalized items acquired (\$25,733,127).	(559,221)
In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale/disposal increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of capital assets sold or disposed.	(79,371)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consisted of bond principal retirements.	42,895,000
Because some property taxes will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Unearned tax revenues increased by this amount in the current year.	730,795
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This is the amount that the net amortization of bond premiums (\$8,028,425) exceed the amortization of the deferred refunding (\$1,547,506) in the current year.	6,480,919
In the Statement of Activities, compensated absences (sick pay and vacation) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amount actually paid). This year vacation and sick leave earned (\$2,159,798) exceeds vacation and sick leave used (\$1,708,396). This amount is adjusted by the decrease in compensated absences that has already been included in the governmental funds.	(451,402)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus required the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as it accrues, regardless of when it is due. Accrued interest decreased by this amount during the year.	693,779
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	36,261,512
A 1% contribution made by the State on employers' behalves directly to PEBA starting in fiscal year 2018 is not included on the Statement of Activities as the measurement date for fiscal year 2019 is a year in arrears. Revenues and expenditures of \$2,623,805 are excluded from the Statement of Activities.	-
A 1% contribution made by the State on employers' behalves directly to PEBA in the prior fiscal year is not reported as revenue in the governmental funds but is included on the Statement of Activities as the measurement date for fiscal year 2019 is a year in arrears.	2,623,804
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities.	17,029,031
Non-employer contributions related to OPEB made by PEBA on behalf of the School District in fiscal year 2018 are not included on the Statement of Activities as the measurement date for fiscal year 2019 is a year in arrears. Revenues and expenditures of \$3,275,535 are excluded from the Statement of Activities.	-
Non-employer contributions related to OPEB made by PEBA on behalf of the School District in the prior fiscal year are not reported as revenue in the governmental funds but are included on the Statement of Activities as the measurement date for fiscal year 2019 is a year in arrears.	3,395,225
Some expenses 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. These activities consist of:	
School District's portion of pension expense	(53,500,727)
School District's portion of OPEB expense	(27,176,062)
Change in net position of governmental activities	<u>\$ 20,163,048</u>

See Notes to Basic Financial Statements

Horry County Schools

Statement of Net Position - Fiduciary Funds

As of June 30, 2019

	Private-Purpose Trusts	Agency Funds
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	\$ 95,043	\$ 6,255,345
Investments	98,581	-
Other assets	-	184,052
Total assets	<u>\$ 193,624</u>	<u>\$ 6,439,397</u>
Liabilities		
Accounts payable	\$ 147	\$ 463,950
Accrued liabilities	-	63,087
Due to other governments	-	1,030,719
Due to student organizations	-	4,881,641
Total liabilities	<u>147</u>	<u>6,439,397</u>
Restricted net position	<u>\$ 193,477</u>	<u>\$ -</u>

Horry County Schools

Statement of Changes in Net Position - Fiduciary Fund For the year ended June 30, 2019

	<u>Private-Purpose Trusts</u>
Additions	
Scholarship receipts	\$ 50,710
Other income	6,475
Interest	23,465
Total additions	<u>80,650</u>
Deductions	
Scholarships awarded	58,854
Total deductions	<u>58,854</u>
Change in net position	21,796
Total net position/due to others, beginning of year	<u>171,681</u>
Total net position/due to others, end of year	<u><u>\$ 193,477</u></u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 1. Summary of Significant Accounting Policies

The accounting policies of Horry County Schools (the "School District") conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The School District is a Local Education Agency empowered by State law with the responsibility to oversee and control all activities related to public school education in Horry County, South Carolina. The School District receives State, Local and Federal government funding and must adhere to the legal requirements of each funding entity. Educational services are provided to approximately 42,000 students residing in Horry County, South Carolina. The School District operates under the direction of an elected Board of Education. A Superintendent, hired by the Board, serves as the chief administrative officer of the School District.

The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. The primary entity is financially accountable if it appoints a voting majority of the organization's governing body including situations in which the voting majority consists of the primary entity's officials serving as required by law and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary entity. The primary entity also may be financially accountable if an organization is fiscally dependent on it even if it does not appoint a voting majority of the Board. An organization is fiscally dependent on the primary entity that holds one or more of the following powers: determine its budget without another government having the authority to approve and modify that budget, levy taxes or set rates or charges without approval by another government, and issue bonded debt without approval by another government.

As required by U.S. GAAP, these financial statements present the School District and its component units, entities for which the School District is considered to be financially accountable or for which exclusion of a component unit would render the financial statements incomplete or misleading. The discretely presented component units are reported in a separate column in the basic financial statements to emphasize they are legally separate from the School District.

Discretely Presented Component Units: Waccamaw Park Public Charter Schools, Inc., d/b/a Bridgewater Academy, Palmetto Academy of Learning and Success, Academy of Hope, Inc. and Palmetto Academy for Learning Motorsports, are charter schools chartered under legislation enacted on June 18, 1996. Educational services are provided to approximately 700 students residing in Horry County, South Carolina. As these charter schools are fiscally dependent on the School District and exclusion of the charter schools would cause the School District's financial statements to be incomplete, the financial statements of the charter schools are included in those of the School District.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 1. Summary of Significant Accounting Policies, Continued

A. Reporting Entity, Continued

Complete separately issued financial statements may be obtained for each of the charter schools from the administrative offices of Bridgewater Academy, 161 River Landing Blvd, Myrtle Beach, SC 29579, Palmetto Academy of Learning and Success, 3021 Fred Nash Road, Myrtle Beach, SC 29577, Academy of Hope, 3521 Juniper Bay Road, Conway, SC 29527 and Palmetto Academy for Learning Motorsports, 136 Rodeo Drive, Myrtle Beach, SC 29579.

The School District evaluated its current and potential component units and made the determination that the charter schools noted above are the only component units required to be included in its financial statements at June 30, 2019.

B. Basis of Presentation

The financial statement presentation provides a comprehensive, entity-wide perspective of the School District's net position, revenue, expenses and changes in net position and, as applicable, cash flows that replace the fund-group perspective previously required. The statements of the School District are presented as follows:

Government-wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary activities. The effect of interfund activity has been eliminated from these statements except for interfund services provided and used. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with a program or function, and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been eliminated for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not program revenues are presented as general revenues.

The government-wide financial statements are prepared using the economic resources measurement focus. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the financial statements for governmental funds.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 1. Summary of Significant Accounting Policies, Continued

B. Basis of Presentation, Continued

Fund Financial Statements: Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources.

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into governmental and fiduciary fund types.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is separated as fund balance. The following are the School District's governmental funds:

General Fund (major fund) - to account for all financial transactions not properly accounted for in another fund. The School District uses this fund to account for expenditures principally for administration, instruction, pupil services, operation and maintenance of plant and related fixed charges.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than debt service or major capital projects) that are restricted, committed or assigned to expenditures for specified purposes. The School District has three special revenue funds:

- 1) Special Projects Fund (major fund), a fund used to account for financial resources provided by federal, state, and local projects and grants.
- 2) The Education Improvement Act (EIA) Fund (major fund), a fund used to account for the revenue from the Education Improvement Act of 1984 and legally required to be accounted for as a specific revenue source.
- 3) School Food Service Fund (major fund), a fund used to account for the United States Department of Agriculture ("USDA") approved school breakfast and lunch programs.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 1. Summary of Significant Accounting Policies, Continued

B. Basis of Presentation, Continued

Governmental Funds, continued

Debt Service Fund (major fund) - to account for and report the accumulation of resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt, principal and interest.

Capital Projects Fund (major fund) - to account for and report all financial resources that are restricted to expenditures for capital outlays, other than those financed by trust funds. Capital projects are funded by proceeds of bonds issued for public school construction and from certain State assistance and grants.

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The School District's fiduciary funds consist of agency funds and private purpose trust funds. The agency funds are custodial in nature and do not involve measurement of results of operation. The agency funds and private purpose trust funds are used to account for amounts held for student and faculty activity organizations. Fiduciary funds are not included in the government-wide financial statements. The following are the School District's fiduciary funds:

Agency Fund - Pupil Activity Fund (non-major fund) - to report resources held by the School District in a custodial capacity for students and student organizations.

Agency Fund - Federal Program Fund (non-major fund) - to report resources held by the School District in a custodial capacity to pay unemployment benefits of federal program personnel.

Private Purpose Trust Fund - Education Endowment Fund (non-major fund) - to account for scholarship money under the control of the School District for the benefit of the students within the School District.

Private Purpose Trust Fund - Scholarship Endowment Fund (non-major fund) - to account for scholarship money under the control of the School District for the benefit of the students within the School District.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Agency fund and Private Purpose Trust fund account for the receipt and disbursement of monies to and from student activity organizations or for the benefit of the Federal program fund. These funds have no equity and do not include revenues and expenditures for general operation of the School District. This accounting reflects the agency relationship of the School District with the student activity organizations and the accumulation of funds to pay Federal programs unemployment benefits.

Government Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in governmental funds to be available if the revenues are collected within sixty days after year-end. These include federal and state grants, some charges for services, and ad-valorem property taxes. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the School District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the School District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Use of Resources: When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

Budgetary Data: The School District adopts an annual operating budget, which can be amended by the Board throughout the year. During the year ended June 30, 2019, there were several budget amendments.

Formal budgetary accounting is employed as a management control for all funds of the School District; however, legal budgets are adopted only for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund. For each of the funds for which a formal budget is adopted, the basis of accounting used to reflect budget and actual revenues and expenditures is U.S. GAAP. Budgeted appropriations lapse at year-end for all funds.

When the Board of Education adopts a budget, it is done at the fund level of budgetary control. Because expenditures may not legally exceed budgeted appropriations, supplemental budget appropriations are made by the Board of Education, when additional revenue is identified, or for expenditures exceeding total appropriations within the legal level of control.

The School District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrance accounting is used for the General Fund, Special Revenue Fund and Capital Project Fund. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances lapse at year end, except for the General Fund, which is carried forward as assigned fund balance until liquidated.

Cash and Cash Equivalents: The School District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables: Receivables consist of property taxes levied against Horry County taxpayers. Receivables also include amounts due from the Federal government, State and Local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the School District's grants and contracts. Receivables are recorded net of estimated uncollectible amounts.

Allowance for Doubtful Accounts: All receivables that historically experience uncollectible amounts are shown net of an allowance for doubtful accounts. This amount is determined by analyzing the percentage of receivables that were not collected in prior years.

Prepaid and Other: Payments made to vendors for services benefiting future periods are recorded as prepaid items in both government-wide and fund financial statements using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense/expenditure is reported in the year in which services are consumed.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

Inventories: The inventories of the School District's General Fund consist of expendable materials and supplies, which are recorded as expenditures when purchased. These inventories are reported at cost using the first in first out ("FIFO") method. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is designated as non-spendable. Food Service Fund inventories consist of food and supplies and are recorded as inventory when received and expenditures when consumed. Included within Food Service Fund inventories, are USDA commodities which were received, but not consumed as of June 30, 2019. Commodities received from the USDA have been recorded at fair market value as provided by the USDA.

Capital Assets: Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Qualifying improvements which are capitalized include major additions and renovations; improvements that add to the usable space; or improvements that extend the useful life of an existing building. The School District capitalizes moveable personal property with a unit value in excess of \$5,000 and a useful life in excess of one year. Routine repairs and maintenance are charged to expenses in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated lives of the assets, generally 15 to 50 years for buildings and improvements and 5 to 15 years for machinery, equipment and vehicles. Depreciation is prorated six months the year the asset is placed in service and in the year of disposition. The School District does not allocate any depreciation expense directly to any program. Land and construction in progress are not depreciated.

Unearned Revenues: Unearned revenues in the governmental funds include amounts received from grant and contract sponsors that have not yet been earned. The unearned revenues from grants are considered to be a liability to the School District rather than deferred inflows of resources since the eligibility requirements of the grants have not been met.

Unavailable Revenues: Unavailable revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Delinquent property taxes and property taxes for which there is an enforceable legal claim as of June 30, 2019, but which have not met the revenue recognition criteria, have been recorded as unavailable revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unavailable revenue.

Long-Term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense in the period incurred.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

Long-Term Obligations, continued: In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences: Employee vacation pay and salary-related expenses are accrued at year end for financial statement purposes. The liability and expense incurred are recorded at year end as compensated absences payable in the government-wide Statement of Net Position on a FIFO basis and as a component of the appropriate functional category in the Statement of Activities. Employees can earn up to 45 days for subsequent use or payment upon termination, death or retirement. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District's past experience of making termination payments. The portion of time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements. In prior years, the General Fund has been used to liquidate the liability for compensated absences.

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Changes in net pension liability not included in pension expense and net OPEB liability not included in OPEB expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability and net OPEB liability are reported as deferred outflows of resources.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

Pensions: In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note 9 and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The School District recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the School District's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the School District's fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Postemployment Benefits Other Than Pensions ("OPEB"): For purposes of measuring the School District's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") and the South Carolina Long-Term Disability Insurance Trust Fund ("SCLTDITF"), collectively referred to as the Other Post-Employment Benefits Trust Funds ("OPEB Trusts"), and additions to/deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they are reported by the OPEB Trusts. For this purpose, the OPEB Trusts recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Fund Balances and Net Position: The School District has five classifications of governmental fund balances: nonspendable, restricted, committed, assigned and unassigned. Where applicable, these classifications are presented on the face of the governmental funds balance sheet.

For the government-wide financial statements the School District applies restricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net position are available. The School District generally requires restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the School District generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

Fund Balances and Net Position, continued: The School District's Board of Education passed a resolution whereby a 15% reserve equal to 15% of the current year General Fund expenditures is to remain in Fund Balance at all times to meet cash flow needs based upon the seasonal receipt of local property tax revenues. The amount of approximately \$63 million for this policy is included in the unassigned fund balance at June 30, 2019.

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statements of Net Position. Net investment in capital assets consists of capital assets reduced by accumulated depreciation and the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Classification of Revenues: The School District has classified its revenues as either operating or non-operating revenues according to the following criteria:

Non-Operating Revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, investment income, and any grants or contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for other purposes.

Operating Revenues: Operating revenues generally result from exchange transactions related to the School District's principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services or (2) grants and contracts that are essentially the same as contracts for services that finance programs the School District would not otherwise undertake.

Use of Estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the School District's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 1. Summary of Significant Accounting Policies, Continued

D. Change in Accounting Principle

Effective July 1, 2018, the School District converted its food service program operations from an enterprise fund to a special revenue fund. This change in accounting principle resulted in an adjusted beginning fund balance for the special revenue – school food service fund of \$6,480,228 and an increase in net position for the enterprise fund of \$21,119,167. The changes relate to the net pension and OPEB liabilities and related deferred inflows and outflows of resources, capital assets net of accumulated depreciation, and accrued compensated absences, which are reflected on the full accrual enterprise fund and government-wide statements, but are not reflected on the modified accrual governmental fund statements. On its government-wide financial statements, the District recognized a corresponding decrease to beginning net position for governmental activities and increase for business-type activities of \$21,119,167. There was no change in total net position for the School District as a result of this change. See Note 14 for more information regarding this change in accounting principle.

E. New Accounting Standards

Statement No. 88, “Certain Disclosures Related to Debt, Including Debt Borrowings and Direct Placements”. This Statement emphasizes that debt related disclosures should separate information regarding direct borrowings and direct placements from other types of debt as well as disclose information regarding unused lines of credit, if any, assets pledged as collateral for the debt, and terms specified in debt agreements related to significant events of default or termination events with finance related consequences and any subjective acceleration clauses. The requirements of this Statement are effective for the current fiscal year.

GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018.

Other accounting standards that have been issued or proposed by the GASB or other standards-setting bodies are not expected to have a material impact on the District’s financial position, changes in net position, or cash flows.

F. Subsequent Events

In preparing these financial statements, the School District’s management has evaluated events and transactions for potential recognition or disclosure through November 21, 2019, the date the financial statements were available for issuance.

Note 2. Cash and Cash Equivalents, Other Deposits and Investments

The School District follows GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. The Horry County Treasurer is authorized to invest funds held for the School District, which are not needed for immediate disbursement by the School District, in interest bearing accounts or certificates of deposit issued by banking institutions or savings and loan associations licensed to do business in this state or in securities issued by the United States Government.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 2. Cash and Cash Equivalents, Other Deposits and Investments, Continued

Custodial Credit Risk for Deposits: This is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. Deposits of the School District are subject to South Carolina state statutes for custodial credit risk. The statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina, political subdivisions of South Carolina, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation. In accordance with the aforementioned statute, the School District's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. Deposited funds may be invested in demand or time deposits, continuously and fully secured with direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. At June 30, 2019, the carrying amount of the School District's deposits was \$257,252,978 and the bank balance was \$244,157,332. All of these deposits were fully collateralized with securities held by the pledging financial institution's trust department in the School District's name or insured by the Federal Deposit Insurance Corporation.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The School District contracts with a banking institution for a guaranteed interest rate. The School District does not have a formal investment policy that limits investment maturities to reduce its exposure to fair value losses arising from increasing interest rates, but follows the investment policy strategy of the State of South Carolina. Information pertaining to the reported amounts, fair values, maturities, credit risk, interest rate risk and concentration risk is disclosed in the CAFR of the State of South Carolina.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District has adopted an investment policy in accordance with state statutes, which authorize the School District to invest in the following:

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Savings and loan association deposits to the extent insured by the FDIC;
4. Certificates of deposit and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and
5. No-load open and closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 2. Cash and Cash Equivalents, Other Deposits and Investments, Continued

In addition, South Carolina state statutes authorize the School District to invest in the South Carolina Local Government Investment Pool ("SCLGIP"). The SCLGIP is an investment trust fund created by state legislation, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The SCLGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized rating services. The SCLGIP is a 2a7-like pool, which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. The fair value of the School District's position in the SCLGIP approximates the same value of the School District's LGIP shares. The SCLGIP is not rated. The SCLGIP's complete financial statements may be obtained by writing the Office of the State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211.

Fair Value of Financial Instruments: The School District categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Amounts on deposit with the Horry County Treasurer are not categorized since they cannot be identified by securities that exist in physical or book entry form. These amounts are subject to the same investment authorizations as the District under state law. The carrying values of these investments approximate fair values. The Horry County Treasurer is responsible for maintaining these investments in accordance with state laws.

Note 3. Tax Abatement (GASB 77)

The School District does not negotiate or enter into an agreement for tax abatements. The School District is subject to any tax abatement agreements entered by Horry County (the "County"). The County provides tax abatement incentives through three programs to encourage economic development, attract new businesses, and retain existing businesses - Fee in Lieu of Tax, Special Source Revenue Credits, and Multi-County Business Parks:

- A Fee in Lieu of Tax ("FILOT") is authorized under South Carolina Code Title 12, Chapter 44, Title 4, Chapter 29, or Title 4, Chapter 12. The FILOT is used to encourage investment and provides a reduction of property tax when a business invests a minimum of \$2,500,000 within a 5-6 year investment period (beginning with date property is placed in service, ending five years after the last day of the property tax year in which the property is initially placed in service). The reduction in property taxes is accomplished by a reduction of assessed value, reduction in millage rate and elimination of (or reduction in) number of times millage rates are changed. In addition, an agreement may allow the possible use of net present value method over the term of FILOT to equalize payments. Repayment of incentive is required by state law if taxpayer fails to meet statutory minimum investment requirement. Other recapture provisions may be negotiated (such as a pro rata clawback for failure to meet and/or maintain jobs/investment).

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 3. Tax Abatement (GASB 77), Continued

- A Special Source Revenue Credit (“SSRC”) is authorized under South Carolina Code Sections 4-29-68, 4- 1-170, and 12-44-70. The SSRC is used to encourage investment and provides a credit against property taxes in the form of a percentage reduction or a dollar amount reduction. The County manually applies SSRC to reduce the applicable property tax bill. To receive the credit, a business must incur costs of designing, acquiring, constructing, improving, or expanding improved or unimproved real estate or personal property used in the operation of a manufacturing or commercial enterprise, infrastructure servicing the project, or certain aircraft.

For the fiscal year ended June 30, 2019, the County abated School District property tax revenues of \$472,921 under agreements entered into by the County. The table below summarizes the tax abatements by program:

<u>Tax Abatement Program</u>	<u>Abatement</u>
Fee in lieu of tax (“FILOT”)	\$ 445,160
Special Source Revenue Credit (“SSRC”)	<u>27,761</u>
Total	<u>\$ 472,921</u>

The School District has chosen to disclose information about some of its tax abatement agreements individually. It established a quantitative threshold of 10 percent of the total dollar amount of taxes abated during the year.

- A FILOT agreement with a manufacturer for expansion of their existing facility located in the City of Myrtle Beach. This agreement was completed in 1999. The abatement amounted to \$179,717 during the fiscal year ended June 30, 2019.
- A FILOT agreement with a manufacturer for expansion of their existing facility located in the Atlantic Center Industrial Park. This agreement was completed in 2009. The abatement amounted to \$92,942 during the fiscal year ended June 30, 2019.
- A FILOT agreement with a forest product manufacturer for expansion of their existing facility located in unincorporated area of Horry County. This agreement was completed in 2003. The abatement amounted to \$48,545 during the fiscal year ended June 30, 2019.
- A FILOT agreement with manufacturer for relocation of their existing facility located in unincorporated area of Horry County. This agreement was completed in 2013. The abatement amounted to \$83,001 during the fiscal year ended June 30, 2019.

The School District has not made any commitments as part of the agreements other than to reduce property taxes.

Note 4. Property Taxes

The Horry County Treasurer collects Horry County property taxes for the School District. Taxes are levied on October 1st of each year. They are due and payable without penalty until January 15th. If unpaid on March 16th of the following year, they attach as an enforceable lien on the property at that time. Vehicle taxes are levied on a monthly basis in accordance with guidelines established by the State of South Carolina. Vehicle taxes must be paid prior to the time the vehicle license is renewed.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 4. Property Taxes, Continued

Property taxes levied but uncollected are recorded as receivables reduced by an allowance for uncollectible amounts. Taxes receivable not collected within 60 days after year-end are recorded as unavailable revenue in the governmental fund financial statements since they are not available to meet current obligations at the end of the year. On the government-wide financial statements, taxes receivable not collected within 60 days after year-end are not deferred.

A summary of property taxes receivable as of June 30, 2019, is as follows:

Total property taxes uncollected	\$ 33,076,574
Less allowance for doubtful accounts	<u>(13,230,630)</u>
Net property taxes receivable in the Statement of Net Position	19,845,944
Less collections made within 60 days of year end	<u>(1,348,823)</u>
Total deferred inflows of resources included in the Governmental Funds Balance Sheet	<u>\$ 18,497,121</u>

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	<u>Balance, July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2019</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 27,184,961	\$ 2,814,535	\$ -	\$ 29,999,496
Construction in progress	<u>26,010,552</u>	<u>16,835,513</u>	<u>(4,382,346)</u>	<u>38,463,719</u>
Total capital assets, not being depreciated	<u>53,195,513</u>	<u>19,650,048</u>	<u>(4,382,346)</u>	<u>68,463,215</u>
Capital assets, being depreciated:				
Buildings and improvements	1,035,795,094	6,551,913	(606,467)	1,041,740,540
Land improvements	53,329,770	1,784,592	(9,791)	55,104,571
Vehicles	12,021,389	921,992	(166,946)	12,776,435
Machinery and equipment	<u>50,344,078</u>	<u>1,206,928</u>	<u>-</u>	<u>51,551,006</u>
Total capital assets, being depreciated	<u>1,151,490,331</u>	<u>10,465,425</u>	<u>(783,204)</u>	<u>1,161,172,552</u>
Accumulated depreciation:				
Buildings and improvements	(236,334,247)	(20,659,278)	573,274	(256,420,251)
Land improvements	(24,693,029)	(2,207,953)	-	(26,900,982)
Vehicles	(6,788,349)	(1,075,395)	130,559	(7,733,185)
Machinery and equipment	<u>(37,434,460)</u>	<u>(2,349,722)</u>	<u>-</u>	<u>(39,784,182)</u>
Total accumulated depreciation	<u>(305,250,085)</u>	<u>(26,292,348)</u>	<u>703,833</u>	<u>(330,838,600)</u>
Governmental activities capital assets, net	<u>\$ 899,435,759</u>	<u>\$ 3,823,125</u>	<u>\$ (4,461,717)</u>	<u>\$ 898,797,167</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 5. Capital Assets, Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Instruction	\$ 16,690,771
Support services	9,513,676
Community services	<u>87,901</u>
Total depreciation expense - governmental activities	<u>\$ 26,292,348</u>

Note 6. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2019, is as follows:

	<u>Balance, July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2019</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds payable					
General obligation bonds	\$ 353,965,000	\$ -	\$ (33,990,000)	\$ 319,975,000	\$ 35,710,000
Special obligation bonds	72,780,000	-	(8,905,000)	63,875,000	9,360,000
Plus deferred amounts for issuance premiums	<u>59,568,692</u>	<u>-</u>	<u>(8,028,425)</u>	<u>51,540,267</u>	<u>8,028,427</u>
Total bonds payable	486,313,692	-	(50,923,425)	435,390,267	53,098,427
Compensated absences	<u>3,639,520</u>	<u>2,159,798</u>	<u>(1,708,396)</u>	<u>4,090,922</u>	<u>1,708,396</u>
Governmental activities long-term liabilities	<u>\$ 489,953,212</u>	<u>\$ 2,159,798</u>	<u>\$ (52,631,821)</u>	<u>\$ 439,481,189</u>	<u>\$ 54,806,823</u>

The Debt Service Fund has been used to service all long-term obligations. The General Fund and School Food Service Fund have been used in prior years to liquidate compensated absences.

General and special obligation bonds:

The School District issues bonds to provide funds for the acquisition and construction of major capital facilities for its governmental activities. General obligation bonds of the School District are backed by the full faith, credit, and taxing power of the School District and special obligation bonds are collateralized by the assets acquired with their proceeds. No unusual events of default or termination exist for these debt issuances. Bonds payable consisted of the following at June 30, 2019:

	<u>Original bond issue</u>	<u>Interest rates</u>	<u>Maturity dates</u>	<u>Balance June 30, 2019</u>
Series 2010A	\$ 43,330,000	2.00 - 5.00%	March 1, 2021	\$ 11,140,000
Series 2011A	54,965,000	3.00 - 5.00%	March 1, 2022	21,440,000
Series 2012A	59,455,000	2.00 - 5.00%	March 1, 2030	43,005,000
Series 2015A	110,810,000	3.50 - 5.00%	March 1, 2031	109,040,000
Series 2015B	32,970,000	3.00 - 5.00%	March 1, 2027	25,645,000
Series 2016A	125,000,000	5.00%	March 1, 2025	109,705,000
Series 2016B*	72,780,000	5.00%	March 1, 2025	<u>63,875,000</u>
				<u>\$ 383,850,000</u>

* Special obligation bonds

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 6. Long-Term Liabilities, Continued

The annual requirements to amortize all bonds outstanding at June 30, 2019, including interest payments over the life of the debt are summarized as follows:

Years Ending	Principal	Premiums	Interest	Total
June 30,				
2020	\$ 45,070,000	\$ 8,028,427	\$ 17,863,950	\$ 70,962,377
2021	47,375,621	7,782,506	15,615,500	70,773,006
2022	46,130,000	7,369,682	13,257,350	66,757,032
2023	48,440,000	6,541,162	11,007,075	65,988,237
2024	50,875,000	6,541,162	8,638,775	66,054,937
2025-2029	115,805,000	13,057,688	16,611,200	145,473,888
2030-2034	30,155,000	2,219,640	1,640,540	34,015,090
	<u>\$ 383,850,000</u>	<u>\$ 51,540,267</u>	<u>\$ 84,634,300</u>	<u>\$ 520,024,567</u>

Direct borrowing and placement debt:

None of the School District's debt issuances were direct issuances of the School District.

Legal debt margin:

Constitutionally, the School District is limited in the amount of debt it can hold to 8% of the assessed value of all taxable property within the School District. This constitutional debt limit does not include any debt existing prior to November 30, 1982, or any special obligation debt or debt approved by referendum. At June 30, 2019, the only debt applicable to the debt limitation is related to the Series 2016A issue of \$109,705,000. Based on Horry County's assessed property tax values, the School District is within its debt limit of approximately \$185,570,000 at June 30, 2019.

Note 7. Inter-Fund Balances and Activity

The School District reports interfund transfers between many of its funds. During the course of normal operations, the School District has transactions between funds to provide services, construct assets, service debt, etc. These transactions are generally reflected as transfers.

Transfers are used (1) to move revenues from the fund that a statute or budget requires to collect them to the fund that a statute or budget requires to expend them, and (2) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers out of the Education Improvement Act and Special Projects fund to the General fund are to cover allowable salaries paid out of the General fund. The District uses a common payroll account in the General fund to pay the salaries of employees for all funds. Transfers out of the School Food Service fund to the General fund are to cover indirect costs. Transfers out of the Debt Service and General funds to the Capital Projects fund are to fund various approved capital improvement projects at the School District. Inter-fund transfers for the year ended June 30, 2019, consist of the following:

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 7. Inter-Fund Balances and Activity, Continued

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 13,101,408	\$ 9,607,611
Special Projects	-	646,686
Education Improvement Act	-	11,663,813
School Food Service	672,083	790,909
Capital Projects	37,800,000	64,472
Debt Service	-	28,800,000
	<u>\$ 51,573,491</u>	<u>\$ 51,573,491</u>

Note 8. Fund Balances and Net Position

The fund balances/net position have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

Governmental fund financial statements

Fund balance - Non-spendable - includes amounts that inherently cannot be spent either because it is not in spendable form (i.e., prepaids, inventories, etc.) or because of legal or contractual requirements (i.e., principal on an endowment, etc.).

Fund balances - Restricted - includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

Fund balances - Committed - includes amounts that are constrained by specific purposes that are internally imposed by the School District through formal action made by the highest level of decision-making authority (the Board of Education) before the end of the reporting period. The committed amounts cannot be used for any other purpose unless the School District removes or changes the specified use by taking the same type of action it employed to previously commit the amounts.

Fund balances - Assigned - includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. The Board of Education allows the School District's Chief Financial Officer the right to make assignments of fund balance for the School District.

Fund balances - Unassigned - includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 8. Fund Balances and Net Position, Continued

Government-wide financial statements

Net investment in capital assets - This represents the School District's net investment in capital assets, reduced by the outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt. Details of net investment in capital assets are:

	<u>Governmental Activities</u>
Capital assets, net of depreciation	\$ 898,797,167
Capital-related debt:	
Less: bonds, notes and loans	(383,850,000)
Less: premiums and discounts	(51,540,267)
Add: deferred charges on bond refundings	9,422,777
Less: accounts and retainages payable	(5,696,140)
Add: unspent debt proceeds*	-
Net investment in capital assets	<u>\$ 467,133,537</u>

**All cash in the capital projects fund at 6/30/19 is related to the 1% sales tax and, thus, is appropriately excluded from the calculation of net investment in capital assets above.*

Restricted net position (expendable) - represents resources in which the School District is legally or contractually obligated to spend in accordance with restrictions imposed by third parties.

Restricted net position (non-expendable) - consists of funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted net position - represents resources derived from ad valorem taxes, earnings on investments, and various local and state unrestricted grants, contracts and revenues.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 8. Fund Balances and Net Position, Continued

Government-wide financial statements, continued

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total
Nonspendable:					
Inventories	\$ 725,312	\$ 336,522	\$ -	\$ -	\$ 1,061,834
Prepaid items	<u>3,219,428</u>	<u>46,473</u>	-	-	<u>3,265,901</u>
	<u>3,944,740</u>	<u>382,995</u>	-	-	<u>4,327,735</u>
Restricted for:					
Afterschool childcare	-	1,454,609	-	-	1,454,609
School food service	-	6,557,266	-	-	6,557,266
Debt service	-	-	52,372,119	-	52,372,119
Capital projects	-	-	-	<u>39,272,385</u>	<u>39,272,385</u>
	-	<u>8,011,875</u>	<u>52,372,119</u>	<u>39,272,385</u>	<u>99,656,379</u>
Assigned to:					
Subsequent year expenditures	24,182,798	-	-	-	24,182,798
Carryover school budgets	<u>688,191</u>	-	-	-	<u>688,191</u>
	<u>24,870,989</u>	-	-	-	<u>24,870,989</u>
Unassigned	<u>78,900,684</u>	<u>(18,554)</u>	-	-	<u>78,882,130</u>
	<u>\$ 107,716,413</u>	<u>\$ 8,376,316</u>	<u>\$ 52,372,119</u>	<u>\$ 39,272,385</u>	<u>\$ 207,737,233</u>

Note 9. Pension Plans

Description of the entity:

The South Carolina Public Employee Benefit Authority (“PEBA”), created July 1, 2012, and governed by an 11-member Board, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina (the “State”), including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems (the “Systems”) five defined benefit pension plans. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the South Carolina Retirement System (“SCRS”) and South Carolina Police Officers Retirement System (“PORS”) employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the Retirement Systems Investment Commission (“RSIC”) and PEBA as co-trustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (“SFAA”), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (“GAAP”). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 9. Pension Plans, Continued

Description of the entity, continued:

PEBA issues a Comprehensive Annual Financial Report (“CAFR”) containing financial statements and required supplementary information for the Systems’ Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits’ link on PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan descriptions:

The SCRS, a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state-and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The State Optional Retirement Program (“ORP”) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party record keepers.

The PORS, a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

Membership:

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 9. Pension Plans, Continued

Membership, continued:

State ORP - As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State ORP. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party record keepers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with the ORP vendor for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits:

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of benefit terms for each system is presented below.

SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 9. Pension Plans, Continued

Benefits, continued:

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions:

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than eighty-five percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty-five percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS, respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization schedule.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 9. Pension Plans, Continued

Contributions, continued:

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2019¹</u>	<u>Fiscal Year 2018¹</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP		
Employee	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2019¹</u>	<u>Fiscal Year 2018¹</u>
SCRS		
Employer Class Two	14.41%	13.41%
Employer Class Three	14.41%	13.41%
Employer Incidental Death Benefit	.15%	.15%
State ORP		
Employer Contribution ²	14.41%	13.41%
Employer Incidental Death Benefit	.15%	.15%
PORS		
Employer Class Two	16.84%	15.84%
Employer Class Three	16.84%	15.84%
Employer Incidental Death Benefit	.20%	.20%
Employer Incidental Death Program	.20%	.20%

¹ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

² Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

Contributions to the SCRS, ORP, and PORS pension plans from the School District were \$36,261,512 for the year ended June 30, 2019.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 9. Pension Plans, Continued

Net Pension Liability:

At June 30, 2019, the School District reported a liability of \$565,904,368 and \$493,581 for its proportionate share of the SCRS and PORS net pension liability ("NPL"), respectively. The NPL was measured as of June 30, 2018, and the total pension liability ("TPL") used to calculate the NPL was determined by an actuarial valuation as July 1, 2017, and projected forward. The School District's proportionate share of the NPL was based on a projection of the School District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the School District's proportionate share of the SCRS and PORS plans were 2.53 percent and 0.02 percent, respectively.

Non-employer Contributions:

Employer's proportionate shares were calculated on the basis of employer contributions remitted to the plan by employers and non-employer contributions appropriated in the State's budget. In an effort to offset a portion of the burden of the increased contribution requirement for employers, the General Assembly funded 1 percent of the SCRS and PORS contribution increases for fiscal year 2018 and 2019. The State budget appropriated these funds directly to PEBA and a credit was issued for each employer to use when submitting their quarterly remittances to PEBA. For the year ended June 30, 2018, measurement period, PEBA provided non-employer contributions to the School District in the amount of \$2,623,804 which is shown as a reduction of net pension liability and other grant revenue in the government-wide financial statements the year ended June 30, 2019, which are presented on the economic resources measurement focus and accrual basis of accounting.

Pension expense:

For the year ended June 30, 2019, the School District recognized pension expense for the SCRS and PORS plans of \$53,608,488 and \$51,226, respectively.

Deferred inflows of resources and deferred outflows of resources:

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SCRS</u>	
	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 1,021,527	\$ 3,330,190
Changes of assumptions	22,451,920	-
Net difference between projected and actual earnings on pension plan investments	8,989,402	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	4,175,380	2,500,298
School District contributions subsequent to the measurement date	<u>36,222,790</u>	-
Total	<u>\$ 72,861,019</u>	<u>\$ 5,830,488</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 9. Pension Plans, Continued

Deferred inflows of resources and deferred outflows of resources, continued:

	PORS	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 15,208	\$ -
Changes of assumptions	32,544	-
Net difference between projected and actual earnings on pension plan investments	9,871	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	592	31,584
School District contributions subsequent to the measurement date	<u>38,722</u>	-
Total	<u>\$ 96,937</u>	<u>\$ 31,584</u>

The \$36,222,790 and \$38,722 reported as of June 30, 2019, as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the SCRS and PORS plans, respectively:

<u>Year ended June 30:</u>	<u>SCRS</u>
2020	\$ 22,300,075
2021	14,482,326
2022	(5,137,608)
2023	<u>(837,052)</u>
	<u>\$ 30,807,741</u>

<u>Year ended June 30:</u>	<u>PORS</u>
2020	\$ 17,849
2021	11,556
2022	(2,435)
2023	<u>(339)</u>
	<u>\$ 26,631</u>

Actuarial assumptions and methods:

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2015.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 9. Pension Plans, Continued

Actuarial assumptions and methods, continued:

The June 30, 2018, total pension liability (“TPL”), net pension liability (“NPL”), and sensitivity information shown in this report were determined by the Systems’ consulting actuary, Gabriel, Roeder, Smith and Company (“GRS”) and are based on an actuarial valuation performed as of July 1, 2017. The TPL was rolled-forward from the valuation date to the plans’ fiscal year end, June 30, 2018, using generally accepted actuarial principles.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) ¹	3.5% to 9.5% (varies by service) ¹
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

¹ Includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems’ mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2018, TPL are as follows.

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 9. Pension Plans, Continued

Actuarial assumptions and methods, continued:

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2018, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 48,821,730,067	\$ 26,414,916,370	\$ 22,406,813,697	54.1%
PORS	7,403,972,673	4,570,430,247	2,833,542,426	61.7%

The TPL is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the System's notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

Long-term expected rate of return:

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.28 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.03 percent real rate of return and a 2.25 percent inflation component.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 9. Pension Plans, Continued

Long-term expected rate of return, continued:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity:			
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
Real Assets:			
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
Opportunistic:			
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
Diversified Credit:			
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debts	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
Conservative Fixed Income:			
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
Total Expected Real Return	100.0%		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.28%

Discount rate:

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 9. Pension Plans, Continued

Sensitivity analysis:

The following table presents the collective NPL of the School District calculated using the discount rate of 7.25 percent, as well as what the School District's NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 723,120,693	\$ 565,904,368	\$ 453,509,755
PORS	\$ 665,409	\$ 493,581	\$ 352,839

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2018 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2018.

Note 10. Post-Employment Benefits Other Than Pensions (OPEB)

General information:

As previously discussed, PEBA is a state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits ("OPEB") trusts and retirement systems and is part of the State of South Carolina primary government (the "State"). The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of PEBA. By law, the SFAA, which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and OPEB.

PEBA issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the Insurance Benefits' link on PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina, and therefore, the financial information of the OPEB Trust funds is also included in the comprehensive annual financial report of the State.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Plan descriptions:

The OPEB Trusts collectively refers to the South Carolina Retiree Health Insurance Trust Fund (“SCRHITF”) and the South Carolina Long-Term Disability Insurance Trust Fund (“SCLTDITF”), and were established by the State of South Carolina as Act 195, which became effective on May 2008. The SCRHITF was created to fund and account for the employer costs of the State’s retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State’s Basic Long-Term Disability Income Benefit Plan (“BLTD”). In accordance with Act 195, the OPEB Trusts are administered by PEBA, Insurance Benefits. The State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

The OPEB Trusts are cost-sharing multiple-employer defined benefit plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

Benefits:

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008, and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

Contributions:

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to PEBA, Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA, Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by the State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2018 was 5.50 percent. The South Carolina Retirement System collects the monthly surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF include mandatory transfers of accumulated PEBA, Insurance Benefits’ reserves and income generated from investments.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Contributions, continued:

Employer contributions also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA, Insurance Benefits, bills and collects premiums charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2018. The SCLTDITF premium is billed monthly by PEBA, Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer.

Contributions to the SCRHITF and SCLTDITF plans pension plans from the School District were \$16,826,667 and \$202,364 for the year ended June 30, 2019, respectively.

OPEB Liabilities and OPEB Expense:

At June 30, 2019, the School District reported liabilities of \$449,863,641 and \$84,591 for its proportionate shares of the SCRHITF and SCLTDITF net OPEB liabilities, respectively, measured at June 30, 2018. The net OPEB liabilities are calculated separately for each OPEB Trust Fund and represents that particular Trust's total OPEB liability determined in accordance with GASB No. 74, less that Trust's fiduciary net position. The collective net OPEB liabilities were determined based upon actuarial valuations performed on June 30, 2017, which were then rolled forward to the June 30, 2018 measurement date.

This method is expected to be reflective of the School District's long-term contribution effort, as well as, be transparent to individual employers and their external auditors. At June 30, 2018, the School District's proportion shares of the SCRHITF and SCLTITF plans' net OPEB liabilities were 3.175 percent and 2.763 percent, which were increases of 0.028 percent and 0.012 percent, respectively, from its proportion shares measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized OPEB expense of \$26,871,143 and \$221,667 for the SCRHITF and SCLTDITF plans, respectively.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SCRHITF</u>	
	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 6,739,161	\$ 156,745
Changes of assumptions	-	36,632,471
Net difference between projected and actual earnings on OPEB plan investments	1,724,952	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	3,577,519	5,120
School District contributions subsequent to the measurement date	<u>16,826,667</u>	<u>-</u>
Total	<u>\$ 28,868,299</u>	<u>\$ 36,794,336</u>

	<u>SCLTDITF</u>	
	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ -	\$ 5,173
Changes of assumptions	-	5,511
Net difference between projected and actual earnings on OPEB plan investments	49,139	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	5,933
School District contributions subsequent to the measurement date	<u>202,364</u>	<u>-</u>
Total	<u>\$ 251,503</u>	<u>\$ 16,617</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$17,029,031 resulting from School District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2020.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, continued:

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the School District's OPEB expense as follows:

	<u>SCRHITF</u>
Years ending June 30:	
2020	\$ (4,795,276)
2021	(4,795,276)
2022	(4,795,276)
2023	(4,979,991)
2024	(5,272,693)
Thereafter	<u>(114,192)</u>
	<u>\$ (24,752,704)</u>

	<u>SCLTDITF</u>
Years ending June 30:	
2020	\$ 11,927
2021	11,927
2022	11,927
2023	5,892
2024	(1,866)
Thereafter	<u>(7,285)</u>
	<u>\$ 32,522</u>

Actuarial assumptions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The total OPEB liabilities were determined by actuarial valuations performed as of June 30, 2017. Update procedures were used to roll forward the total OPEB liabilities to June 30, 2018. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Actuarial assumptions, continued:

Additional information as of the latest actuarial valuations for SCRHITF and SCLTDITF:

SCRHITF:

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.62% as of June 30, 2018
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ended June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 6.75% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years
Aging Factors:	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for Partial Fund Premiums 20% participation for retirees who are eligible for Non-Funded Premiums
Notes:	There were no benefit changes during the year. The discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.

SCLTDITF:

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of Plan investment expense; including inflation
Single Discount Rate:	3.91% as of June 30, 2018
Salary, Termination, and Retirement Rates:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ended June 30, 2015
Disability Incidence:	The rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems pension plans
Disability Recovery:	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years
Offsets:	40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses:	Third party administrative expenses were included in the benefit projections.
Notes:	There were no benefit changes during the year. The discount rate changed from 3.87% as of June 30, 2017 to 3.91% as of June 30, 2018.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Actuarial assumptions, continued:

The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation.

This information is summarized in the following table:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash	20.00%	0.84%	0.17%
Total	100.00%		1.84%
Expected Inflation			2.25%
Total Return			4.09%
Investment Return Assumption			4.00%

Discount rate:

The Single Discount Rate of 3.62% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 3.91% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 4.00% and a municipal bond rate of 3.62%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2037. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Sensitivity analysis:

The following table presents the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.62%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher. In addition, regarding the sensitivity of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher.

	1% Decrease	Current	1% Increase	
	2.62%	Discount Rate	3.62%	4.62%
SCRHITF Net OPEB Liability	\$ 529,982,585	\$ 449,863,641	\$ 385,281,429	

	1% Decrease	Current	1% Increase
		Healthcare	
		Cost Trend Rate	
SCRHITF Net OPEB Liability	\$ 370,165,145	\$ 449,863,641	\$ 552,899,035

The following table presents the SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 3.91%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease	Current	1% Increase	
	2.91%	Discount Rate	3.91%	4.91%
SCLTDITF Net OPEB Liability	\$ 126,420	\$ 84,591	\$ 43,766	

OPEB plan fiduciary net position:

Detailed information about the OPEB Trusts' fiduciary net position is available in the separately issued PEBA financial report which can be obtained as noted above.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 11. Funding Flexibility

The State of South Carolina passed a Joint Resolution to provide funding flexibility for the fiscal year ended June 30, 2019. Under the resolution, school districts may transfer revenue between programs to any instructional program with the same funding source and may make expenditures for instructional programs and essential operating costs from any state source without regard to fund type except school building bond funds. Certain funds and other exceptions apply. The School District used this flexibility for the current fiscal year by making certain transfers allowed under the Joint Resolution. The impact of applying funding flexibility to the School District's General Fund was not measured.

Note 12. Risk Management

The School District is exposed to various risks of loss and maintains State and other insurance coverage for each of these risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settlement claims have not exceeded this coverage in any of the past three years.

The School District believes it is more economical to manage its workers' compensation claims through the South Carolina School Boards Insurance Trust/Workers Compensation Trust Fund (SCSBIT/WCTF), a public entity risk pool comprised of member school districts in the State of South Carolina. This entity is operating as a common risk management and insurance program. The School District pays an annual premium to SCSBIT/WCTF for its workers' compensation insurance coverage based upon the total payroll of the School District for each plan year. The Agreement for Formation of the SCSBIT/WCTF provides that the SCSBIT/WCTF will be self-sustaining through member premiums and deficiencies can be charged back to the member districts in the event a fund deficit arises. Insurance settlements have not exceeded insurance coverage for the past three years.

The School District obtains coverage for its property and casualty insurance through the South Carolina Insurance Reserve Fund. There have been no significant reductions in insurance coverage over the prior years.

Note 13. Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures, which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

The School District is a defendant in several routine tort and personnel dismissal claims. All of the claims are covered by insurance. Management believes that none of the claims will result in any material loss to the School District.

The School District is also a co-plaintiff in an action against the City of Myrtle Beach related to tax increment financing ("TIF") funds the School District believes were misspent. Management expects a complete disposition of the case by June 30, 2020.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 13. Commitments and Contingencies, Continued

In addition, there is an open investigation regarding the District's selection of First Floor Energy Positive as the builder of the five high performance, energy-positive schools. The inquiry was assigned to the South Carolina Law Enforcement Division ("SLED") by the South Carolina Attorney General's Office based upon a citizen's complaint the Attorney General's Office had received regarding the five new schools. The Horry County Board of Education and the District Administration have and will continue to work cooperatively with SLED as it investigates matters concerning the construction of the five new schools. The investigation is ongoing and at this point the School District is unable to estimate any potential outcome of the investigation.

The School District has entered into leases for office equipment for several schools which are generally cancelable within one year that the School District has elected to treat as operating leases.

The School District has entered into contracts and agreements with contractors and builders for various capital projects throughout the School District including, but not limited to the following: flooring and painting improvements, HVAC enhancements, and the construction/renovation of facilities. The outstanding contract balance is included in restricted fund balance for contracts in the capital projects fund.

Several capital projects are in process at June 30, 2019. A summary of the contracts in process by location is as follows:

	<u>Contract Amount</u>	<u>Expended as of June 30, 2019</u>	<u>Remaining Commitment</u>
North Myrtle Beach High	\$ 55,944,499	\$ 55,671,013	\$ 273,486
St. James Intermediate	48,258,035	48,208,068	49,967
Carolina Forest Middle	47,578,558	47,526,132	52,426
Socastee Middle	44,403,582	44,389,082	14,500
Socastee Elementary	38,315,027	38,293,373	21,654
Myrtle Beach Elementary	16,588,745	16,347,771	240,974
All others < \$15,000,000 per location	<u>14,087,092</u>	<u>11,047,132</u>	<u>3,039,960</u>
	<u>\$ 265,175,538</u>	<u>\$ 261,482,571</u>	<u>\$ 3,692,967</u>

Note 14. Change in Accounting Principle

Effective July 1, 2018, the School District converted its food service fund operations from an enterprise fund to a special revenue fund. This change in accounting principle resulted in an adjusted beginning fund balance for the special revenue – school food service fund of \$6,480,228, calculated as shown below, and an increase in net position for the enterprise fund of \$21,119,167. The changes relate to the net pension and OPEB liabilities and related deferred inflows and outflows of resources, capital assets net of accumulated depreciation, and accrued compensated absences, which are reflected on the full accrual enterprise fund and government-wide statements, but are not reflected on the modified accrual governmental fund statements. On its government-wide financial statements, the School District recognized a corresponding decrease to beginning net position for governmental activities and increase for business-type activities of \$21,119,167 as shown below. There was no change in total net position for the School District as a result of this change.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2019

Note 14. Change in Accounting Principle, Continued

	<u>Food Service Enterprise Fund</u>	
Net Position, July 1, 2018	\$	(21,119,167)
Add: Net Pension Liability		19,826,957
Add: Net OPEB Liability		14,488,691
Add: Deferred Inflows - Pension		1,252,838
Add: Deferred Inflows - OPEB		1,369,849
Add: Accrued Compensated Absences		37,801
Less: Deferred Outflows - Pension		(4,023,725)
Less: Deferred Outflows - OPEB		(532,814)
Less: Capital Assets, Net of Accumulated Depreciation		<u>(4,820,202)</u>
Adjusted School Food Service Fund Balance, July 1, 2018	\$	<u>6,480,228</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Position, June 30, 2018	\$ (266,885,964)	\$ (21,119,167)
Change in Accounting Principle – Food Service Fund	<u>(21,119,167)</u>	<u>21,119,167</u>
Net Position, July 1, 2018	<u>\$ (288,005,131)</u>	<u>\$ -</u>

Management believes that this new treatment is preferable because they plan to internally report the food service operations in the same manner as they do for all governmental activities, using the modified accrual basis of accounting. In addition, the food service revenues are received from grants and fees that are restricted or assigned to the operations of the food service fund; thus, this new treatment would be comparable with the School District's treatment of other similar programs.

REQUIRED SUPPLEMENTARY INFORMATION

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Horry County Schools**Budgetary Comparison Schedule - General Fund****For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Local sources	\$ 206,042,296	\$ 206,396,496	\$ 211,275,142	\$ 4,878,646
Intergovernmental	123,910	123,910	115,239	(8,671)
State sources	190,482,060	190,482,060	192,463,933	1,981,873
Federal sources	736,897	736,897	786,488	49,591
Total revenues	<u>397,385,163</u>	<u>397,739,363</u>	<u>404,640,802</u>	<u>6,901,439</u>
Expenditures				
Instruction	261,788,643	264,097,011	248,983,198	15,113,813
Support services	154,084,916	156,941,239	147,761,395	9,179,844
Community services	31,821	44,618	44,605	13
Intergovernmental	7,683,489	7,683,489	7,304,145	379,344
Capital outlay	2,683,004	8,855,810	6,813,360	2,042,450
Total expenditures	<u>426,271,873</u>	<u>437,622,167</u>	<u>410,906,703</u>	<u>26,715,464</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,886,710)</u>	<u>(39,882,804)</u>	<u>(6,265,901)</u>	<u>33,616,903</u>
Other financing sources (uses)				
Transfers in	13,810,116	13,810,116	13,101,408	(708,708)
Transfers out	(874,272)	(9,874,272)	(9,607,611)	266,661
Total other financing sources (uses)	<u>12,935,844</u>	<u>3,935,844</u>	<u>3,493,797</u>	<u>(442,047)</u>
Net change in fund balances	<u>\$ (15,950,866)</u>	<u>\$ (35,946,960)</u>	<u>(2,772,104)</u>	<u>\$ 33,174,856</u>
Fund balance, beginning of year			<u>110,488,517</u>	
Fund balance, end of year			<u>\$ 107,716,413</u>	

Footnote: Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

Horry County Schools**Budgetary Comparison Schedule - Special Revenue Fund - Special Projects Fund
For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Local sources	\$ 2,396,791	\$ 7,396,932	\$ 4,117,149	\$ (3,279,783)
State sources	3,077,992	3,490,145	6,102,602	2,612,457
Federal sources	28,698,146	35,492,375	28,403,653	(7,088,722)
Total revenues	<u>34,172,929</u>	<u>46,379,452</u>	<u>38,623,404</u>	<u>(7,756,048)</u>
Expenditures				
Instruction	22,276,722	27,981,209	22,340,300	5,640,909
Support services	7,934,215	12,877,511	9,060,495	3,817,016
Community services	2,497,471	2,623,167	1,723,484	899,683
Intergovernmental	357,686	526,743	3,735,026	(3,208,283)
Capital outlay	84,077	1,576,646	1,337,234	239,412
Total expenditures	<u>33,150,171</u>	<u>45,585,276</u>	<u>38,196,539</u>	<u>7,388,737</u>
Excess of revenues over expenditures	<u>1,022,758</u>	<u>794,176</u>	<u>426,865</u>	<u>(367,311)</u>
Other financing sources (uses)				
Transfers out	(1,022,758)	(794,176)	(646,686)	147,490
Total other financing sources (uses)	<u>(1,022,758)</u>	<u>(794,176)</u>	<u>(646,686)</u>	<u>147,490</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(219,821)</u>	<u>\$ (219,821)</u>
Fund balance, beginning of year			<u>1,702,349</u>	
Fund balance, end of year			<u>\$ 1,482,528</u>	

Footnote: Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

Horry County Schools

*Budgetary Comparison Schedule - Special Revenue Fund - Education Improvement Act Fund
For the year ended June 30, 2019*

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
State sources	\$ 29,552,061	\$ 37,182,786	\$ 30,400,428	\$ (6,782,358)
Total revenues	29,552,061	37,182,786	30,400,428	(6,782,358)
Expenditures				
Instruction	14,510,993	19,869,687	13,774,428	6,095,259
Support services	2,826,775	4,073,063	3,816,474	256,589
Intergovernmental	425,407	794,472	669,773	124,699
Capital outlay	231,500	384,030	475,940	(91,910)
Total expenditures	17,994,675	25,121,252	18,736,615	6,384,637
Excess of revenues over expenditures	11,557,386	12,061,534	11,663,813	(397,721)
Other financing sources (uses)				
Transfers out	(11,557,386)	(12,061,534)	(11,663,813)	397,721
Total other financing sources (uses)	(11,557,386)	(12,061,534)	(11,663,813)	397,721
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

Footnote: Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

Horry County Schools**Budgetary Comparison Schedule - Special Revenue Fund - School Food Service Fund
For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Local sources	\$ 4,182,282	\$ 4,467,882	\$ 4,229,939	\$ (237,943)
State sources	15,500	15,500	-	(15,500)
Federal sources	16,364,971	16,522,084	16,706,156	184,072
Total revenues	<u>20,562,753</u>	<u>21,005,466</u>	<u>20,936,095</u>	<u>(69,371)</u>
Expenditures				
Support services	19,715,041	20,093,591	20,131,364	(37,773)
Intergovernmental	-	-	150,467	(150,467)
Capital outlay	404,500	468,663	121,878	346,785
Total expenditures	<u>20,119,541</u>	<u>20,562,254</u>	<u>20,403,709</u>	<u>158,545</u>
Excess of revenues over expenditures	<u>443,212</u>	<u>443,212</u>	<u>532,386</u>	<u>89,174</u>
Other financing sources (uses)				
Transfers in	747,822	747,822	672,083	(75,739)
Transfers out	(1,229,972)	(1,229,972)	(790,909)	439,063
Total other financing sources (uses)	<u>(482,150)</u>	<u>(482,150)</u>	<u>(118,826)</u>	<u>363,324</u>
Net change in fund balances	<u>\$ (38,938)</u>	<u>\$ (38,938)</u>	413,560	<u>\$ 452,498</u>
Fund balance, beginning of year as originally stated			(21,119,167)	
Change in accounting principle - see Note 14			<u>27,599,395</u>	
Fund balance, beginning of year as restated			6,480,228	
Fund balance, end of year			<u>\$ 6,893,788</u>	

Footnote: Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

Horry County Schools*Schedule of the District's Proportionate Share of the Net Pension Liability**For the year ended June 30, 2019*

	SCRS									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability	2.52559%	2.50065%	2.52242%	2.51573%	2.56084%	2.56084%	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability	<u>\$ 565,904,368</u>	<u>\$ 562,936,306</u>	<u>\$ 538,784,122</u>	<u>\$ 477,120,324</u>	<u>\$ 440,892,267</u>	<u>\$ 459,323,882</u>	N/A	N/A	N/A	N/A
District's covered payroll during the measurement period	<u>\$ 273,530,206</u>	<u>\$ 265,112,547</u>	<u>\$ 256,766,931</u>	<u>\$ 220,703,321</u>	<u>\$ 217,871,216</u>	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability as a percentage of its covered payroll	206.88917%	212.33861%	209.83392%	216.18176%	202.36371%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	54.10%	53.30%	52.91%	56.99%	59.92%	56.39%	N/A	N/A	N/A	N/A
	PORS									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability	0.01742%	0.01794%	0.01953%	0.01945%	0.02015%	0.02015%	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability	<u>\$ 493,581</u>	<u>\$ 491,340</u>	<u>\$ 495,298</u>	<u>\$ 423,868</u>	<u>\$ 385,757</u>	<u>\$ 417,704</u>	N/A	N/A	N/A	N/A
District's covered payroll during the measurement period	<u>\$ 240,854</u>	<u>\$ 241,521</u>	<u>\$ 248,943</u>	<u>\$ 240,929</u>	<u>\$ 238,010</u>	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability as a percentage of its covered payroll	204.92954%	203.43573%	198.96040%	175.93067%	162.07596%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	61.70%	60.90%	60.44%	64.57%	67.55%	62.98%	N/A	N/A	N/A	N/A

Footnote: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten year trend is compiled, the School District will present information for which information is available.

Horry County Schools
Schedule of District Contributions - SCRS and PORS
 For the year ended June 30, 2019

	SCRS									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 36,222,790	\$ 32,706,666	\$ 29,136,600	\$ 27,015,407	\$ 25,710,929	\$ 24,644,067	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	36,222,790	32,706,666	29,136,600	27,015,407	25,710,929	24,644,067	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A
Entity's covered payroll	\$ 278,710,739	\$ 273,530,206	\$ 265,112,547	\$ 256,766,931	\$ 220,703,321	\$ 217,871,216	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	12.99655%	11.95724%	10.99028%	10.52137%	11.64954%	11.31130%	N/A	N/A	N/A	N/A
	PORS									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 38,722	\$ 39,117	\$ 34,393	\$ 34,205	\$ 32,309	\$ 31,117	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	38,722	39,117	34,393	34,205	32,309	31,117	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A
Entity's covered payroll	\$ 239,453	\$ 240,854	\$ 241,521	\$ 248,943	\$ 240,929	\$ 238,010	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	16.17100%	16.24096%	14.24017%	13.74009%	13.41017%	13.07382%	N/A	N/A	N/A	N/A

Footnote: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten year trend is compiled, the School District will present information for which information is available.

Horry County Schools*Schedule of the District's Proportionate Share of the Net OPEB Liability**For the year ended June 30, 2019*

	SCRHITF									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net OPEB liability	3.17463%	3.14667%	3.14667%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net OPEB liability	<u>\$ 449,863,641</u>	<u>\$ 426,211,839</u>	<u>\$ 455,280,647</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's covered payroll during the measurement period	<u>\$ 273,771,060</u>	<u>\$ 265,354,068</u>	<u>\$ 257,015,874</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	164.32111%	160.62005%	177.14106%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.60%	6.62%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	SCLTDITF									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net OPEB liability	2.76329%	2.75169%	2.75169%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net OPEB liability	<u>\$ 84,591</u>	<u>\$ 49,887</u>	<u>\$ 19,101</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's covered payroll during the measurement period	<u>\$ 244,281,446</u>	<u>\$ 237,755,561</u>	<u>\$ 230,616,724</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.03463%	0.02098%	0.00828%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	92.20%	95.29%	98.15%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Footnote: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten year trend is compiled, the School District will present information for which information is available.

Horry County Schools
Schedule of District Contributions - OPEB
 For the year ended June 30, 2019

	SCRHITF									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 16,826,667	\$ 14,718,600	\$ 12,950,903	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	16,826,667	14,718,600	12,950,903	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Entity's covered payroll	\$ 278,950,193	\$ 273,771,060	\$ 265,354,068	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	6.03214%	5.37624%	4.88061%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	SCLTDITF									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 202,364	\$ 200,553	\$ 199,183	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	202,364	200,553	199,183	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Entity's covered payroll	\$ 247,911,749	\$ 244,281,446	\$ 237,755,561	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	0.08163%	0.08210%	0.08378%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Footnote: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten year trend is compiled, the School District will present information for which information is available.

SCRHITF:
 Changes of assumptions: The discount rate changed from 3.56% as of June 30, 2017, to 3.62% as of June 30, 2018.

SCLTDITF:
 Changes of assumptions: The single discount rate changed from 3.87% as of June 30, 2017, to 3.91% as of June 30, 2018.

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. All property taxes, intergovernmental revenues, and miscellaneous revenues are recorded in this fund except amounts which are specifically collected to service debt or for which the School District collects in a fiduciary capacity. Operational expenditures for general education, support services and other departments of the School District are paid through the General Fund.

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Horry County Schools**Comparative Balance Sheets - General Fund****As of June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 142,560,228	\$ 142,743,025
Property tax receivable, net	18,180,140	17,292,118
Due from state government, net	-	396,547
Due from federal government	87,484	98,486
Due from other governmental units, net	4,153,617	4,414,571
Prepaid and other	3,219,428	2,877,069
Inventories - supply and materials	725,312	695,699
Other receivables	878,616	94,259
Total assets	<u>\$ 169,804,825</u>	<u>\$ 168,611,774</u>
Liabilities		
Accounts payable	\$ 4,517,184	\$ 3,745,729
Accrued salaries	23,477,827	22,325,149
Accrued payroll related liabilities	17,137,301	15,919,292
Total liabilities	<u>45,132,312</u>	<u>41,990,170</u>
Deferred inflows of resources		
Unavailable revenue - property taxes	16,956,100	16,133,087
Total deferred inflows of resources	<u>16,956,100</u>	<u>16,133,087</u>
Fund balances		
Non-spendable	3,944,740	3,572,768
Assigned	24,870,989	21,802,439
Unassigned	78,900,684	85,113,310
Total fund balances	<u>107,716,413</u>	<u>110,488,517</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 169,804,825</u>	<u>\$ 168,611,774</u>

Horry County Schools**Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund
For the years ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Revenues		
Local sources	\$ 211,275,142	\$ 204,220,979
Intergovernmental	115,239	115,969
State sources	192,463,933	187,481,798
Federal sources	786,488	775,053
Total revenues	<u>404,640,802</u>	<u>392,593,799</u>
Expenditures		
Instruction	248,983,198	242,312,812
Support services	147,761,395	140,216,354
Community services	44,605	57,998
Intergovernmental	7,304,145	7,062,356
Capital outlay	6,813,360	4,238,253
Total expenditures	<u>410,906,703</u>	<u>393,887,773</u>
Excess (deficiency) of revenues over expenditures	<u>(6,265,901)</u>	<u>(1,293,974)</u>
Other financing sources (uses)		
Transfers in	13,101,408	11,094,978
Transfers out	(9,607,611)	(1,126,377)
Total other financing sources (uses)	<u>3,493,797</u>	<u>9,968,601</u>
Change in fund balance	(2,772,104)	8,674,627
Fund balance, beginning of year	<u>110,488,517</u>	<u>101,813,890</u>
Fund balance, end of year	<u>\$ 107,716,413</u>	<u>\$ 110,488,517</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2019

	Final Budget	Actual	Variance
Revenues			
1000 Revenue from local sources			
1100 Taxes levied/assessed by the LEA			
1110 Ad valorem taxes-including delinquent	\$ 193,258,295	\$ 193,658,641	\$ 400,346
1140 Penalties & interest on taxes	1,798,604	1,942,518	143,914
1200 Revenue from local governmental units other than LEAs			
1280 Revenue in lieu of taxes	6,074,335	6,741,815	667,480
1300 Tuition			
1310 Tuition from patrons for regular day school	72,513	59,190	(13,323)
1500 Earnings on investments			
1510 Interest on investments	500,301	3,252,142	2,751,841
1900 Other revenue from local sources			
1910 Rentals	56,249	42,074	(14,175)
1920 Contributions and donations from private sources	9,650	13,861	4,211
1930 Special needs transportation	3,699,853	3,973,264	273,411
1950 Refund of prior year's expenditures	236,139	346,457	110,318
1990 Miscellaneous local revenue			
1993 Receipt of insurance proceeds	441,085	981,831	540,746
1994 Receipt of legal settlements	-	6,495	6,495
1999 Revenue from other local sources	249,472	256,854	7,382
Total revenue from local sources	<u>206,396,496</u>	<u>211,275,142</u>	<u>4,878,646</u>
2000 Intergovernmental revenue			
2100 Payments from other governmental units	123,910	115,239	(8,671)
Total intergovernmental revenue	<u>123,910</u>	<u>115,239</u>	<u>(8,671)</u>
3000 Revenue from state sources			
3100 Restricted state funding			
3130 Special programs			
3131 Handicapped transportation	11,329	32,301	20,972
3132 Home schooling	1,763	621	(1,142)
3160 School bus driver salary	2,991,997	3,668,925	676,928
3161 EAA bus driver salary and fringe	10,275	5,199	(5,076)
3162 Transportation workers' compensation	188,851	190,436	1,585
3180 Fringe benefits employer contributions	35,751,656	36,762,017	1,010,361
3181 Retiree insurance	10,027,023	11,192,214	1,165,191
3199 Other restricted state grants	-	220	220
3300 Education finance act			
3310 Full-time programs			
3311 Kindergarten	4,101,811	3,782,706	(319,105)
3312 Primary	12,016,544	11,634,846	(381,698)
3313 Elementary	20,914,988	20,891,867	(23,121)
3314 High school	9,522,114	9,149,669	(372,445)
3315 Trainable mentally handicapped	355,817	312,783	(43,034)
3316 Speech handicapped (part-time program)	3,777,987	3,783,341	5,354
3317 Homebound	74,916	46,593	(28,323)
3320 Part-time programs			
3321 Emotionally handicapped	362,843	411,579	48,736
3322 Educable mentally handicapped	331,631	310,460	(21,171)
3323 Learning disabilities	9,364,210	8,650,240	(713,970)
3324 Hearing handicapped	206,835	201,367	(5,468)
3325 Visually handicapped	88,132	109,660	21,528
3326 Orthopedically handicapped	131,612	130,075	(1,537)
3327 Vocational	8,061,694	8,101,495	39,801

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2019**

	Final Budget	Actual	Variance
Revenues, Continued			
3000 Revenue from state sources, continued			
3330 Miscellaneous EFA programs			
3331 Autism	1,685,671	1,795,037	109,366
3332 High achieving students	1,795,425	1,841,409	45,984
3334 Limited English proficiency	930,905	953,717	22,812
3351 Academic assistance	2,707,817	2,548,866	(158,951)
3352 Pupils in poverty	7,846,829	7,892,706	45,877
3353 Dual credit enrollment	131,333	196,930	65,597
3392 NBC excess EFA formula	-	147,707	147,707
3800 State revenue in lieu of taxes			
3810 Reimbursement for local residential property tax relief	11,700,436	11,700,436	-
3820 Homestead exemption	3,952,008	3,952,008	-
3825 Reimbursement for property tax relief	37,387,727	37,393,683	5,956
3830 Merchant's inventory tax	701,824	731,523	29,699
3840 Manufacturers depreciation reimbursement	256,436	146,917	(109,519)
3890 Other state property tax revenues	467,806	1,132,957	665,151
3900 Other state revenue			
3993 PEBA on-behalf	2,623,805	2,623,805	-
3999 Revenue from other state sources	10	37,618	37,608
Total revenue from state sources	<u>190,482,060</u>	<u>192,463,933</u>	<u>1,981,873</u>
4000 Revenue from federal sources			
4900 Other federal sources			
4990 Other federal revenue			
4999 Revenue from other federal sources	736,897	786,488	49,591
Total revenue from federal sources	<u>736,897</u>	<u>786,488</u>	<u>49,591</u>
Total revenues from all sources	<u>397,739,363</u>	<u>404,640,802</u>	<u>6,901,439</u>
Expenditures			
100 Instruction			
110 General instruction			
111 Kindergarten programs			
100 Salaries	9,685,358	9,213,657	471,701
140 Terminal leave	-	1,305	(1,305)
200 Employee benefits	4,466,455	4,323,556	142,899
300 Purchased services	2,425	2,357	68
400 Supplies and materials	118,830	103,769	15,061
500 Capital outlay	1,000	-	1,000
	<u>14,274,068</u>	<u>13,644,644</u>	<u>629,424</u>
112 Primary programs			
100 Salaries	32,425,300	30,652,257	1,773,043
140 Terminal leave	-	1,475	(1,475)
200 Employee benefits	13,572,990	13,143,229	429,761
300 Purchased services	571,269	453,306	117,963
400 Supplies and materials	1,004,625	907,615	97,010
500 Capital outlay	5,112	3,402	1,710
600 Other objects	270	261	9
	<u>47,579,566</u>	<u>45,161,545</u>	<u>2,418,021</u>
113 Elementary programs			
100 Salaries	46,297,336	43,999,430	2,297,906
140 Terminal leave	-	4,380	(4,380)
200 Employee benefits	19,052,615	18,482,367	570,248
300 Purchased services	777,991	777,601	390
400 Supplies and materials	1,989,479	1,555,428	434,051
500 Capital outlay	28,036	28,008	28
600 Other objects	14,199	14,156	43
	<u>68,159,656</u>	<u>64,861,370</u>	<u>3,298,286</u>

Horry County Schools*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2019*

	Final Budget	Actual	Variance
Expenditures, continued			
100 Instruction, continued			
110 General instruction, continued			
114 High school programs			
100 Salaries	37,913,567	36,411,514	1,502,053
140 Terminal leave	-	4,302	(4,302)
200 Employee benefits	15,395,614	14,870,505	525,109
300 Purchased services	1,674,952	1,671,411	3,541
400 Supplies and materials	2,183,686	1,830,718	352,968
500 Capital outlay	35,345	35,343	2
600 Other objects	75,926	75,752	174
	<u>57,279,090</u>	<u>54,899,545</u>	<u>2,379,545</u>
115 Career and technology education programs			
100 Salaries	3,367,411	3,273,136	94,275
200 Employee benefits	1,384,250	1,336,259	47,991
300 Purchased services - other than tuition	43,762	38,042	5,720
400 Supplies and materials	450,173	296,091	154,082
500 Capital outlay	4,775	-	4,775
600 Other objects	1,000	-	1,000
	<u>5,251,371</u>	<u>4,943,528</u>	<u>307,843</u>
116 Career and technology education			
100 Salaries	80	-	80
200 Employee benefits	24	-	24
	<u>104</u>	<u>-</u>	<u>104</u>
117 Driver education program			
300 Purchased services - other than tuition	269	-	269
400 Supplies and materials	11,500	3,870	7,630
	<u>11,769</u>	<u>3,870</u>	<u>7,899</u>
Total general instruction	<u>192,555,624</u>	<u>183,514,502</u>	<u>9,041,122</u>
120 Exceptional programs			
121 Educable mentally handicapped			
400 Supplies and materials	4,606	3,578	1,028
	<u>4,606</u>	<u>3,578</u>	<u>1,028</u>
122 Trainable mentally handicapped			
100 Salaries	2,221,549	2,110,965	110,584
200 Employee benefits	941,230	925,875	15,355
300 Purchased services	18,000	17,505	495
400 Supplies and materials	38,132	29,485	8,647
500 Capital outlay	1,000	901	99
600 Other objects	100	100	-
	<u>3,220,011</u>	<u>3,084,831</u>	<u>135,180</u>
123 Orthopedically handicapped			
100 Salaries	756,589	705,806	50,783
200 Employee benefits	344,493	328,170	16,323
300 Purchased services	98,197	85,906	12,291
400 Supplies and materials	31,043	30,956	87
	<u>1,230,322</u>	<u>1,150,838</u>	<u>79,484</u>
124 Visually handicapped			
100 Salaries	101,568	100,133	1,435
200 Employee benefits	49,113	48,376	737
300 Purchased services	9,977	9,527	450
400 Supplies and materials	2,190	600	1,590
	<u>162,848</u>	<u>158,636</u>	<u>4,212</u>
125 Hearing handicapped			
100 Salaries	296,147	295,680	467
200 Employee benefits	162,621	158,316	4,305
300 Purchased services	84,945	82,508	2,437
400 Supplies and materials	29,303	18,644	10,659
	<u>573,016</u>	<u>555,148</u>	<u>17,868</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2019

	Final Budget	Actual	Variance
Expenditures, continued			
100 Instruction, continued			
120 Exceptional programs, continued			
126 Speech handicapped			
100 Salaries	2,654,701	2,654,524	177
200 Employee benefits	1,094,359	1,089,154	5,205
300 Purchased services	112,232	110,252	1,980
400 Supplies and materials	12,569	6,055	6,514
	<u>3,873,861</u>	<u>3,859,985</u>	<u>13,876</u>
127 Learning disabilities			
100 Salaries	19,655,703	18,709,049	946,654
140 Terminal leave	-	305	(305)
200 Employee benefits	8,570,322	8,296,059	274,263
300 Purchased services	184,029	36,893	147,136
400 Supplies and materials	265,436	171,504	93,932
500 Capital outlay	1,700	1,625	75
600 Other objects	600	551	49
	<u>28,677,790</u>	<u>27,215,986</u>	<u>1,461,804</u>
128 Emotionally handicapped			
100 Salaries	1,474,617	1,315,147	159,470
200 Employee benefits	663,711	599,098	64,613
400 Supplies and materials	11,812	7,340	4,472
	<u>2,150,140</u>	<u>1,921,585</u>	<u>228,555</u>
129 Coordinated early intervening services (CEIS)			
100 Salaries	3,514,568	3,012,473	502,095
200 Employee benefits	1,436,522	1,231,770	204,752
	<u>4,951,090</u>	<u>4,244,243</u>	<u>706,847</u>
Total exceptional programs	<u>44,843,684</u>	<u>42,194,830</u>	<u>2,648,854</u>
130 Preschool programs			
137 Preschool handicapped-self-contained (3 & 4 year olds)			
100 Salaries	1,522,579	1,410,997	111,582
200 Employee benefits	658,982	617,022	41,960
300 Purchased services	17,943	16,011	1,932
400 Supplies and materials	3,623	3,554	69
	<u>2,203,127</u>	<u>2,047,584</u>	<u>155,543</u>
139 Early childhood programs			
100 Salaries	125,117	125,012	105
200 Employee benefits	78,898	78,474	424
300 Purchased services	6,690	6,577	113
400 Supplies and materials	107,059	54,527	52,532
500 Capital outlay	1,277	1,012	265
600 Other objects	100	19	81
	<u>319,141</u>	<u>265,621</u>	<u>53,520</u>
Total preschool programs	<u>2,522,268</u>	<u>2,313,205</u>	<u>209,063</u>
140 Special programs			
141 Gifted and talented - academic			
100 Salaries	5,204,225	5,008,958	195,267
140 Terminal leave	-	40	(40)
200 Employee benefits	2,183,696	2,121,895	61,801
300 Purchased services	432,801	429,430	3,371
400 Supplies and materials	235,433	235,029	404
500 Capital outlay	9,900	-	9,900
600 Other objects	441	426	15
	<u>8,066,496</u>	<u>7,795,778</u>	<u>270,718</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2019

	Final Budget	Actual	Variance
Expenditures, continued			
100 Instruction, continued			
140 Special programs, continued			
143 Advanced placement			
100 Salaries	107,890	107,075	815
200 Employee benefits	31,561	31,277	284
300 Purchased services	428,982	128,880	300,102
400 Supplies and materials	358,803	356,609	2,194
	<u>927,236</u>	<u>623,841</u>	<u>303,395</u>
145 Homebound			
100 Salaries	743,981	584,710	159,271
200 Employee benefits	214,644	165,406	49,238
300 Purchased services	203,002	65,526	137,476
	<u>1,161,627</u>	<u>815,642</u>	<u>345,985</u>
149 Other special programs			
100 Salaries	7,034,782	6,070,788	963,994
200 Employee benefits	2,959,354	2,567,493	391,861
300 Purchased services	167,794	167,223	571
400 Supplies and materials	55,729	47,354	8,375
500 Capital outlay	17,305	5,092	12,213
600 Other objects	550	176	374
	<u>10,235,514</u>	<u>8,858,126</u>	<u>1,377,388</u>
Total special programs	<u>20,390,873</u>	<u>18,093,387</u>	<u>2,297,486</u>
160 Other exceptional programs			
161 Autism			
100 Salaries	1,683,858	1,128,262	555,596
200 Employee benefits	822,150	564,641	257,509
300 Purchased services	85,517	84,804	713
400 Supplies and materials	30,398	10,750	19,648
500 Capital outlay	4,500	-	4,500
Total other exceptional programs	<u>2,626,423</u>	<u>1,788,457</u>	<u>837,966</u>
170 Summer school program			
171 Primary summer school			
200 Employee benefits	289	167	122
	<u>289</u>	<u>167</u>	<u>122</u>
172 Elementary summer school			
200 Employee benefits	3,295	3,259	36
	<u>3,295</u>	<u>3,259</u>	<u>36</u>
173 High school summer school			
100 Salaries	3,000	2,970	30
200 Employee benefits	1,102	1,049	53
	<u>4,102</u>	<u>4,019</u>	<u>83</u>
174 Gifted and talented summer school			
100 Salaries	37,000	36,839	161
200 Employee benefits	11,417	10,932	485
300 Purchased services	76,057	72,342	3,715
400 Supplies and materials	40,930	29,616	11,314
	<u>165,404</u>	<u>149,729</u>	<u>15,675</u>
175 Instructional programs beyond regular school day			
100 Salaries	82,430	58,775	23,655
200 Employee benefits	30,853	24,255	6,598
400 Supplies and materials	700	654	46
	<u>113,983</u>	<u>83,684</u>	<u>30,299</u>
Total summer school program	<u>287,073</u>	<u>240,858</u>	<u>46,215</u>
180 Adult/continuing educational programs			
181 Adult basic education programs			
100 Salaries	335,837	335,543	294
200 Employee benefits	140,849	140,782	67
300 Purchased services	10,700	8,107	2,593
400 Supplies and materials	9,410	8,697	713
	<u>496,796</u>	<u>493,129</u>	<u>3,667</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2019

	Final Budget	Actual	Variance
Expenditures, continued			
100 Instruction, continued			
180 Adult/continuing educational programs, continued			
182 Adult secondary education programs			
100 Salaries	168,313	168,201	112
200 Employee benefits	68,551	66,610	1,941
300 Purchased services	8,500	8,364	136
400 Supplies and materials	8,563	7,713	850
	<u>253,927</u>	<u>250,888</u>	<u>3,039</u>
183 Adult English literacy (ESL)			
100 Salaries	67	-	67
200 Employee benefits	2,200	2,190	10
300 Purchased services	500	336	164
400 Supplies and materials	1,500	1,449	51
	<u>4,267</u>	<u>3,975</u>	<u>292</u>
184 Post secondary education programs			
100 Salaries	320	-	320
200 Employee benefits	90	-	90
	<u>410</u>	<u>-</u>	<u>410</u>
188 Parenting/family literacy			
100 Salaries	23,247	16,368	6,879
200 Employee benefits	17,786	17,302	484
300 Purchased services	300	289	11
400 Supplies and materials	361	285	76
	<u>41,694</u>	<u>34,244</u>	<u>7,450</u>
Total adult/continuing educational programs	<u>797,094</u>	<u>782,236</u>	<u>14,858</u>
190 Instructional pupil activity			
100 Salaries (optional)	60,389	57,900	2,489
200 Employee benefits (optional)	17,712	16,868	844
300 Purchased services (optional)	22,564	20,000	2,564
400 Supplies and materials (optional)	47,449	34,935	12,514
600 Other objects	1,403	1,403	-
Total instructional pupil activity	<u>149,517</u>	<u>131,106</u>	<u>18,411</u>
Total instruction	<u>264,172,556</u>	<u>249,058,581</u>	<u>15,113,975</u>
200 Support services			
210 Pupil services			
211 Attendance and social work services			
100 Salaries	2,869,690	2,845,986	23,704
140 Terminal leave	-	5	(5)
200 Employee benefits	1,262,657	1,226,544	36,113
300 Purchased services	23,150	21,549	1,601
400 Supplies and materials	19,709	19,597	112
500 Capital outlay	8,500	6,746	1,754
	<u>4,183,706</u>	<u>4,120,427</u>	<u>63,279</u>
212 Guidance services			
100 Salaries	6,911,898	6,836,997	74,901
140 Terminal leave	-	1,306	(1,306)
200 Employee benefits	2,957,964	2,855,676	102,288
300 Purchased services	66,330	55,631	10,699
400 Supplies and materials	38,459	29,259	9,200
	<u>9,974,651</u>	<u>9,778,869</u>	<u>195,782</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2019

	Final Budget	Actual	Variance
Expenditures, continued			
200 Support services, continued			
210 Pupil services, continued			
213 Health services			
100 Salaries	2,496,565	2,438,488	58,077
200 Employee benefits	1,307,715	1,157,338	150,377
300 Purchased services	225,975	195,443	30,532
400 Supplies and materials	171,471	125,656	45,815
500 Capital outlay	3,000	-	3,000
600 Other objects	150	-	150
	<u>4,204,876</u>	<u>3,916,925</u>	<u>287,951</u>
214 Psychological services			
100 Salaries	1,980,754	1,891,213	89,541
200 Employee benefits	798,281	787,789	10,492
300 Purchased services	37,148	37,084	64
400 Supplies and materials	5,587	143	5,444
	<u>2,821,770</u>	<u>2,716,229</u>	<u>105,541</u>
215 Exceptional program services			
100 Salaries	90,682	90,476	206
200 Employee benefits	40,092	36,220	3,872
300 Purchased services	811	708	103
400 Supplies and materials	2,750	401	2,349
600 Other objects	2,197	1,845	352
	<u>136,532</u>	<u>129,650</u>	<u>6,882</u>
217 Career specialist services			
100 Salaries	500	301	199
200 Employee benefits	16,559	737	15,822
	<u>17,059</u>	<u>1,038</u>	<u>16,021</u>
Total pupil services	<u>21,338,594</u>	<u>20,663,138</u>	<u>675,456</u>
220 Instructional staff services			
221 Improvement of instruction curriculum development			
100 Salaries	4,047,187	4,046,397	790
200 Employee benefits	1,562,857	1,545,121	17,736
300 Purchased services	162,750	161,062	1,688
400 Supplies and materials	252,179	247,485	4,694
500 Capital outlay	12,098	7,043	5,055
600 Other objects	450	389	61
	<u>6,037,521</u>	<u>6,007,497</u>	<u>30,024</u>
222 Library and media services			
100 Salaries	4,262,929	4,222,335	40,594
200 Employee benefits	1,982,378	1,966,579	15,799
300 Purchased services	16,744	14,972	1,772
400 Supplies and materials	658,236	654,886	3,350
500 Capital outlay	1,300	1,123	177
600 Other objects	66,000	65,600	400
	<u>6,987,587</u>	<u>6,925,495</u>	<u>62,092</u>
223 Supervision of special programs			
100 Salaries	1,083,868	957,481	126,387
140 Terminal leave	-	25,705	(25,705)
200 Employee benefits	434,713	378,320	56,393
300 Purchased services	92,329	64,813	27,516
400 Supplies and materials	31,707	31,011	696
500 Capital outlay	2,102	2,102	-
600 Other objects	1,897	1,828	69
	<u>1,646,616</u>	<u>1,461,260</u>	<u>185,356</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2019

	Final Budget	Actual	Variance
Expenditures, continued			
200 Support services, continued			
220 Instructional staff services, continued			
224 Improvement of instruction inservice and staff training			
100 Salaries	1,157,090	1,155,248	1,842
200 Employee benefits	396,079	396,022	57
300 Purchased services	1,937,600	1,935,472	2,128
400 Supplies and materials	574,279	241,973	332,306
500 Capital outlay	20,000	19,072	928
600 Other objects	15,580	5,727	9,853
	<u>4,100,628</u>	<u>3,753,514</u>	<u>347,114</u>
Total instructional staff services	<u>18,772,352</u>	<u>18,147,766</u>	<u>624,586</u>
230 General administration services			
231 Board of education			
100 Salaries	243,984	231,357	12,627
200 Employee benefits	70,849	67,963	2,886
300 Purchased services	228,400	318,947	(90,547)
318 Audit services	-	55,850	(55,850)
400 Supplies and materials	36,910	19,489	17,421
600 Other objects	49,000	48,950	50
	<u>629,143</u>	<u>742,556</u>	<u>(113,413)</u>
232 Office of the superintendent			
100 Salaries	529,146	529,077	69
200 Employee benefits	190,167	188,011	2,156
300 Purchased services	26,000	18,789	7,211
400 Supplies and materials	32,168	11,196	20,972
500 Capital outlay	3,000	2,129	871
600 Other objects	23,304	12,955	10,349
	<u>803,785</u>	<u>762,157</u>	<u>41,628</u>
233 School administration			
100 Salaries	18,807,257	18,593,084	214,173
140 Terminal leave	-	8,587	(8,587)
200 Employee benefits	7,565,760	7,557,242	8,518
300 Purchased services	121,745	121,737	8
400 Supplies and materials	228,248	221,467	6,781
500 Capital outlay	3,019	3,007	12
600 Other objects	27,966	27,536	430
	<u>26,753,995</u>	<u>26,532,660</u>	<u>221,335</u>
Total general administrative services	<u>28,186,923</u>	<u>28,037,373</u>	<u>149,550</u>
250 Finance and operations services			
251 Student transportation (federal/district mandated)			
100 Salaries	40,717	39,073	1,644
200 Employee benefits	12,614	12,062	552
300 Purchased services	6,954	1,355	5,599
400 Supplies and materials	1,100	1,010	90
	<u>61,385</u>	<u>53,500</u>	<u>7,885</u>
252 Fiscal services			
100 Salaries	1,621,756	1,380,919	240,837
140 Terminal leave	-	14,975	(14,975)
180 Head of organizational unit salaries	-	131,949	(131,949)
200 Employee benefits	682,727	600,691	82,036
280 Head of organizational unit employee benefits	-	48,661	(48,661)
300 Purchased services	125,701	116,948	8,753
380 Head of organizational unit travel	-	4,857	(4,857)
400 Supplies and materials	33,350	31,731	1,619
480 Head of organizational unit supplies	-	683	(683)
500 Capital outlay	3,500	3,259	241
600 Other objects	12,542	6,293	6,249
680 Head of organizational unit other objects	-	596	(596)
	<u>2,479,576</u>	<u>2,341,562</u>	<u>138,014</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2019

	Final Budget	Actual	Variance
Expenditures, continued			
200 Support services, continued			
250 Finance and operations services, continued			
253 Facilities acquisition and construction			
100 Salaries	60,529	34,472	26,057
200 Employee benefits	36,260	26,713	9,547
300 Purchased services	70,000	67,461	2,539
400 Supplies and materials	55,000	47,379	7,621
500 Capital outlay			
510 Land	3,899,463	2,814,535	1,084,928
520 Construction services	506	365	141
525 Buildings	2,559,105	1,847,098	712,007
545 Technology	14,492	10,460	4,032
	<u>6,695,355</u>	<u>4,848,483</u>	<u>1,846,872</u>
254 Operation and maintenance of plant			
100 Salaries	12,563,419	12,548,526	14,893
140 Terminal leave	-	11,567	(11,567)
200 Employee benefits	5,945,247	5,917,006	28,241
300 Purchased services	7,830,591	6,372,245	1,458,346
321 Public utilities (excludes gas, oil, elec. & other heating fuels)	-	1,446,541	(1,446,541)
400 Supplies and materials	15,452,849	4,045,466	11,407,383
470 Energy (include gas, oil, elec. & other heating fuels)	-	10,259,636	(10,259,636)
500 Capital outlay	631,160	630,565	595
600 Other objects	570,506	568,460	2,046
	<u>42,993,772</u>	<u>41,800,012</u>	<u>1,193,760</u>
255 Student transportation (state mandated)			
100 Salaries	12,193,493	11,892,093	301,400
140 Terminal leave	-	5,193	(5,193)
200 Employee benefits	6,125,692	5,850,140	275,552
300 Purchased services	581,665	452,887	128,778
400 Supplies and materials	388,480	380,553	7,927
500 Capital outlay	368,300	293,753	74,547
	<u>19,657,630</u>	<u>18,874,619</u>	<u>783,011</u>
256 Food service			
100 Salaries	40,626	40,416	210
200 Employee benefits	99,264	97,177	2,087
300 Purchased services	8,000	7,680	320
400 Supplies and materials	103	-	103
	<u>147,993</u>	<u>145,273</u>	<u>2,720</u>
257 Internal services			
100 Salaries	494,730	453,159	41,571
140 Terminal leave	-	791	(791)
200 Employee benefits	189,291	169,536	19,755
300 Purchased services	37,294	24,699	12,595
400 Supplies and materials	73,623	46,981	26,642
500 Capital outlay	4,400	-	4,400
600 Other objects	2,040	2,036	4
	<u>801,378</u>	<u>697,202</u>	<u>104,176</u>
258 Security			
100 Salaries	111,059	110,548	511
200 Employee benefits	35,762	35,348	414
300 Purchased services	2,968,592	2,491,670	476,922
400 Supplies and materials	119,714	55,148	64,566
500 Capital outlay	25,738	13,675	12,063
	<u>3,260,865</u>	<u>2,706,389</u>	<u>554,476</u>
Total finance and operations services	<u>76,097,954</u>	<u>71,467,040</u>	<u>4,630,914</u>
260 Central support services			
262 Planning			
100 Salaries	360,386	357,929	2,457
200 Employee benefits	139,673	138,922	751
300 Purchased services	294,000	41,272	252,728
400 Supplies and materials	24,526	13,645	10,881
500 Capital outlay	2,500	-	2,500
600 Other objects	47,700	47,700	-
	<u>868,785</u>	<u>599,468</u>	<u>269,317</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2019

	Final Budget	Actual	Variance
Expenditures, continued			
200 Support services, continued			
260 Central support services, continued			
263 Information services			
100 Salaries	757,821	553,037	204,784
200 Employee benefits	294,662	216,695	77,967
300 Purchased services	84,900	64,285	20,615
400 Supplies and materials	174,000	173,268	732
500 Capital outlay	4,000	-	4,000
600 Other objects	1,000	637	363
	<u>1,316,383</u>	<u>1,007,922</u>	<u>308,461</u>
264 Staff services			
100 Salaries	1,901,018	1,588,553	312,465
140 Terminal leave	-	10,050	(10,050)
180 Head of organizational unit salaries	-	131,949	(131,949)
200 Employee benefits	3,869,912	776,192	3,093,720
280 Head of organizational unit employee benefits	-	44,435	(44,435)
300 Purchased services	415,465	263,829	151,636
380 Head of organizational unit travel	-	3,031	(3,031)
400 Supplies and materials	141,270	112,961	28,309
500 Capital outlay	27,500	1,164	26,336
600 Other objects	10,300	1,482	8,818
680 Head of organizational unit other objects	-	371	(371)
	<u>6,365,465</u>	<u>2,934,017</u>	<u>3,431,448</u>
266 Technology and data processing services			
100 Salaries	3,197,116	2,618,281	578,835
140 Terminal leave	-	408	(408)
200 Employee benefits	1,363,571	1,150,110	213,461
300 Purchased services	504,301	503,477	824
400 Supplies and materials	58,500	58,352	148
500 Capital outlay	1,155,552	1,039,198	116,354
	<u>6,279,040</u>	<u>5,369,826</u>	<u>909,214</u>
Total central support services	<u>14,829,673</u>	<u>9,911,233</u>	<u>4,918,440</u>
270 Support services pupil activity			
271 Pupil services activities			
100 Salaries	3,678,577	3,593,936	84,641
200 Employee benefits	1,247,019	1,174,654	72,365
300 Purchased services	1,031,605	897,100	134,505
400 Supplies and materials	112,050	105,037	7,013
500 Capital outlay	49,430	42,683	6,747
600 Other objects			
660 Pupil activity	377,327	459,412	(82,085)
Total support services pupil activity	<u>6,496,008</u>	<u>6,272,822</u>	<u>223,186</u>
Total support services	<u>165,721,504</u>	<u>154,499,372</u>	<u>11,222,132</u>
300 Community services			
350 Custody and care of children services			
100 Salaries	21,167	21,163	4
200 Employee benefits	23,326	23,325	1
400 Supplies and materials	65	61	4
	<u>44,558</u>	<u>44,549</u>	<u>9</u>
390 Other community services			
400 Supplies and materials	60	56	4
Total community services	<u>60</u>	<u>56</u>	<u>4</u>
Total community services	<u>44,618</u>	<u>44,605</u>	<u>13</u>

Horry County Schools*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2019*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures, continued			
400 Other charges			
410 Intergovernmental expenditures			
411 Payments to State Department of Education			
720 Transits	-	11,359	(11,359)
412 Payments to other governmental units			
720 Transits	129,000	196,290	(67,290)
414 Medicaid payments to SCDE			
720 Transits	1,173,656	609,383	564,273
416 Lea payments to public charter schools			
720 Transits	6,380,833	6,487,113	(106,280)
Total intergovernmental expenditures	<u>7,683,489</u>	<u>7,304,145</u>	<u>379,344</u>
Total expenditures	<u>437,622,167</u>	<u>410,906,703</u>	<u>26,715,464</u>
Other financing sources (uses)			
Interfund transfers, from (to) other funds			
5230 Transfer from special revenue EIA fund	11,557,386	11,663,813	106,427
5280 Transfer from other funds indirect costs	2,252,730	1,437,595	(815,135)
421-710 Transfer to special revenue fund	(126,450)	-	126,450
424-710 Transfer to capital projects fund	(9,000,000)	(9,000,000)	-
425-710 Transfer to food service fund	(747,822)	(607,611)	140,211
Total other financing sources (uses)	<u>3,935,844</u>	<u>3,493,797</u>	<u>(442,047)</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	<u>\$ (35,946,960)</u>	<u>(2,772,104)</u>	<u>\$ 33,174,856</u>
Fund balance, beginning of year		<u>110,488,517</u>	
Fund balance, end of year		<u>\$ 107,716,413</u>	

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues and expenditures derived from the State of South Carolina and the Federal Government, certain of which require matching funds from local sources, required to finance particular activities.

During 1984, the South Carolina State Legislature passed the Education Improvement Act (EIA) to upgrade the quality of education in South Carolina. Because of the categorical nature of the funding, the State requires that revenues and expenditures be accounted for in a separate fund. Accordingly, the EIA Fund is reported as a Special Revenue Fund.

The Food Service Fund is used to account for the USDA's approved school breakfast and lunch programs.

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Horry County Schools

Comparative Balance Sheets - Special Projects

As of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Due from federal government	\$ 5,972,703	\$ 7,715,345
Due from other governmental units, net	18,314	63
Other receivables	74,513	108,941
Prepaid expenses	27,919	20,210
Total assets	<u>\$ 6,093,449</u>	<u>\$ 7,844,559</u>
Liabilities		
Accounts payable	\$ 382,518	\$ 1,972,305
Accrued salaries	1,624,289	1,525,719
Accrued payroll related liabilities	738,818	666,841
Due to state government, net	158,789	187,436
Unearned revenue	1,706,507	1,789,909
Total liabilities	<u>4,610,921</u>	<u>6,142,210</u>
Fund balances		
Non-spendable	27,919	20,210
Restricted	1,454,609	1,682,139
Total fund balances	<u>1,482,528</u>	<u>1,702,349</u>
Total liabilities and fund balances	<u>\$ 6,093,449</u>	<u>\$ 7,844,559</u>

Horry County Schools

Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances - Special Projects Fund For the years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Local sources	\$ 4,117,149	\$ 3,926,330
State sources	6,102,602	8,104,463
Federal sources	28,403,653	27,432,984
Total revenues	<u>38,623,404</u>	<u>39,463,777</u>
Expenditures		
Instruction	22,340,300	23,757,682
Support services	9,060,495	9,118,335
Community services	1,723,484	1,689,263
Intergovernmental	3,735,026	3,835,020
Capital outlay	1,337,234	246,234
Total expenditures	<u>38,196,539</u>	<u>38,646,534</u>
Excess of revenues over expenditures	<u>426,865</u>	<u>817,243</u>
Other financing uses		
Transfers out	(646,686)	(904,243)
Total other financing uses	<u>(646,686)</u>	<u>(904,243)</u>
Net change in fund balance	(219,821)	(87,000)
Fund balance, beginning of year	<u>1,702,349</u>	<u>1,789,349</u>
Fund balance, end of year	<u>\$ 1,482,528</u>	<u>\$ 1,702,349</u>

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2019*

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
Revenues								
1000 Revenue from local sources								
1300 Tuition								
1350 From patrons for summer school	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,940	\$ 11,940
1700 Pupil activities								
1740 Student fees	-	-	-	-	-	-	562,918	562,918
1900 Other revenue from local sources								
1910 Rentals	-	-	-	-	-	-	11,639	11,639
1920 Contributions and donations from private sources	-	-	-	-	-	-	94,168	94,168
1950 Refund of prior year's expenditures	-	-	-	-	-	-	5,670	5,670
1990 Miscellaneous local revenue								
1994 Receipt of legal settlements	-	-	-	-	-	-	513	513
1999 Revenue from other local sources	-	-	-	-	-	-	3,430,301	3,430,301
Total local sources	-	-	-	-	-	-	4,117,149	4,117,149
3000 Revenue from state sources								
3100 Restricted state funding								
3110 Occupational education								
3113 12-month agriculture program	-	-	-	-	-	-	69,907	69,907
3118 EEDA career specialists	-	-	-	-	-	1,208,648	-	1,208,648
3120 General education								
3127 Student health and fitness - pe teachers	-	-	-	-	-	320,190	-	320,190
3130 Special programs								
3136 Student health and fitness - nurses	-	-	-	-	-	843,804	-	843,804
3156 Adult education	-	-	-	-	-	6,077	-	6,077
3190 Miscellaneous restricted state grants								
3193 Education license plates	-	-	-	-	-	6,246	-	6,246
3199 Other restricted state grants	-	-	-	-	-	-	2,647	2,647
3900 Other state revenue								
3994 PEBA nonemployer contributions	-	-	-	-	-	3,275,535	-	3,275,535
3999 Revenue from other state sources	-	-	-	-	-	367,505	2,043	369,548
Total state sources	-	-	-	-	-	6,028,005	74,597	6,102,602

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2019*

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
Revenues, continued								
4000 Revenue from federal sources								
4200 Occupational education								
4210 Perkins aid, Title I - career and technical education - basic grants to states	-	-	-	735,969	-	-	-	735,969
4300 Elementary and secondary education act of 1965 (ESEA)								
4310 Title I, basic state grant programs	15,620,918	-	-	-	-	-	687,713	16,308,631
4341 Language instruction for limited English proficient and immigrant students, Title III	-	-	-	-	-	-	283,118	283,118
4351 Improving teacher quality	-	-	-	-	-	-	995,782	995,782
4400 Adult education								
4410 Basic, adult education	-	-	-	-	360,983	-	-	360,983
4430 State literacy resource	-	-	-	-	32,400	-	-	32,400
4500 Programs for children with disabilities								
4510 Individuals with disabilities education act (IDEA)	-	8,763,377	-	-	-	-	191,554	8,954,931
4520 Preschool grants for children with disabilities (IDEA)	-	-	333,335	-	-	-	-	333,335
4990 Other federal revenue								
4997 Title IV - SSAE	-	-	-	-	-	-	398,504	398,504
Total federal sources	15,620,918	8,763,377	333,335	735,969	393,383	-	2,556,671	28,403,653
Total revenues all sources	\$ 15,620,918	\$ 8,763,377	\$ 333,335	\$ 735,969	\$ 393,383	\$ 6,028,005	\$ 6,748,417	\$ 38,623,404
Expenditures								
100 Instruction								
110 General instruction								
111 Kindergarten programs								
100 Salaries	\$ 17,547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 621	\$ 18,168
200 Employee benefits	12,254	-	-	-	-	-	120	12,374
400 Supplies and materials	-	-	-	-	-	-	1,889	1,889
112 Primary programs								
100 Salaries	1,360,850	-	-	-	-	218,405	80,331	1,659,586
200 Employee benefits	516,380	-	-	-	-	61,721	18,650	596,751
300 Purchased services	16,991	-	-	-	-	-	-	16,991
400 Supplies and materials	615,912	-	-	-	-	-	14,499	630,411
500 Capital outlay	6,528	-	-	-	-	-	1,377	7,905
113 Elementary programs								
100 Salaries	1,243,211	-	-	-	-	26,209	52,502	1,321,922
200 Employee benefits	505,143	-	-	-	-	7,407	22,046	534,596
300 Purchased services	6,758	-	-	-	-	-	102,894	109,652
400 Supplies and materials	283,449	-	-	-	-	6,246	37,912	327,607
114 High school programs								
100 Salaries	104,992	-	-	-	-	-	6,513	111,505
200 Employee benefits	32,314	-	-	-	-	-	1,254	33,568
400 Supplies and materials	21,484	-	-	-	-	-	5,384	26,868
500 Capital outlay	-	-	-	-	-	-	710,600	710,600

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2019*

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
Expenditures, continued								
100 Instruction, continued								
110 General instruction, continued								
115 Career and technology education programs								
100 Salaries	-	-	-	-	-	-	54,505	54,505
200 Employee benefits	-	-	-	-	-	-	15,402	15,402
300 Purchased services	-	-	-	4,594	-	-	4,893	9,487
400 Supplies and materials	-	-	-	152,659	-	-	74,856	227,515
500 Capital outlay	-	-	-	141,578	-	-	5,749	147,327
600 Other objects	-	-	-	-	-	-	5,762	5,762
120 Exceptional programs								
122 Trainable mentally handicapped								
100 Salaries	-	909,835	-	-	-	-	-	909,835
200 Employee benefits	-	386,964	-	-	-	-	-	386,964
300 Purchased services	-	-	-	-	-	-	6,367	6,367
400 Supplies and materials	-	342	-	-	-	-	2,172	2,514
123 Orthopedically handicapped								
100 Salaries	-	4,007	-	-	-	-	-	4,007
200 Employee benefits	-	1,120	-	-	-	-	-	1,120
400 Supplies and materials	-	18,675	-	-	-	-	-	18,675
124 Visually handicapped								
100 Salaries	-	197,346	-	-	-	-	-	197,346
200 Employee benefits	-	72,793	-	-	-	-	-	72,793
400 Supplies and materials	-	910	-	-	-	-	-	910
125 Hearing handicapped								
100 Salaries	-	409,231	-	-	-	-	-	409,231
200 Employee benefits	-	176,432	-	-	-	-	-	176,432
300 Purchased services	-	1,345	-	-	-	-	-	1,345
400 Supplies and materials	-	21,695	-	-	-	-	-	21,695
126 Speech handicapped								
100 Salaries	-	274,605	-	-	-	-	-	274,605
200 Employee benefits	-	112,513	-	-	-	-	-	112,513
300 Purchased services	-	73,213	-	-	-	-	-	73,213
127 Learning disabilities								
100 Salaries	-	1,724,815	-	-	-	-	29,386	1,754,201
200 Employee benefits	-	814,144	-	-	-	-	8,237	822,381
300 Purchased services	-	1,644	-	-	-	-	87,525	89,169
400 Supplies and materials	-	67,700	-	-	-	-	20,708	88,408
600 Other objects	-	-	-	-	-	-	55	55
128 Emotionally handicapped								
100 Salaries	-	194,718	-	-	-	-	-	194,718
200 Employee benefits	-	87,475	-	-	-	-	-	87,475
129 Coordinated early intervening services (CEIS)								
400 Supplies and materials	-	-	-	-	-	-	842	842

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2019*

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
Expenditures, continued								
100 Instruction, continued								
130 Preschool programs								
137 Preschool handicapped-self-contained (3 & 4 year olds)								
100 Salaries	-	243,188	207,915	-	-	-	-	451,103
200 Employee benefits	-	94,877	96,465	-	-	-	-	191,342
300 Purchased services	-	-	1,041	-	-	-	-	1,041
400 Supplies and materials	-	9,075	20,035	-	-	-	-	29,110
139 Early childhood programs								
100 Salaries	4,192,722	-	-	-	-	-	35	4,192,757
200 Employee benefits	1,959,861	-	-	-	-	-	10	1,959,871
400 Supplies and materials	-	-	-	-	-	-	2,453	2,453
140 Special programs								
149 Other special programs								
100 Salaries	1,400,579	105,504	-	-	-	-	-	1,506,083
200 Employee benefits	593,640	65,110	-	-	-	-	-	658,750
300 Purchased services	-	-	-	-	-	-	6,531	6,531
400 Supplies and materials	-	16,356	-	-	-	-	19,589	35,945
160 Other exceptional programs								
161 Autism								
100 Salaries	-	84,983	-	-	-	-	-	84,983
200 Employee benefits	-	42,718	-	-	-	-	-	42,718
300 Purchased services	-	-	-	-	-	-	53,298	53,298
400 Supplies and materials	-	-	-	-	-	-	1,181	1,181
170 Summer school program								
171 Primary summer school								
100 Salaries	-	-	-	-	-	-	7,886	7,886
200 Employee benefits	-	-	-	-	-	-	1,803	1,803
400 Supplies and materials	-	-	-	-	-	-	731	731
172 Elementary summer school								
100 Salaries	-	-	-	-	-	-	2,594	2,594
200 Employee benefits	-	-	-	-	-	-	741	741
173 High school summer school								
100 Salaries	-	-	-	-	-	-	6,098	6,098
200 Employee benefits	-	-	-	-	-	-	1,736	1,736
175 Instructional programs beyond regular school day								
100 Salaries	67,603	-	-	-	-	-	295,614	363,217
200 Employee benefits	18,883	-	-	-	-	-	82,472	101,355
400 Supplies and materials	2,801	-	-	-	-	-	6,232	9,033
180 Adult/continuing educational programs								
181 Adult basic education programs								
100 Salaries	-	-	-	-	94,978	-	-	94,978
200 Employee benefits	-	-	-	-	24,822	-	-	24,822
400 Supplies and materials	-	-	-	-	17,106	-	1,000	18,106
182 Adult secondary education programs								
100 Salaries	-	-	-	-	-	361	-	361
200 Employee benefits	-	-	-	-	-	102	-	102
400 Supplies and materials	-	-	-	-	-	3,422	-	3,422
183 Adult English literacy (esl)								
100 Salaries	-	-	-	-	193,201	-	-	193,201
200 Employee benefits	-	-	-	-	41,162	-	-	41,162
400 Supplies and materials	-	-	-	-	10,448	-	-	10,448

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2019*

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
Expenditures, continued								
100 Instruction, continued								
180 Adult/continuing educational programs, continued								
188 Parenting/family literacy								
100 Salaries	443,317	-	-	-	-	-	-	443,317
200 Employee benefits	229,071	-	-	-	-	-	-	229,071
300 Purchased services	29,918	-	-	-	-	-	-	29,918
400 Supplies and materials	109,681	-	-	-	-	-	7,468	117,149
600 Other objects	300	-	-	-	-	-	210	510
Total instruction	<u>13,792,189</u>	<u>6,213,333</u>	<u>325,456</u>	<u>298,831</u>	<u>381,717</u>	<u>323,873</u>	<u>1,870,733</u>	<u>23,206,132</u>
200 Support services								
210 Pupil services								
212 Guidance services								
100 Salaries	44,442	-	-	-	-	876,326	-	920,768
200 Employee benefits	17,196	-	-	-	-	332,322	-	349,518
400 Supplies and materials	-	-	-	-	-	-	534	534
213 Health services								
100 Salaries	-	-	-	-	-	556,717	-	556,717
200 Employee benefits	-	-	-	-	-	257,990	-	257,990
400 Supplies and materials	-	-	-	-	-	-	44,642	44,642
214 Psychological services								
100 Salaries	-	149,286	-	-	-	-	-	149,286
200 Employee benefits	-	62,877	-	-	-	-	-	62,877
400 Supplies and materials	-	8,112	-	-	-	-	-	8,112
215 Exceptional program services								
100 Salaries	-	50,400	-	-	-	-	-	50,400
200 Employee benefits	-	27,213	-	-	-	-	-	27,213
600 Other objects	-	8,602	-	-	-	-	-	8,602
217 Career specialist services								
100 Salaries	57,263	-	-	-	-	-	-	57,263
200 Employee benefits	21,053	-	-	-	-	-	-	21,053
220 Instructional staff services								
221 Improvement of instruction curriculum development								
100 Salaries	12,345	970,825	-	-	-	-	-	983,170
200 Employee benefits	3,455	355,922	-	-	-	-	-	359,377
300 Purchased services	-	360	-	-	-	-	-	360
222 Library and media services								
100 Salaries	-	-	-	-	-	-	1,520	1,520
200 Employee benefits	-	-	-	-	-	-	429	429
300 Purchased services	-	-	-	-	-	-	170	170
400 Supplies and materials	-	-	-	-	-	-	29,992	29,992
600 Other objects	-	-	-	-	-	-	50	50
223 Supervision of special programs								
100 Salaries	334,452	296,744	-	66,784	-	243,873	-	941,853
200 Employee benefits	122,089	132,471	-	23,672	-	112,011	-	390,243
300 Purchased services	6,905	-	-	3,560	-	1,382	-	11,847
400 Supplies and materials	15,982	-	130	-	-	-	-	16,112
500 Capital outlay	1,053	-	-	-	-	-	-	1,053

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2019*

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
Expenditures, continued								
200 Support services, continued								
220 Instructional staff services, continued								
224 Improvement of instruction inservice and staff training								
100 Salaries	67,585	17,775	-	-	-	-	239,356	324,716
200 Employee benefits	19,175	5,145	-	-	-	-	82,546	106,866
300 Purchased services	192,722	96,945	-	39,870	2,521	810	1,176,554	1,509,422
400 Supplies and materials	4,904	10,648	-	-	-	-	113,951	129,503
230 General administration services								
233 School administration								
100 Salaries	-	-	-	-	-	-	13,827	13,827
200 Employee benefits	-	-	-	-	-	-	1,703	1,703
400 Supplies and materials	-	-	-	-	-	-	1,343	1,343
250 Finance and operations services								
251 Student transportation (federal/district mandated)								
100 Salaries	14,915	17,179	-	-	-	-	26,752	58,846
200 Employee benefits	4,068	4,673	-	-	-	-	7,332	16,073
300 Purchased services	5,851	-	-	-	-	-	15,519	21,370
254 Operation and maintenance of plant								
100 Salaries	-	-	-	-	-	-	17,110	17,110
200 Employee benefits	-	-	-	-	-	-	4,807	4,807
300 Purchased services	-	-	-	-	-	-	18,714	18,714
400 Supplies and materials	-	-	-	-	-	-	17,758	17,758
255 Student transportation (state mandated)								
100 Salaries	-	-	-	-	-	-	1,044	1,044
200 Employee benefits	-	-	-	-	-	-	291	291
500 Capital outlay	-	-	-	-	-	-	169,155	169,155
256 Food services								
400 Supplies and materials	-	-	-	-	-	-	3,050	3,050
258 Security								
300 Purchased services	-	-	-	-	-	-	1,941	1,941
260 Central support services								
266 Technology and data processing services								
100 Salaries	67,200	-	-	-	-	-	45,809	113,009
200 Employee benefits	30,372	-	-	-	-	-	24,592	54,964
270 Support services pupil activity								
271 Pupil services activities								
100 Salaries (optional)	-	-	-	-	-	-	199,613	199,613
200 Employee benefits (optional)	-	-	-	-	-	-	54,593	54,593
300 Purchased services (optional)	-	-	-	-	-	-	77,743	77,743
400 Supplies and materials (optional)	-	-	-	-	-	-	702,873	702,873
500 Capital outlay	-	-	-	-	-	-	301,194	301,194
660 Pupil activity	9,296	-	-	278,860	-	-	71,062	359,218
Total support services	1,052,323	2,215,177	130	412,746	2,521	2,381,431	3,467,569	9,531,897

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2019*

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
Expenditures, continued								
300 Community services								
350 Custody and care of children services								
100 Salaries	-	-	-	-	-	-	1,075,668	1,075,668
200 Employee benefits	-	-	-	-	-	-	305,478	305,478
300 Purchased services	-	-	-	-	-	-	6,095	6,095
400 Supplies and materials	-	-	-	-	-	-	85,287	85,287
600 Other objects	-	-	-	-	-	-	4,021	4,021
360 Welfare services								
400 Supplies and materials	7,703	-	-	-	-	-	-	7,703
370 Non-public school services								
300 Purchased services	214,201	-	-	-	-	-	12,242	226,443
400 Supplies and materials	12,789	-	-	-	-	-	-	12,789
Total community services	<u>234,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,488,791</u>	<u>1,723,484</u>
400 Other charges								
410 Intergovernmental expenditures								
416 LEA payments to public charter schools								
720 Transits	183,008	130,173	-	10,574	-	35,545	100,191	459,491
419 Payments from nonemployer contributions								
720 Transits	-	-	-	-	-	3,275,535	-	3,275,535
Total intergovernmental expenditures	<u>183,008</u>	<u>130,173</u>	<u>-</u>	<u>10,574</u>	<u>-</u>	<u>3,311,080</u>	<u>100,191</u>	<u>3,735,026</u>
Total expenditures	<u>15,262,213</u>	<u>8,558,683</u>	<u>325,586</u>	<u>722,151</u>	<u>384,238</u>	<u>6,016,384</u>	<u>6,927,284</u>	<u>38,196,539</u>
Other financing uses								
Interfund transfers, from (to) other funds								
431-791 Special revenue fund indirect costs	(358,705)	(204,694)	(7,749)	(13,818)	(9,145)	(11,621)	(40,954)	(646,686)
Total other financing uses	<u>(358,705)</u>	<u>(204,694)</u>	<u>(7,749)</u>	<u>(13,818)</u>	<u>(9,145)</u>	<u>(11,621)</u>	<u>(40,954)</u>	<u>(646,686)</u>
Deficiency of revenues under expenditures and other financing uses								
	-	-	-	-	-	-	(219,821)	(219,821)
Fund balance - July 1, 2018								
	-	-	-	-	-	-	1,702,349	1,702,349
Fund balance - June 30, 2019								
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,482,528</u>	<u>\$ 1,482,528</u>

Horry County Schools

Summary Schedule for Designated State Restricted Grants - Special Projects Fund
For the year ended June 30, 2019

Subfund	Revenue Code	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
919	3193	Education License Plates	\$ 6,246	\$ 6,246	\$ -	\$ -	\$ -
928	3118	EEDA - Career Specialists	1,208,648	1,208,648	-	-	188,612
936	3136	Student Health and Fitness - Nurses	843,804	843,804	-	-	-
937	3127	Student and Health Fitness - PE Teachers	320,190	320,190	-	-	-
956	3156	Adult Education	6,077	6,077	-	-	17,691
970	3670	School Safety Upgrades	-	-	-	-	290,904
982	3999	First Steps - Director Salary	367,505	367,505	-	-	-
994	3994	PEBA Nonemployer contributions	3,275,535	3,275,535	-	-	-
			<u>\$ 6,028,005</u>	<u>\$ 6,028,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 497,207</u>

Horry County Schools

Summary Schedule of Other Special Revenue Programs - Special Projects Fund
For the year ended June 30, 2019

Subfund	Revenue Code	Program	Revenues				Expenditures	Transfers In (Out)	Unearned Revenue
			Local	State	Federal	Total			
210	4997	Title IV - SSAE	\$ -	\$ -	\$ 398,504	\$ 398,504	\$ 389,241	\$ (9,263)	\$ -
212	4510	Extended School Year Handicapped Services	-	-	45,179	45,179	45,179	-	125,366
221	4310	Title I, (Neglected and Delinquent)	-	-	137,589	137,589	134,390	(3,199)	-
222	4310	Title I, (Neglected and Delinquent) Carryover	-	-	22,633	22,633	22,107	(526)	-
238	4310	Title I School Improvement Mini Grant	-	-	112,548	112,548	112,548	-	-
240	4310	Title I Direct Student Services	-	-	414,943	414,943	414,943	-	-
264	4341	ESOL Title III	-	-	21,369	21,369	21,334	(35)	-
265	4341	ESOL Title III Carryover	-	-	261,749	261,749	256,617	(5,132)	-
266	4351	Title II Improving Teacher Quality Carryover	-	-	719,211	719,211	702,493	(16,718)	-
267	4351	Title II Supporting Effective Instruction	-	-	276,571	276,571	270,490	(6,081)	-
401	1999	ESOL Afterschool Program	14,963	-	-	14,963	14,963	-	242
410	1740/1950/1999	PDL Device Repair Fund	708,577	-	-	708,577	708,577	-	302,450
412	1999	Walmart Grant	496	-	-	496	496	-	505
413	1999	United Way	10,420	-	-	10,420	10,420	-	11,880
416	1999	Nursing Program	3,505	-	-	3,505	3,505	-	8,238
432	1999	After School Childcare	2,107,345	-	-	2,107,345	2,107,345	-	-
433	1999	After School Childcare Summer	38,956	-	-	38,956	38,956	-	-
434	1994	After School Childcare Carryover	513	-	-	513	220,334	-	-
445	1999	FuelUp to Play60	3,050	-	-	3,050	3,050	-	-
451	1999	Champions Grant	421	-	-	421	421	-	402
453	1999	Exxon Mobile Grant	5,574	-	-	5,574	5,574	-	2,479
457	1999	Bright Ideas Grant	10,884	-	-	10,884	10,884	-	-
469	1999	Toomey's Kids	23,219	-	-	23,219	23,219	-	-
470	1999	Miscellaneous Grants	72,790	-	-	72,790	72,790	-	10,816
471	1999	Knights of Columbus	13,232	-	-	13,232	13,232	-	6,060
472	1920	Santee Cooper	94,168	-	-	94,168	94,168	-	98,414
480	1999	Waves of the Future Grant	17,992	-	-	17,992	17,992	-	16,346
483	1999	Tanger Grant	700	-	-	700	700	-	5,966
490	1999	HCS Activity Bus	938,676	-	-	938,676	938,676	-	582,373
491	1999	Gap Foundation Grant	250	-	-	250	250	-	-
495	1999	FFA Grant for Growing	492	-	-	492	492	-	8,297
496	1350	Attendance School Fees	5,530	-	-	5,530	5,530	-	-
497	1910/1999	Myrtle Beach Auditorium	38,936	-	-	38,936	38,936	-	26,216
498	1350/1740	Middle School Summer Program	3,335	-	-	3,335	3,335	-	-
499	1350	High School Summer Program	3,125	-	-	3,125	3,125	-	-
528	3999	12 Month Agriculture Program	-	69,907	-	69,907	69,907	-	-
551	3999	Recycling Grants - DHEC	-	1,365	-	1,365	1,365	-	135
561	3199	Profound Mentally Disabled	-	2,647	-	2,647	2,647	-	-
571	3999	Winthrop Pro Team Grant	-	678	-	678	678	-	1,072
603	4510	IDEA Private Placement	-	-	146,375	146,375	146,375	-	-
604	N/A	Youth Risk Behav/Tobacco Surv	-	-	-	-	-	-	2,040
			<u>\$ 4,117,149</u>	<u>\$ 74,597</u>	<u>\$ 2,556,671</u>	<u>\$ 6,748,417</u>	<u>\$ 6,927,284</u>	<u>\$ (40,954)</u>	<u>\$ 1,209,297</u>

Horry County Schools

Comparative Balance Sheets - Special Revenue Fund - Education Improvement Act Fund As of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 9,260,484	\$ 10,125,511
Due from state government, net	140,906	179,917
Other receivables	1,732	584
Other assets	18,554	13,208
Total assets	<u>\$ 9,421,676</u>	<u>\$ 10,319,220</u>
Liabilities		
Accounts payable	\$ 852,130	\$ 444,061
Accrued salaries	1,347,382	1,123,773
Accrued payroll related liabilities	484,408	570,743
Unearned revenue	6,737,756	8,180,643
Total liabilities	<u>9,421,676</u>	<u>10,319,220</u>
Fund balances		
Restricted	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 9,421,676</u>	<u>\$ 10,319,220</u>

Horry County Schools

Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance

- Education Improvement Act Fund

For the years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
State sources	\$ 30,400,428	\$ 28,195,597
Total revenues	<u>30,400,428</u>	<u>28,195,597</u>
Expenditures		
Instruction	13,774,428	13,495,462
Support services	3,816,474	4,614,140
Payment to public charter schools	669,773	525,209
Capital outlay	475,940	182,403
Total expenditures	<u>18,736,615</u>	<u>18,817,214</u>
Excess of revenues over expenditures	<u>11,663,813</u>	<u>9,378,383</u>
Other financing uses		
Transfers out	<u>(11,663,813)</u>	<u>(9,378,383)</u>
Total other financing uses	<u>(11,663,813)</u>	<u>(9,378,383)</u>
Net change in fund balance	-	-
Fund Balance, beginning of year	-	-
Fund Balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs - Education Improvement Act Fund
For the year ended June 30, 2019

Revenues

3000	Revenue from state sources		
3500	Education improvement act		
3502	ADEPT	\$	44,485
3507	Aid to districts - technology		624,167
3509	Arts in education		123,959
3511	Professional development		154,045
3518	Formative assessment		259,512
3519	Grade 10 assessments		136,305
3526	Refurbishment of K-8 science kits		127,807
3528	Industry certificates		40,819
3529	Career and technology education		846,378
3532	National board salary supplement		2,565,959
3533	Teacher of the year awards		1,077
3535	Reading coaches		1,526,300
3538	Students at risk of school failure		6,679,163
3540	Early childhood programs (4k programs serving four-year-old children)		2,434,270
3541	Child development education program (CDEP)		71,291
3550	Teacher salary increase		10,243,892
3555	Teacher salary fringe		2,101,432
3556	Adult education		624,882
3557	Summer reading program		323,723
3558	Reading		203,053
3571	State priority schools		150,000
3577	Teacher supplies		859,925
3595	EEDA - supplies and materials		103,336
3599	Other EIA		154,648
	Total revenues		<u>30,400,428</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs - Education Improvement Act Fund
For the year ended June 30, 2019

Expenditures

100	Instruction		
110	General instruction		
111	Kindergarten programs		
100	Salaries		46,882
200	Employee benefits		13,249
300	Purchased services		108,750
400	Supplies and materials		293,846
			<u>462,727</u>
112	Primary programs		
100	Salaries		631,528
200	Employee benefits		189,790
300	Purchased services		22,150
400	Supplies and materials		991,113
			<u>1,834,581</u>
113	Elementary programs		
100	Salaries		382,982
200	Employee benefits		107,970
300	Purchased services		1,089,503
400	Supplies and materials		745,296
500	Capital outlay		2,757
600	Other objects		600
			<u>2,329,108</u>
114	High school programs		
100	Salaries		645,049
200	Employee benefits		182,188
300	Purchased services		606,788
400	Supplies and materials		351,271
500	Capital outlay		2,266
600	Other objects		1,600
			<u>1,789,162</u>
115	Career and technology education programs		
100	Salaries		36,616
200	Employee benefits		10,348
300	Purchased services		5,157
400	Supplies and materials		394,322
500	Capital outlay		312,438
600	Other objects		200
			<u>759,081</u>
	Total general instruction		<u>7,174,659</u>
120	Exceptional programs		
122	Trainable mentally handicapped		
100	Salaries		37,500
200	Employee benefits		10,598
400	Supplies and materials		12,100
			<u>60,198</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs - Education Improvement Act Fund
For the year ended June 30, 2019

Expenditures, Continued

100	Instruction, continued		
124	Visually handicapped		
100	Salaries		35,333
200	Employee benefits		14,812
400	Supplies and materials		825
			<u>50,970</u>
125	Hearing handicapped		
400	Supplies and materials		1,925
			<u>1,925</u>
126	Speech handicapped		
100	Salaries		146,041
200	Employee benefits		56,178
400	Supplies and materials		13,475
			<u>215,694</u>
127	Learning disabilities		
100	Salaries		462,518
200	Employee benefits		236,028
400	Supplies and materials		114,578
			<u>813,124</u>
128	Emotionally handicapped		
400	Supplies and materials		6,325
			<u>6,325</u>
129	Coordinated early intervening services (CEIS)		
100	Salaries		54,982
200	Employee benefits		18,492
400	Supplies and materials		14,506
			<u>87,980</u>
	Total exceptional programs		<u>1,236,216</u>
130	Preschool programs		
137	Pre-school handicapped-self-contained (3 & 4 year olds)		
100	Salaries		7,500
200	Employee benefits		2,120
400	Supplies and materials		7,150
			<u>16,770</u>
139	Early childhood programs		
100	Salaries		32,987
200	Employee benefits		8,872
300	Purchased services		68,218
400	Supplies and materials		428,078
			<u>538,155</u>
	Total preschool programs		<u>554,925</u>
140	Special programs		
141	Gifted and talented academic		
100	Salaries		89,201
200	Employee benefits		25,208
400	Supplies and materials		22,894
			<u>137,303</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs - Education Improvement Act Fund
For the year ended June 30, 2019

Expenditures, Continued

100	Instruction, continued		
149	Other special programs		
100	Salaries		2,608,994
200	Employee benefits		1,094,593
400	Supplies and materials		24,475
			<u>3,728,062</u>
	Total specific programs		<u>3,865,365</u>
170	Summer school programs		
171	Primary summer school		
200	Employee benefits		88
			<u>88</u>
172	Elementary summer school		
100	Salaries		279,484
200	Employee benefits		81,526
300	Purchased services		260
400	Supplies and materials		46,170
			<u>407,440</u>
173	High school summer school		
100	Salaries		4,403
200	Employee benefits		1,343
400	Supplies and materials		207
			<u>5,953</u>
175	Instructional programs beyond regular school day		
100	Salaries		266,308
200	Employee benefits		74,447
400	Supplies and materials		814
			<u>341,569</u>
	Total summer school programs		<u>755,050</u>
180	Adult/continuing education programs		
181	Adult basic education programs		
100	Salaries		133,403
200	Employee benefits		34,594
400	Supplies and materials		2,167
			<u>170,164</u>
182	Adult secondary education programs		
100	Salaries		62,002
200	Employee benefits		22,864
400	Supplies and materials		19,022
500	Capital outlay		2,003
			<u>105,891</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs - Education Improvement Act Fund
For the year ended June 30, 2019

Expenditures, Continued

100	Instruction, continued		
188	Parenting/family literacy		
100	Salaries		147,590
200	Employee benefits		53,970
300	Purchased services		6,540
400	Supplies and materials		23,522
			<u>231,622</u>
		Total adult/continuing education programs	<u>507,677</u>
		Total instruction	<u>14,093,892</u>
200	Support Services		
210	Pupil services		
212	Guidance services		
100	Salaries		138,791
200	Employee benefits		39,222
300	Purchased services		25,334
400	Supplies and materials		111,827
			<u>315,174</u>
213	Health services		
100	Salaries		52,430
200	Employee benefits		14,871
			<u>67,301</u>
216	Career and technical education placement services		
300	Purchased services		22,528
			<u>22,528</u>
		Total pupil services	<u>405,003</u>
220	Instructional staff services		
221	Improvement of instruction curriculum development		
100	Salaries		1,040,718
200	Employee benefits		434,328
			<u>1,475,046</u>
222	Library and media services		
100	Salaries		65,000
200	Employee benefits		18,369
400	Supplies and materials		14,300
			<u>97,669</u>
223	Supervision of special programs		
100	Salaries		311,133
200	Employee benefits		110,570
300	Purchased services		76,734
400	Supplies and materials		998
500	Capital outlay		1,828
			<u>501,263</u>
224	Improvement of instruction inservice and staff training		
100	Salaries		153,575
200	Employee benefits		42,985
300	Purchased services		453,985
400	Supplies and materials		103,868
			<u>754,413</u>
		Total instructional staff services	<u>2,828,391</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs - Education Improvement Act Fund
For the year ended June 30, 2019

Expenditures, Continued

200	Support services, continued		
230	General administrative services		
233	School administration		
100	Salaries		47,086
200	Employee benefits		13,802
			<u>60,888</u>
	Total general administrative services		<u>60,888</u>
250	Finance and operations services		
255	Student transportation (state mandated)		
100	Salaries		257,189
200	Employee benefits		74,496
300	Purchased services		12,348
			<u>344,033</u>
	Total finance and operations services		<u>344,033</u>
260	Central support services		
266	Technology and data processing services		
400	Supplies and materials		141,875
500	Capital outlay		154,648
			<u>296,523</u>
	Total central support services		<u>296,523</u>
270	Support services - pupil activity		
271	Pupil service activities		
400	Supplies and materials		275
600	Other objects		37,837
			<u>38,112</u>
	Total support services - pupil activity		<u>38,112</u>
	Total support services		<u>3,972,950</u>
400	Other charges		
410	Intergovernmental expenditures		
416	LEA payments to public charter schools		
720	Transits		669,773
	Total intergovernmental expenditures		<u>669,773</u>
	Total expenditures		<u>18,736,615</u>
	Excess of revenues over expenditures		<u>11,663,813</u>
	Other financing uses		
420-710	Transfer to general fund		(11,663,813)
	Total other financing uses		<u>(11,663,813)</u>
	Excess of revenues and other financing sources over expenditures and other financing uses		-
	Fund balance, beginning of year		-
	Fund balance, end of year		<u>\$ -</u>

Horry County Schools

Summary Schedule by Program - Education Improvement Act Fund

For the year ended June 30, 2019

Program		Revenues	Expenditures	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500	Education improvement act				
3502	ADEPT	\$ 44,485	\$ 44,485	\$ -	\$ 46,759
3507	Aid to districts - technology	624,167	624,167	-	-
3509	Arts in education	123,959	123,959	-	3,159
3511	Professional development	154,045	154,045	-	-
3518	Formative assessment	259,512	259,512	-	139,298
3519	Grade 10 assessments	136,305	136,305	-	12,224
3526	Refurbishment of K-8 science kits	127,807	127,807	-	7,371
3528	Industry certificates	40,819	40,819	-	33,600
3529	Career and technology education	846,378	846,378	-	266,023
3532	National board salary supplement	2,565,959	2,565,959	-	-
3533	Teacher of the year awards	1,077	1,077	-	-
3535	Reading coaches	1,526,300	1,526,300	-	-
3538	Students at risk of school failure	6,679,163	6,679,163	-	2,730,887
3540	Early childhood programs (4k programs serving four-year-old children)	2,434,270	2,434,270	-	910,819
3541	Child development education program (CDEP)	71,291	71,291	-	-
3550	Teacher salary increase	10,243,892	531,413	9,712,479	-
3555	Teacher salary fringe	2,101,432	150,098	1,951,334	-
3556	Adult education	624,882	624,882	-	96,574
3557	Summer reading program	323,723	323,723	-	91,109
3558	Reading	203,053	203,053	-	-
3571	State priority schools	150,000	150,000	-	220,000
3577	Teacher supplies	859,925	859,925	-	-
3595	EEDA - supplies and materials	103,336	103,336	-	48,398
3599	Other EIA	154,648	154,648	-	2,131,535
		<u>\$ 30,400,428</u>	<u>\$ 18,736,615</u>	<u>\$ 11,663,813</u>	<u>\$ 6,737,756</u>

Horry County Schools**Balance Sheet - School Food Service Fund****As of June 30, 2019****Assets**

Cash and cash equivalents	\$	7,980,355
Due from federal government		79,774
Inventories		336,522
Other receivables		66,404
Total assets	\$	<u>8,463,055</u>

Liabilities

Accounts payable	\$	176,642
Accrued salaries		774,905
Accrued payroll related liabilities		438,737
Unearned revenue		178,983
Total liabilities		<u>1,569,267</u>

Fund balances

Non-spendable		336,522
Restricted		6,557,266
Total fund balances		<u>6,893,788</u>
Total liabilities and fund balances	\$	<u>8,463,055</u>

Horry County Schools

Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - School Food Service Fund For the year ended June 30, 2019

Revenues

Local sources	\$ 4,229,939
Federal sources	16,706,156
Total revenues	<u>20,936,095</u>

Expenditures

Support services	20,131,364
Intergovernmental	150,467
Capital outlay	121,878
Total expenditures	<u>20,403,709</u>

Excess of revenues over expenditures	<u>532,386</u>
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Other financing sources (uses)

Interfund transfers from (to) other funds:	
Transfers in	672,083
Transfers out	(790,909)
Total other financial sources (uses)	<u>(118,826)</u>

Net change in fund balance	413,560
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Fund balance, beginning of year as originally stated	(21,119,167)
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Change in accounting principle - see Note 14	27,599,395
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Fund balance, beginning of year as restated	<u>6,480,228</u>
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Fund balance, end of year	<u>\$ 6,893,788</u>
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Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - School Food Service Fund
For the year ended June 30, 2019

		Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
1000	Revenue from local sources			
1500	Earnings on investments			
1510	Interest on investments	\$ 10,000	\$ 112,925	\$ 102,925
1600	Food services			
1610	Lunch sales to pupils	3,094,418	3,076,053	(18,365)
1620	Breakfast sales to pupils	11,200	6,345	(4,855)
1630	Special sales to pupils	687,400	482,741	(204,659)
1640	Lunch sales to adults	486,269	434,909	(51,360)
1650	Breakfast sales to adults	3,735	1,271	(2,464)
1660	Special sales to adults	59,550	34,872	(24,678)
1900	Other revenue from local sources			
1990	Miscellaneous local revenue			
1999	Revenue from other local sources	115,310	80,823	(34,487)
	Total revenue from local sources	<u>4,467,882</u>	<u>4,229,939</u>	<u>(237,943)</u>
3000	Revenue from state sources			
3100	Restricted state funding			
3140	School lunch			
3142	Program aid	15,500	-	(15,500)
	Total revenue from state sources	<u>15,500</u>	<u>-</u>	<u>(15,500)</u>
4000	Revenue from federal sources			
4800	USDA reimbursement			
4810	School lunch and after school snacks program	11,458,646	10,955,487	(503,159)
4830	School breakfast program	4,906,325	4,456,897	(449,428)
4870	School food service (equipment)	63,163	20,161	(43,002)
4880	Summer feeding programs (SFSP)	93,950	121,627	27,677
4900	Other federal sources			
4991	USDA commodities (food distribution program)	-	1,151,984	1,151,984
	Total revenue from federal sources	<u>16,522,084</u>	<u>16,706,156</u>	<u>184,072</u>
	Total revenues	<u>21,005,466</u>	<u>20,936,095</u>	<u>(69,371)</u>
Expenditures				
250	Finance and operations services			
256	Food Services			
100	Salaries	7,597,466	7,203,554	393,912
140	Terminal leave	-	1,805	(1,805)
200	Employee benefits	4,158,675	3,841,242	317,433
300	Purchased services	160,750	110,822	49,928
400	Supplies and materials	8,144,700	8,950,602	(805,902)
500	Capital outlay	468,663	121,878	346,785
600	Other objects	32,000	23,339	8,661
	Total support services	<u>20,562,254</u>	<u>20,253,242</u>	<u>309,012</u>
400	Other Charges			
410	Intergovernmental expenditures			
416	LEA payments to public charter schools			
720	Transits	-	150,467	(150,467)
	Total intergovernmental expenditures	<u>-</u>	<u>150,467</u>	<u>(150,467)</u>
	Total expenditures	<u>20,562,254</u>	<u>20,403,709</u>	<u>158,545</u>
Other financing sources (uses)				
Interfund transfers, from (to) other funds				
5210	Transfer from general fund	747,822	607,611	(140,211)
5250	Transfer from capital projects fund	-	64,472	64,472
432-791	Food service fund indirect costs	(1,229,972)	(790,909)	439,063
	Total other financing sources (uses)	<u>(482,150)</u>	<u>(118,826)</u>	<u>363,324</u>
	Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ (38,938)</u>	413,560	<u>\$ 452,498</u>
	Fund balance, beginning of year as originally stated		(21,119,167)	
	Change in accounting principle - see Note 14		27,599,395	
	Fund balance, beginning of year as restated		6,480,228	
	Fund balance, end of year		<u>\$ 6,893,788</u>	

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DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for and payment of interest and principal on long-term general obligation debt. Sources of funds used for payments include tax proceeds and earnings on temporary investments.

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Horry County Schools**Comparative Balance Sheets - Debt Service Fund****As of June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 46,195,256	\$ 54,320,990
Property tax receivable, net	1,665,804	1,758,010
Due from other governmental units	6,052,080	106,054
Total assets	<u>\$ 53,913,140</u>	<u>\$ 56,185,054</u>
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>
Deferred inflows of resources		
Unavailable revenue - property taxes	1,541,021	1,633,239
Total deferred inflows of resources	<u>1,541,021</u>	<u>1,633,239</u>
Fund balances		
Restricted for debt service	52,372,119	54,551,815
Total fund balances	<u>52,372,119</u>	<u>54,551,815</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 53,913,140</u>	<u>\$ 56,185,054</u>

Horry County Schools**Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Debt Service Fund
For the years ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Revenues		
Local sources	\$ 88,599,143	\$ 84,614,861
State sources	899,480	967,083
Total revenues	<u>89,498,623</u>	<u>85,581,944</u>
Expenditures		
Debt service	62,878,319	38,655,969
Total expenditures	<u>62,878,319</u>	<u>38,655,969</u>
Excess of revenues over expenditures	<u>26,620,304</u>	<u>46,925,975</u>
Other financing sources (uses)		
Interfund transfers from (to) other funds:		
Transfers out	(28,800,000)	(24,300,000)
Total other financial sources (uses)	<u>(28,800,000)</u>	<u>(24,300,000)</u>
Net change in fund balance	(2,179,696)	22,625,975
Fund balance, beginning of year	<u>54,551,815</u>	<u>31,925,840</u>
Fund balance, end of year	<u>\$ 52,372,119</u>	<u>\$ 54,551,815</u>

Horry County Schools**Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund
For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Local sources	\$ 86,652,510	\$ 86,652,510	\$ 88,599,143	\$ 1,946,633
State sources	913,335	913,335	899,480	(13,855)
Total revenues	<u>87,565,845</u>	<u>87,565,845</u>	<u>89,498,623</u>	<u>1,932,778</u>
Expenditures				
Debt service	62,889,508	62,889,508	62,878,319	11,189
Total expenditures	<u>62,889,508</u>	<u>62,889,508</u>	<u>62,878,319</u>	<u>11,189</u>
Excess of revenues over expenditures	<u>24,676,337</u>	<u>24,676,337</u>	<u>26,620,304</u>	<u>1,943,967</u>
Other financing sources (uses)				
Interfund transfers from (to) other funds:				
Transfers out	(27,200,000)	(27,200,000)	(28,800,000)	(1,600,000)
Total other financial sources (uses)	<u>(27,200,000)</u>	<u>(27,200,000)</u>	<u>(28,800,000)</u>	<u>(1,600,000)</u>
Net change in fund balance	<u>\$ (2,523,663)</u>	<u>\$ (2,523,663)</u>	<u>(2,179,696)</u>	<u>\$ 343,967</u>
Fund balance, beginning of year			<u>54,551,815</u>	
Fund balance, end of year			<u>\$ 52,372,119</u>	

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund
For the year ended June 30, 2019**

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
1000 Revenue from local sources			
1100 Taxes levied/assessed by the LEA			
1110 Ad valorem taxes - including delinquent	\$ 21,195,493	\$ 21,588,621	\$ 393,128
1140 Penalties & interest on taxes	177,358	199,314	21,956
1190 Other taxes (independent)	64,252,420	64,919,163	666,743
1200 Revenue from local governmental units other than LEAs			
1280 Revenue in lieu of taxes	849,629	547,640	(301,989)
1500 Earnings on investments			
1510 Interest on investments	177,610	1,344,405	1,166,795
Total local sources	<u>86,652,510</u>	<u>88,599,143</u>	<u>1,946,633</u>
3000 Revenue from state sources			
3800 State revenue in lieu of taxes			
3820 Homestead exemption	598,698	653,855	55,157
3830 Merchant's inventory tax	201,985	168,155	(33,830)
3840 Manufacturers depreciation reimbursement	20,831	11,935	(8,896)
3890 Other state property tax revenues	91,821	65,535	(26,286)
Total state sources	<u>913,335</u>	<u>899,480</u>	<u>(13,855)</u>
Total revenue all sources	<u>87,565,845</u>	<u>89,498,623</u>	<u>1,932,778</u>
Expenditures			
500 Debt services			
610 Redemption of principal	42,895,000	42,895,000	-
620 Interest	19,973,952	19,973,950	2
690 Other objects	20,556	9,369	11,187
Total debt services	<u>62,889,508</u>	<u>62,878,319</u>	<u>11,189</u>
Total expenditures	<u>62,889,508</u>	<u>62,878,319</u>	<u>11,189</u>
Other financing uses			
Interfund transfers to other funds			
424-710 Transfer to capital projects fund	(27,200,000)	(28,800,000)	(1,600,000)
Total other financing uses	<u>(27,200,000)</u>	<u>(28,800,000)</u>	<u>(1,600,000)</u>
Deficiency of revenues under expenditures and other financing uses	<u>\$ (2,523,663)</u>	<u>(2,179,696)</u>	<u>\$ 343,967</u>
Fund balance, beginning of year		<u>54,551,815</u>	
Fund balance, end of year		<u>\$ 52,372,119</u>	

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for the receipt of proceeds from the sale of long-term general obligation bonds and other revenues for facilities acquisitions, construction and other capital outlay.

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Horry County Schools
Comparative Balance Sheets - Capital Projects Fund
As of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 44,906,267	\$ 57,223,845
Accounts receivable	67,502	-
Total assets	<u>\$ 44,973,769</u>	<u>\$ 57,223,845</u>
Liabilities		
Accounts payable	\$ 4,984,536	\$ 9,555,285
Accrued salaries and payroll liabilities	5,244	-
Retainage payable	711,604	4,974,002
Total liabilities	<u>5,701,384</u>	<u>14,529,287</u>
Fund balances		
Restricted for capital projects	39,272,385	42,694,558
Total fund balances	<u>39,272,385</u>	<u>42,694,558</u>
Total liabilities and fund balances	<u>\$ 44,973,769</u>	<u>\$ 57,223,845</u>

Horry County Schools**Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Capital Projects Fund
For the years ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Revenues		
Local sources	\$ 521,763	\$ 2,107,849
Intergovernmental revenue	1,055,872	621,531
State sources	-	375,000
Total revenues	<u>1,577,635</u>	<u>3,104,380</u>
Expenditures		
Instruction	56,223	960,985
Support services	6,524,698	10,508,396
Capital outlay	36,211,415	87,232,266
Total expenditures	<u>42,792,336</u>	<u>98,701,647</u>
Deficiency of revenues under expenditures	<u>(41,214,701)</u>	<u>(95,597,267)</u>
Other financing sources (uses)		
Sale of capital assets	57,000	5,000
Interfund transfers from (to) other funds:		
Transfers in	37,800,000	24,739,371
Transfers out	<u>(64,472)</u>	<u>(3,235,516)</u>
Total other financial sources (uses)	<u>37,792,528</u>	<u>21,508,855</u>
Net change in fund balance	(3,422,173)	(74,088,412)
Fund balance, beginning of year	<u>42,694,558</u>	<u>116,782,970</u>
Fund balance, end of year	<u>\$ 39,272,385</u>	<u>\$ 42,694,558</u>

Horry County Schools

*Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund
For the year ended June 30, 2019*

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Local sources	\$ 643,018	\$ 643,018	\$ 521,763	\$ (121,255)
Intergovernmental revenue	1,162,039	1,208,011	1,055,872	(152,139)
Total revenues	<u>1,805,057</u>	<u>1,851,029</u>	<u>1,577,635</u>	<u>(273,394)</u>
Expenditures				
Instruction	680,062	400,000	56,223	343,777
Support services	11,933,843	10,141,679	6,524,698	3,616,981
Capital outlay	60,548,718	62,556,472	36,211,415	26,345,057
Total expenditures	<u>73,162,623</u>	<u>73,098,151</u>	<u>42,792,336</u>	<u>30,305,815</u>
Deficiency of revenues under expenditures	<u>(71,357,566)</u>	<u>(71,247,122)</u>	<u>(41,214,701)</u>	<u>30,032,421</u>
Other financing sources (uses)				
Sale of capital assets	-	-	57,000	57,000
Transfer from general fund	-	-	9,000,000	9,000,000
Transfer from debt service fund	27,200,000	27,200,000	28,800,000	1,600,000
Transfer to food service fund	-	(64,472)	(64,472)	-
Total other financial sources (uses)	<u>27,200,000</u>	<u>27,135,528</u>	<u>37,792,528</u>	<u>10,657,000</u>
Net change in fund balance	<u>\$ (44,157,566)</u>	<u>\$ (44,111,594)</u>	<u>(3,422,173)</u>	<u>\$ 40,689,421</u>
Fund balance, beginning of year			<u>42,694,558</u>	
Fund balance, end of year			<u>\$ 39,272,385</u>	

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Fund
For the year ended June 30, 2019**

		<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
1000	Revenue from local sources			
1500	Earnings on investments			
1510	Interest on investments	\$ 643,018	\$ 521,763	\$ (121,255)
	Total local sources	<u>643,018</u>	<u>521,763</u>	<u>(121,255)</u>
2000	Intergovernmental revenue			
2100	Payments from other governmental units	1,208,011	1,055,872	(152,139)
	Total intergovernmental revenue	<u>1,208,011</u>	<u>1,055,872</u>	<u>(152,139)</u>
	Total revenue all sources	<u>1,851,029</u>	<u>1,577,635</u>	<u>(273,394)</u>
Expenditures				
100	Instruction			
110	General instruction			
113	Elementary programs			
400	Supplies and materials	100,000	51,236	48,764
500	Capital outlay	3,300,000	3,191,024	108,976
114	High school programs			
400	Supplies and materials	300,000	4,987	295,013
500	Capital outlay	11,000,000	10,664,161	335,839
	Total instruction	<u>14,700,000</u>	<u>13,911,408</u>	<u>788,592</u>
200	Support services			
210	Attendance and social work services			
213	Health services			
400	Supplies and materials	2,080	2,080	-
220	Instructional staff services			
222	Library and media services			
100	Salaries	3,564	3,564	-
200	Employee benefits	1,042	1,042	-
400	Supplies and materials	7,858	7,858	-
230	General administrative services			
233	School administration			
400	Supplies and materials	31,082	31,082	-
250	Finance and operations services			
252	Fiscal services			
100	Salaries	13,339	13,339	-
200	Employee benefits	5,796	5,796	-
400	Supplies and materials	2,412	2,413	(1)
500	Capital outlay	9,175	7,175	2,000
253	Facilities acquisition and construction			
100	Salaries	1,526,841	1,241,934	284,907
200	Employee benefits	547,868	445,828	102,040
300	Purchased services	150,000	123,715	26,285
400	Supplies and materials	1,800,000	1,694,262	105,738
500	Capital outlay			
520	Construction services	37,711,143	13,734,661	23,976,482
530	Improvements other than buildings	1,974,284	719,048	1,255,236
540	Equipment	4,206	1,532	2,674
545	Technology, equipment and software	313,528	114,189	199,339
600	Other objects	2,609,974	2,067	2,607,907

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Fund
For the year ended June 30, 2019**

		<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures, continued				
200	Support services, continued			
250	Finance and operations services, continued			
254	Operation and maintenance of plant			
100	Salaries	569	569	-
200	Employee benefits	164	164	-
300	Purchased services	594,488	340,527	253,961
400	Supplies and materials	50,000	32,798	17,202
500	Capital outlay	6,200,000	6,142,579	57,421
256	Food services			
400	Supplies and materials	31,150	31,150	-
257	Internal services			
100	Salaries	67,249	65,951	1,298
200	Employee benefits	18,964	18,781	183
258	Security			
400	Supplies and materials	35,729	1,641	34,088
500	Capital outlay	384,604	44,971	339,633
260	Central support services			
262	Planning			
100	Salaries	97,117	97,117	-
200	Employee benefits	34,519	34,485	34
266	Technology and data processing services			
300	Purchased services	750,000	629,308	120,692
400	Supplies and materials	1,750,000	1,687,354	62,646
500	Capital outlay	1,650,000	1,582,542	67,458
270	Support services pupil activity			
271	Pupil services activities			
400	Supplies and materials	9,874	9,873	1
500	Capital outlay	9,532	9,533	(1)
	Total support services	<u>58,398,151</u>	<u>28,880,928</u>	<u>29,517,223</u>
	Total expenditures	<u>73,098,151</u>	<u>42,792,336</u>	<u>30,305,815</u>
Other financing sources (uses)				
5300	Sale of capital assets	-	57,000	57,000
Interfund transfers, from (to) other funds				
5210	Transfer from general fund	-	9,000,000	9,000,000
5240	Transfer from debt service fund	27,200,000	28,800,000	1,600,000
425-710	Transfer to food service fund	(64,472)	(64,472)	-
	Total other financing sources (uses)	<u>27,135,528</u>	<u>37,792,528</u>	<u>10,657,000</u>
Deficiency of revenues and other financing sources under expenditures under expenditures and other financing uses				
		<u>\$ (44,111,594)</u>	(3,422,173)	<u>\$ 40,689,421</u>
Fund balance, beginning of year				
			<u>42,694,558</u>	
Fund balance, end of year				
			<u>\$ 39,272,385</u>	

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FIDUCIARY FUND TYPES

Agency Funds

The Pupil Activity Fund is used to account for receipts and disbursements of monies from various student activity organizations. These organizations exist at the explicit approval, subject to revocation, of the School District's governing body. Since the Agency Fund is custodial, no fund balance exists.

The Federal Program Fund is used to account for unemployment benefits to claimants. To be a claimant, an individual must have been employed in the School District by a federal program, involved in this reserve fund.

Private Purpose Trust Funds

The Green Sea-Floyd's Endowment Principal Fund is used to account for monies provided by a private donor. The fund was established in 1994. The expendable portion of the fund is used for college scholarships.

The Scholarship Endowment Trust Fund is used to account for contributions from local businesses for the purpose of providing scholarships for the winning participants in the annual District Academic Olympics competition.

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Horry County Schools

*Combining Statements of Fiduciary Assets, Liabilities and Net Position - Private Purpose Trust Funds
As of June 30, 2019*

	Education Endowment Fund	Scholarship Endowment Fund	Total
Assets			
Cash and cash equivalents	\$ 1,738	\$ 93,305	\$ 95,043
Investments	98,581	-	98,581
Total assets	<u>\$ 100,319</u>	<u>\$ 93,305</u>	<u>\$ 193,624</u>
Liabilities			
Accounts payable	\$ -	\$ 147	\$ 147
Total liabilities	<u>-</u>	<u>147</u>	<u>147</u>
Net position			
Restricted net position	100,319	93,158	193,477
Total net position	<u>\$ 100,319</u>	<u>\$ 93,158</u>	<u>\$ 193,477</u>

Horry County Schools**Combining Statements of Changes in Fiduciary Net Position - Private Purpose Trust Funds****For the year ended June 30, 2019**

	Education Endowment Fund	Scholarship Endowment Fund	Total
Additions			
Revenue from local sources			
Earnings on investments	\$ 2,000	\$ 21,465	\$ 23,465
Other pupil activity income	-	6,475	6,475
Contributions and donations from private sources	-	50,710	50,710
Total additions	<u>2,000</u>	<u>78,650</u>	<u>80,650</u>
Deductions			
Scholarships Awarded	<u>2,000</u>	<u>56,854</u>	<u>58,854</u>
Total deductions	<u>2,000</u>	<u>56,854</u>	<u>58,854</u>
Change in net position	<u>-</u>	<u>21,796</u>	<u>21,796</u>
Total net position, beginning of year	<u>100,319</u>	<u>71,362</u>	<u>171,681</u>
Total net position, end of year	<u>\$ 100,319</u>	<u>\$ 93,158</u>	<u>\$ 193,477</u>

Horry County Schools**Statement of Changes in Fiduciary Assets, Liabilities, and Net Position - Private Purpose Trust Funds****For the year ended June 30, 2019**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Assets				
Cash and cash equivalents	\$ 71,681	\$ 82,069	\$ 58,707	\$ 95,043
Investments	100,000	-	1,419	98,581
Total assets	<u>\$ 171,681</u>	<u>\$ 82,069</u>	<u>\$ 60,126</u>	<u>\$ 193,624</u>
Liabilities				
Accounts payable	\$ -	\$ 58,854	\$ 58,707	\$ 147
Total liabilities	<u>-</u>	<u>58,854</u>	<u>58,707</u>	<u>147</u>
Net position				
Restricted net position	171,681	80,650	58,854	193,477
Total net position	<u>\$ 171,681</u>	<u>\$ 80,650</u>	<u>\$ 58,854</u>	<u>\$ 193,477</u>

Horry County Schools

***Comparative Schedule of Fiduciary Net Position - Education Endowment Fund - Private Purpose Trust Funds
As of June 30, 2019 and 2018***

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 1,738	\$ 319
Investments	98,581	100,000
Total assets	<u>\$ 100,319</u>	<u>\$ 100,319</u>
Restricted net position		
Held in Trust for Individuals and Organizations	<u>\$ 100,319</u>	<u>\$ 100,319</u>

Horry County Schools

Comparative Schedule of Additions, Deductions and Changes in Fiduciary Net Position

- Education Endowment Fund - Private Purpose Trust Funds

For the years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Additions		
1000 Revenue from local sources		
1500 Earnings on investments		
1510 Interest on investments	\$ 2,000	\$ 750
Total additions	<u>2,000</u>	<u>750</u>
Deductions		
200 Support Services		
270 Support services - pupil activity		
273 Trust and agency activities		
600 Other objects	2,000	500
Total deductions	<u>2,000</u>	<u>500</u>
Change in net position	<u>-</u>	<u>250</u>
Total net position, beginning of year	<u>100,319</u>	<u>100,069</u>
Total net position, end of year	<u><u>\$ 100,319</u></u>	<u><u>\$ 100,319</u></u>

Horry County Schools

**Comparative Schedule of Fiduciary Net Position - Scholarship Endowment Fund - Private Purpose Trust Funds
As of June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 93,305	\$ 71,362
Total assets	<u>\$ 93,305</u>	<u>\$ 71,362</u>
Liabilities		
Accounts payable	\$ 147	\$ -
Total liabilities	<u>147</u>	<u>-</u>
Restricted net position		
Held in trust for individuals and organizations	<u>\$ 93,158</u>	<u>\$ 71,362</u>

Horry County Schools**Comparative Schedule of Additions, Deductions and Changes in Fiduciary Net Position****- Scholarship Endowment Fund - Private Purpose Trust Funds****For the years ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Additions		
1000 Revenue from local sources		
1500 Earnings on investments		
1510 Interest on investments	\$ 21,465	\$ 6,029
1700 Pupil activities		
1790 Other pupil activity income	6,475	7,674
1900 Other revenue from local sources		
1920 Contributions and donations from private sources	50,710	44,198
1950 Refund of prior year's expenditures	-	1,750
Total additions	<u>78,650</u>	<u>59,651</u>
Deductions		
200 Support Services		
270 Support services - pupil activity		
271 Pupil service activities		
300 Purchased services	-	453
400 Supplies and materials	147	996
600 Other objects	56,707	50,850
Total deductions	<u>56,854</u>	<u>52,299</u>
Change in net position	<u>21,796</u>	<u>7,352</u>
Total net position, beginning of year	<u>71,362</u>	<u>64,010</u>
Total net position, end of year	<u>\$ 93,158</u>	<u>\$ 71,362</u>

Horry County Schools*Combining Statements of Fiduciary Assets and Liabilities - Agency Funds**As of June 30, 2019*

	<u>Pupil Activity</u>	<u>Federal Program</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 5,224,626	\$ 1,030,719	\$ 6,255,345
Other assets	184,052	-	184,052
Total assets	<u>\$ 5,408,678</u>	<u>\$ 1,030,719</u>	<u>\$ 6,439,397</u>
Liabilities			
Accounts payable	\$ 463,950	\$ -	\$ 463,950
Accrued liabilities	63,087	-	63,087
Due to other governments	-	1,030,719	1,030,719
Due to student organizations	4,881,641	-	4,881,641
Total liabilities	<u>\$ 5,408,678</u>	<u>\$ 1,030,719</u>	<u>\$ 6,439,397</u>

Horry County Schools**Combined Statement of Changes in Assets and Liabilities - Agency Funds****For the year ended June 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
Assets				
Cash and cash equivalents	\$ 5,841,735	\$ 8,646,371	\$ 8,232,761	\$ 6,255,345
Other assets	134,375	184,052	134,375	184,052
Total assets	<u>\$ 5,976,110</u>	<u>\$ 8,830,423</u>	<u>\$ 8,367,136</u>	<u>\$ 6,439,397</u>
Liabilities				
Accounts payable	\$ 416,889	\$ 8,205,752	\$ 8,158,691	\$ 463,950
Accrued liabilities	70,209	63,087	70,209	63,087
Due to other governments	1,047,990	-	17,271	1,030,719
Due to student organizations	4,441,022	8,646,371	8,205,752	4,881,641
Total liabilities	<u>\$ 5,976,110</u>	<u>\$ 16,915,210</u>	<u>\$ 16,451,923</u>	<u>\$ 6,439,397</u>

Horry County Schools

Comparative Balance Sheets - Pupil Activity Fund - Agency Fund

As of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 5,224,626	\$ 4,793,745
Other assets	184,052	134,375
Total assets	<u>\$ 5,408,678</u>	<u>\$ 4,928,120</u>
Liabilities		
Accounts payable	\$ 463,950	\$ 416,889
Accrued liabilities	63,087	70,209
Due to student organizations	4,881,641	4,441,022
Total liabilities	<u>\$ 5,408,678</u>	<u>\$ 4,928,120</u>

Horry County Schools***Schedule of Changes in Assets and Liabilities - Pupil Activity Fund - Agency Fund
For the year ended June 30, 2019***

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
Assets				
Cash and cash equivalents	\$ 4,793,745	\$ 8,646,371	\$ 8,215,490	\$ 5,224,626
Other assets	134,375	184,052	134,375	184,052
Total assets	<u>\$ 4,928,120</u>	<u>\$ 8,830,423</u>	<u>\$ 8,349,865</u>	<u>\$ 5,408,678</u>
Liabilities				
Accounts payable	\$ 416,889	\$ 8,205,752	\$ 8,158,691	\$ 463,950
Accrued liabilities	70,209	63,087	70,209	63,087
Due to student organizations	4,441,022	8,646,371	8,205,752	4,881,641
Total liabilities	<u>\$ 4,928,120</u>	<u>\$ 16,915,210</u>	<u>\$ 16,434,652</u>	<u>\$ 5,408,678</u>

Horry County Schools**Schedule of Receipts, Disbursements and Changes in Amounts Due to Student Organizations - Pupil Activity Fund - Agency Fund
For the year ended June 30, 2019**

		<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Receipts				
1000	Revenue from local sources			
1500	Earnings on investments			
	1510 Interest on investments	\$ 16,803	\$ 95,777	\$ 78,974
1700	Pupil activities			
	1710 Admissions	839,366	890,883	51,517
	1720 Bookstore sales	199,523	84,293	(115,230)
	1730 Pupil organization membership dues and fees	42,544	42,606	62
	1740 Student fees	1,229	3,949	2,720
	1790 Other pupil activity income	7,098,514	6,835,585	(262,929)
1900	Other revenue from local sources			
	1910 Rentals	15,306	61,744	46,438
	1920 Contributions and donations from private sources	158,233	205,541	47,308
	1950 Refund of prior year's expenditures	1,143	1,428	285
	1990 Miscellaneous local revenue			
	1999 Reveal from other local sources	286,401	424,450	138,049
2000	Intergovernmental revenue			
2100	Payments from other governmental units	-	115	115
	Total receipts	<u>8,659,062</u>	<u>8,646,371</u>	<u>(12,691)</u>
Disbursements				
100	Instruction			
190	Instructional pupil activity			
	100 Salaries	58,020	58,020	-
	200 Employee benefits	12,101	12,101	-
	300 Purchased services	801	801	-
	400 Supplies and materials	1,978	1,978	-
	Total instruction	<u>72,900</u>	<u>72,900</u>	<u>-</u>
200	Support services			
258	Security			
	100 Salaries	-	27,512	(27,512)
	200 Employee benefits	-	7,536	(7,536)
	300 Purchased services	-	20,114	(20,114)
270	Support services - pupil activity			
271	Pupil service activities			
	100 Salaries	258,000	205,103	52,897
	200 Employee benefits	70,000	61,096	8,904
	300 Purchased services	750,000	719,102	30,898
	400 Supplies and materials	3,000,000	2,985,354	14,646
	500 Capital outlay	50,000	46,187	3,813
	600 Other objects	4,448,162	4,060,848	387,314
	Total support services	<u>8,576,162</u>	<u>8,132,852</u>	<u>443,310</u>
	Total disbursements	<u>8,649,062</u>	<u>8,205,752</u>	<u>443,310</u>
Excess of receipts over disbursements		<u>\$ 10,000</u>	440,619	<u>\$ (456,001)</u>
Due to Student Organizations, beginning of year			4,441,022	
Due to Student Organizations, end of year			<u>\$ 4,881,641</u>	

Horry County Schools

*Comparative Balance Sheets - Federal Program - Agency Fund
As of June 30, 2019 and 2018*

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 1,030,719	\$ 1,047,990
Total assets	<u>\$ 1,030,719</u>	<u>\$ 1,047,990</u>
Liabilities		
Due to other governments	\$ 1,030,719	\$ 1,047,990
Total liabilities	<u>\$ 1,030,719</u>	<u>\$ 1,047,990</u>

Horry County Schools

Schedule of Changes in Assets and Liabilities - Federal Program - Agency Fund For the year ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Assets				
Cash and cash equivalents	\$ 1,047,990	\$ -	\$ 17,271	\$ 1,030,719
Total assets	<u>\$ 1,047,990</u>	<u>\$ -</u>	<u>\$ 17,271</u>	<u>\$ 1,030,719</u>
Liabilities				
Due to other governments	\$ 1,047,990	\$ -	\$ 17,271	\$ 1,030,719
Total liabilities	<u>\$ 1,047,990</u>	<u>\$ -</u>	<u>\$ 17,271</u>	<u>\$ 1,030,719</u>

COMPONENT UNITS:

WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

PALMETTO ACADEMY OF LEARNING AND SUCCESS

ACADEMY OF HOPE, INC.

PALMETTO ACADEMY FOR LEARNING MOTORSPORTS

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Horry County Schools

Combining Schedule of Net Position - Charter Schools

As of June 30, 2019

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Assets					
Cash and cash equivalents	\$ 339,064	\$ 544,304	\$ 105,393	\$ 173,482	\$ 1,162,243
Restricted cash	-	-	2,085	-	2,085
Other receivables	-	9,528	-	-	9,528
Prepaid and other	7,724	64,994	8,873	62,426	144,017
Due from other governmental units	21,931	-	57,873	65,529	145,333
Non-current assets, net	1,462,814	5,963,142	112,505	4,725,842	12,264,303
Total assets	1,831,533	6,581,968	286,729	5,027,279	13,727,509
Deferred outflows of resources					
Deferred outflows related to pensions	448,474	1,171,624	329,762	-	1,949,860
Deferred outflows related to OPEB	56,055	140,947	65,156	-	262,158
Total deferred outflows of resources	504,529	1,312,571	394,918	-	2,212,018
Liabilities					
Accounts payable and other liabilities	213,230	112,300	118,610	23,418	467,558
Due to other governmental units	5,162	-	4,154	-	9,316
Revenue received in advance	68,860	20,714	26,486	209,156	325,216
Non-current liabilities:					
Due within one year	83,718	3,211	20,266	41,340	148,535
Due in more than one year	1,297,668	6,810,244	33,490	4,917,248	13,058,650
Net pension liability	1,411,585	2,922,964	1,504,185	-	5,838,734
Net OPEB liability	1,108,990	1,860,173	1,164,964	-	4,134,127
Total liabilities	4,189,213	11,729,606	2,872,155	5,191,162	23,982,136
Deferred inflows of resources					
Deferred inflows related to pensions	312,407	315,494	304,345	-	932,246
Deferred inflows related to OPEB	298,447	299,059	276,127	-	873,633
Total deferred inflows of resources	610,854	614,553	580,472	-	1,805,879
Net position					
Net investment in capital assets	81,428	(850,313)	58,749	(24,158)	(734,294)
Restricted	-	-	2,085	-	2,085
Unrestricted	(2,545,433)	(3,599,307)	(2,831,814)	(139,725)	(9,116,279)
Total net position	\$ (2,464,005)	\$ (4,449,620)	\$ (2,770,980)	\$ (163,883)	\$ (9,848,488)

Horry County Schools**Combining Statement of Activities - Charter Schools****For the year ended June 30, 2019**

	<u>Waccamaw Park Public Charter School, Inc.</u>	<u>Palmetto Academy of Learning and Success</u>	<u>Academy of Hope, Inc.</u>	<u>Palmetto Academy for Learning Motorsports</u>	<u>Component Units Totals</u>
FUNCTIONS/PROGRAMS					
Governmental activities:					
Instruction:					
Expenses	\$ (871,181)	\$ (1,618,119)	\$ (1,044,290)	\$ (845,937)	\$ (4,379,527)
Revenues:					
Operating grants and contributions	1,657,739	2,661,813	1,639,159	1,700,557	7,659,268
Charges for services and sales	10,057	-	-	-	10,057
Support services:					
Expenses	(683,319)	(1,433,477)	(854,862)	(899,597)	(3,871,255)
Interest and other charges	(81,304)	(630,705)	(2,971)	(177,708)	(892,688)
Total government activities	31,992	(1,020,488)	(262,964)	(222,685)	(1,474,145)
General revenues					
Miscellaneous revenues	102,000	276,687	17,982	69,187	465,856
Total general revenues	102,000	276,687	17,982	69,187	465,856
Change in Net Position	133,992	(743,801)	(244,982)	(153,498)	(1,008,289)
Net Position - Beginning	(2,597,997)	(3,705,819)	(2,525,998)	(10,385)	(8,840,199)
Net Position - Ending	<u>\$ (2,464,005)</u>	<u>\$ (4,449,620)</u>	<u>\$ (2,770,980)</u>	<u>\$ (163,883)</u>	<u>\$ (9,848,488)</u>

Horry County Schools*Combining Balance Sheets - Charter Schools - Governmental Funds**As of June 30, 2019*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Assets					
Cash and cash equivalents	\$ 339,064	\$ 544,304	\$ 105,393	\$ 173,482	\$ 1,162,243
Restricted cash	-	-	2,085	-	2,085
Other receivables	-	9,528	-	-	9,528
Prepaid and other	7,724	64,994	8,873	62,426	144,017
Due from other funds	94,823	7,395	76,905	145,325	324,448
Due from other governmental units	21,931	-	57,873	65,529	145,333
Total assets	<u>\$ 463,542</u>	<u>\$ 626,221</u>	<u>\$ 251,129</u>	<u>\$ 446,762</u>	<u>\$ 1,787,654</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable and accrued liabilities	213,230	30,342	5,674	23,051	272,297
Accrued payroll related liabilities	-	81,958	112,936	367	195,261
Due to other funds	94,823	7,395	76,905	145,325	324,448
Due to other governmental units	5,162	-	4,154	-	9,316
Unearned revenue	68,860	20,714	26,486	209,156	325,216
Total liabilities	<u>382,075</u>	<u>140,409</u>	<u>226,155</u>	<u>377,899</u>	<u>1,126,538</u>
Fund balances					
Nonspendable	29,075	64,994	8,873	62,426	165,368
Restricted	-	-	2,085	-	2,085
Unassigned	52,392	420,818	14,016	6,437	493,663
Total fund balances	<u>81,467</u>	<u>485,812</u>	<u>24,974</u>	<u>68,863</u>	<u>661,116</u>
Total liabilities and fund balances	<u>\$ 463,542</u>	<u>\$ 626,221</u>	<u>\$ 251,129</u>	<u>\$ 446,762</u>	<u>\$ 1,787,654</u>

Horry County Schools*Combining Balance Sheets - Charter Schools - Governmental Funds**As of June 30, 2019*

	<u>Waccamaw Park Public Charter School, Inc.</u>	<u>Palmetto Academy of Learning and Success</u>	<u>Academy of Hope, Inc.</u>	<u>Palmetto Academy for Learning Motorsports</u>	<u>Component Units Totals</u>
Total governmental fund balances	\$ 81,467	\$ 485,812	\$ 24,974	\$ 68,863	\$ 661,116
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets net of accumulated depreciation.	1,462,814	5,963,142	112,505	4,725,842	12,264,303
Some liabilities are not due and payable in the current period and are therefore not reported in the funds.					
Long-Term Debt	-	-	-	(182,029)	(182,029)
Notes Payable	(1,381,386)	-	(51,384)	-	(1,432,770)
Capital Leases	-	(6,813,455)	(2,372)	(4,750,000)	(11,565,827)
Accrued Interest	-	-	-	(26,559)	(26,559)
Net pension asset (liability)	136,067	693,130	(77,162)	-	752,035
Net OPEB liability	(242,392)	(264,060)	(254,208)	-	(760,660)
Contributions to the pension plan in the current fiscal year	-	163,000	102,579	-	265,579
Contributions to the OPEB plan in the current fiscal year	-	105,948	43,237	-	149,185
Pension Obligation	(1,411,585)	(2,922,964)	(1,504,185)	-	(5,838,734)
OPEB Obligation	(1,108,990)	(1,860,173)	(1,164,964)	-	(4,134,127)
Net Position (Deficit) - Governmental Activities	<u>\$ (2,464,005)</u>	<u>\$ (4,449,620)</u>	<u>\$ (2,770,980)</u>	<u>\$ (163,883)</u>	<u>\$ (9,848,488)</u>

Horry County Schools
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Governmental Funds
For the year ended June 30, 2019

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Revenues					
Local Sources	\$ 151,219	\$ 276,687	\$ 17,982	\$ 69,187	\$ 515,075
Intergovernmental	-	2,661,813	1,631,715	1,700,557	5,994,085
State	1,451,709	-	7,444	-	1,459,153
Federal	158,499	-	-	-	158,499
Total Revenues	<u>1,761,427</u>	<u>2,938,500</u>	<u>1,657,141</u>	<u>1,769,744</u>	<u>8,126,812</u>
Expenditures					
Instruction	849,096	1,518,600	830,427	810,624	4,008,747
Support Services	551,561	998,203	794,118	792,058	3,135,940
Capital Outlay	7,308	21,156	-	4,785,313	4,813,777
Debt Service	157,114	630,705	23,884	193,973	1,005,676
Total Expenditures	<u>1,565,079</u>	<u>3,168,664</u>	<u>1,648,429</u>	<u>6,581,968</u>	<u>12,964,140</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	196,348	(230,164)	8,712	(4,812,224)	(4,837,328)
Other financing sources (uses)	-	-	-	4,750,000	4,750,000
Net Change in Fund Balance	196,348	(230,164)	8,712	(62,224)	(87,328)
Fund Balance - Beginning	(114,881)	715,976	16,262	131,087	748,444
Fund Balance - Ending	<u>\$ 81,467</u>	<u>\$ 485,812</u>	<u>\$ 24,974</u>	<u>\$ 68,863</u>	<u>\$ 661,116</u>
Net Change in Fund Balance - Governmental Funds	\$ 196,348	\$ (230,164)	\$ 8,712	\$ (62,224)	\$ (87,328)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:					
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the period.	(122,603)	(307,227)	(35,912)	4,675,218	4,209,476
In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale/disposal increase financial resources. The change in net position differs from the change in fund balance by the net book value of capital assets sold or disposed.	-	-	-	(32,757)	(32,757)
Proceeds from the issuance of capital leases are treated as revenue in the governmental funds but the proceeds increase long-term liabilities in the Statement of Net Position.	-	-	-	(4,750,000)	(4,750,000)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as it accrues, regardless of when it is due. Accrued interest increased by this amount during the year.	-	-	-	(1,503)	(1,503)
Payments on debt is treated as an expenditure in the governmental funds but the proceeds increase long-term liabilities in the Statement of Activities.	75,810	-	20,913	17,768	114,491
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	-	163,000	102,579	-	265,579
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	-	105,948	43,237	-	149,185
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.					
School's portion of pension expense	(23,933)	(404,356)	(353,292)	-	(781,581)
School's portion of OPEB expense	8,370	(71,002)	(31,219)	-	(93,851)
Change in Net Position of Governmental Activities	<u>\$ 133,992</u>	<u>\$ (743,801)</u>	<u>\$ (244,982)</u>	<u>\$ (153,498)</u>	<u>\$ (1,008,289)</u>

Horry County Schools

*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund
For the year ended June 30, 2019*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Revenues:					
Revenue from Local Sources:					
1500 Earnings from Investments:					
1510 Interest on Investments	\$ 557	\$ 1,147	\$ -	\$ -	\$ 1,704
1520 Dividends on investments	-	-	-	630	630
1600 Food Services:					
1610 Lunch Sales to Students	-	-	-	515	515
1700 Student Activities:					
1730 Pupil Organization Membership Dues and Fees	-	9,782	-	-	9,782
1740 Student Fees	10,057	16,088	316	-	26,461
1790 Other	28,681	67,946	3,650	15,973	116,250
1900 Other Revenue from Local Sources:					
1910 Rentals	-	87,777	3,200	3,000	93,977
1920 Contributions & Donations from Private Sources	7,208	2,418	1,568	8,260	19,454
1999 Revenue from Other Local Sources	93,073	9,743	7,376	5,700	115,892
Total Revenue from Local Sources	<u>139,576</u>	<u>194,901</u>	<u>16,110</u>	<u>34,078</u>	<u>384,665</u>
Revenues from State Sources:					
3300 Education Finance Act:					
3310 Full-Time Programs					
3311 Kindergarten	120,365	227,869	92,304	-	440,538
3312 Primary	288,019	635,344	232,481	-	1,155,844
3313 Elementary	491,140	1,055,681	327,318	-	1,874,139
3314 High School	-	-	-	55,603	55,603
3316 Speech Handicapped (Part-time)	66,152	156,247	77,383	8,516	308,298
3320 Part-Time Programs					
3321 Emotionally Handicapped	-	-	-	28,490	28,490
3322 Educable Mentally Handicapped	-	-	-	21,249	21,249
3323 Learning Disabilities	130,657	87,934	164,904	432,547	816,042
3324 Hearing Handicapped	-	16,694	-	-	16,694
3327 Vocational	-	-	-	743,090	743,090
3330 Miscellaneous EFA Pograms					
3331 Autism	17,362	-	16,694	36,226	70,282
3332 High Achieving	9,744	81,135	3,050	604	94,533
3334 Limited English Proficiency	13,862	7,795	987	3,936	26,580
3351 Academic Assistance	62,719	72,794	51,884	47,324	234,721
3352 Pupils in Poverty	164,354	153,857	147,829	134,669	600,709
3353 Dual Credit Enrollment	-	-	-	302	302
3993 PEBA On-Behalf	-	11,271	7,444	-	18,715
Total Revenue from State Sources	<u>1,364,374</u>	<u>2,506,621</u>	<u>1,122,278</u>	<u>1,512,556</u>	<u>6,505,829</u>
Total Revenue from All Sources	<u>1,503,950</u>	<u>2,701,522</u>	<u>1,138,388</u>	<u>1,546,634</u>	<u>6,890,494</u>

Horry County Schools

*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund
For the year ended June 30, 2019*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures					
100 Instruction:					
110 General Instruction:					
111 Kindergarten Programs:					
100 Salaries	34,680	73,030	62,199	-	169,909
200 Employee Benefits	22,128	19,018	35,918	-	77,064
400 Supplies and Materials	531	-	-	-	531
500 Capital Outlay	1,608	-	-	-	1,608
112 Primary Programs:					
100 Salaries	109,720	278,054	77,839	-	465,613
200 Employee Benefits	49,802	77,443	42,610	-	169,855
400 Supplies and Materials	-	3,511	561	-	4,072
113 Elementary Programs:					
100 Salaries	213,401	427,003	172,525	-	812,929
200 Employee Benefits	103,162	279,286	74,333	-	456,781
300 Purchased Services	450	899	3,001	-	4,350
400 Supplies and Materials	4,858	6,693	1,695	-	13,246
114 High School Programs:					
100 Salaries	-	-	-	419,328	419,328
200 Employee Benefits	-	-	-	91,651	91,651
300 Purchased Services	5,125	-	-	7,298	12,423
400 Supplies and Materials	-	-	-	7,662	7,662
500 Capital Outlay	-	-	-	22,725	22,725
115 Career and Technology Education Programs:					
400 Supplies and Materials	-	-	-	46,231	46,231
120 Exceptional Programs:					
126 Speech Handicapped:					
300 Purchased Services	-	-	9,003	-	9,003
127 Learning Disabilities:					
100 Salaries	68,536	86,601	19,805	53,391	228,333
200 Employee Benefits	10,524	21,310	5,537	20,452	57,823
300 Purchased Services	3,975	-	-	-	3,975
400 Supplies and Materials	-	-	-	3,694	3,694
140 Special Programs:					
141 Gifted and Talented Academic:					
100 Salaries	30,797	-	-	-	30,797
200 Employee Benefits	3,096	-	-	-	3,096
147 CERDEP:					
200 Employee Benefits	-	-	6,164	-	6,164
400 Supplies and Materials	-	-	109	-	109
149 Other Special Programs:					
100 Salaries	600	-	-	-	600

Horry County Schools

*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund
For the year ended June 30, 2019*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures, continued					
100 Instruction, continued:					
170 Summer School Programs:					
175 Instructional Programs Beyond Regular School Day:					
100 Salaries	11,934	-	6,980	-	18,914
200 Employee Benefits	1,180	-	-	-	1,180
190 Instructional Pupil Activity					
300 Purchased Services	-	684	-	-	684
400 Supplies and Materials	-	14,472	3,088	-	17,560
600 Pupil Activity	-	82,005	-	-	82,005
Total Instruction	<u>676,107</u>	<u>1,370,009</u>	<u>521,367</u>	<u>672,432</u>	<u>3,239,915</u>
200 Support Services:					
210 Pupil Services:					
212 Guidance Services:					
100 Salaries	-	-	52,152	37,500	89,652
200 Employee Benefits	-	-	21,892	4,174	26,066
400 Supplies and Materials	-	451	-	-	451
213 Health Services:					
100 Salaries	-	-	-	42,725	42,725
200 Employee Benefits	-	-	-	9,505	9,505
400 Supplies and Materials	-	81	187	1,007	1,275
214 Psychological Services:					
100 Salaries	-	-	-	17,675	17,675
200 Employee Benefits	-	-	-	8,132	8,132
300 Purchased Services	900	795	-	-	1,695
215 Exceptional Program Services:					
100 Salaries	-	-	-	18,462	18,462
200 Employee Benefits	-	-	-	8,002	8,002
300 Purchased Services	-	6,810	-	-	6,810
220 Instructional Staff Services:					
221 Improvement of Instruction Curriculum Development					
100 Salaries	-	-	-	25,000	25,000
200 Employee Benefits	-	-	6,678	2,782	9,460
224 Improvement of Instruction - In-Service and Staff Training:					
300 Purchased Services	2,170	-	950	5,936	9,056

Horry County Schools

*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund
For the year ended June 30, 2019*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures, continued					
200 Support Services, continued:					
230 General Administrative Services:					
231 Board of Education:					
300 Purchased Services	-	-	-	2,136	2,136
318 Audit Services	11,670	13,500	14,450	13,600	53,220
400 Supplies and Materials	-	-	-	31	31
600 Other Objects	-	51,513	4,010	20,301	75,824
233 School Administration:					
100 Salaries	127,085	228,834	113,734	204,964	674,617
200 Employee Benefits	52,535	98,760	42,389	46,257	239,941
300 Purchased Services	10,888	27,307	7,866	1,391	47,452
400 Supplies and Materials	2,239	29,146	5,770	11,582	48,737
500 Capital Outlay	-	7,311	-	-	7,311
250 Finance and Operations Services:					
252 Fiscal Services:					
300 Purchased Services	25,315	57,120	41,377	20,781	144,593
600 Other Objects	1,513	-	372	1,388	3,273
253 Facilities Acquisition and Construction:					
500 Capital Outlay	-	5,845	-	-	5,845
254 Operation and Maintenance of Plant:					
100 Salaries	-	18,807	18,783	25,000	62,590
200 Employee Benefits	-	5,318	1,568	10,073	16,959
300 Purchased Services	112,507	89,278	124,011	103,183	428,979
321 Public Utilities	3,933	-	2,077	2,682	8,692
400 Supplies and Materials	6,551	42,969	18,153	6,524	74,197
470 Energy	49,841	85,370	29,390	42,454	207,055
500 Capital Outlay	-	8,000	-	4,750,000	4,758,000
600 Other Objects	5,824	-	-	9,403	15,227
255 Student Transportation (State Mandated):					
100 Salaries	-	2,025	11,843	-	13,868
200 Employee Benefits	-	159	2,397	-	2,556
300 Purchased Services	-	3,030	18,250	2,519	23,799
400 Supplies and Materials	-	962	10,995	-	11,957

Horry County Schools

*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund
For the year ended June 30, 2019*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures, continued					
200 Support Services, continued:					
256 Food Services:					
100 Salaries	52,300	-	-	-	52,300
200 Employee Benefits	11,663	-	-	-	11,663
400 Supplies and Materials	-	-	-	1,165	1,165
258 Security:					
300 Purchased Services	9,627	3,862	-	-	13,489
260 Central Support Services:					
263 Information Services:					
300 Purchased Services	149	200	5,733	6,604	12,686
400 Supplies and Materials	-	100	-	-	100
264 Staff Services:					
300 Purchased Services	-	-	100	-	100
266 Technology and Data Processing Services:					
300 Purchased Services	822	2,180	-	26,674	29,676
400 Supplies and Materials	3,457	383	-	235	4,075
270 Support Services Pupil Activity:					
271 Pupil Services Activities:					
300 Purchased Services	-	3,445	187	-	3,632
400 Supplies and Materials	6,177	15,714	214	47	22,152
600 Other Objects	10,251	2,679	3,645	8,839	25,414
Total - Support Services	507,417	811,954	559,173	5,498,733	7,377,277
500 Debt Service:					
610 Redemption of Principal	75,810	-	20,913	17,768	114,491
620 Interest	81,304	630,705	2,971	176,205	891,185
Total Debt Service	157,114	630,705	23,884	193,973	1,005,676
Total Expenditures	1,340,638	2,812,668	1,104,424	6,365,138	11,622,868
Other Financing Sources (Uses)					
5220 Transfer from Special Revenue Fund	33,036	-	-	6,280	39,316
5500 Capital Leases	-	-	-	4,750,000	4,750,000
421-710 Transfer to Special Revenue Fund	-	(119,018)	(25,252)	-	(144,270)
Total Other Financing Sources (Uses)	33,036	(119,018)	(25,252)	4,756,280	4,645,046
Changes in Fund Balance	196,348	(230,164)	8,712	(62,224)	(87,328)
Fund Balance (Deficit) - July 1, 2018	(114,881)	715,976	16,262	131,087	748,444
Fund Balance (Deficit) - June 30, 2019	\$ 81,467	\$ 485,812	\$ 24,974	\$ 68,863	\$ 661,116

Horry County Schools

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Special Projects Fund

For the year ended June 30, 2019

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Revenues:					
Revenue from Local Sources:					
1600 Food Services:					
1610 Lunch Sales to Pupils	\$ 11,643	\$ 81,786	\$ 1,872	\$ 35,109	\$ 130,410
Total Local Sources	<u>11,643</u>	<u>81,786</u>	<u>1,872</u>	<u>35,109</u>	<u>130,410</u>
Revenues from State Sources:					
3100 Restricted State Funding:					
3120 General Education					
3127 Student Health and Fitness - PE Teachers	1,666	3,424	1,358	-	6,448
3130 Special Programs					
3136 Student Health and Fitness - Nurses	-	-	16,155	-	16,155
3187 Teacher Supplies	3,575	-	-	-	3,575
Total State Sources	<u>5,241</u>	<u>3,424</u>	<u>17,513</u>	<u>-</u>	<u>26,178</u>
Revenues from Federal Sources:					
4200 Occupational Education:					
4210 Perkins Aid, Title I - Career and Technical Education Basic Grants to State	-	-	-	10,574	10,574
4300 Elementary & Secondary Education Act of 1965 (ESEA):					
4310 Title 1, Basic State Grant Programs	74,154	-	102,026	-	176,180
4315 Title I, Direct Student Services	-	-	6,196	-	6,196
4317 Title I, Improve Mini Grant	-	-	37,988	-	37,988
4351 Improving Teacher Quality	-	-	-	4,300	4,300
4500 Programs for Children with Disabilities:					
4510 Individuals with Disabilities Act (IDEA)	22,183	24,545	27,055	56,390	130,173
4800 USDA Reimbursement:					
4810 School Lunch and After School Snacks Program	-	-	60,885	-	60,885
4830 School Breakfast Program	-	-	27,425	-	27,425
4900 Other Federal Sources:					
4999 Revenue from Other Federal Sources	62,162	-	-	-	62,162
Total Federal Sources	<u>158,499</u>	<u>24,545</u>	<u>261,575</u>	<u>71,264</u>	<u>515,883</u>
Total Revenue - All Sources	<u>175,383</u>	<u>109,755</u>	<u>280,960</u>	<u>106,373</u>	<u>672,471</u>

Horry County Schools

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Special Projects Fund

For the year ended June 30, 2019

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures					
100 Instruction:					
110 General Instruction:					
111 Kindergarten Programs:					
100 Salaries	-	3,424	1,358	-	4,782
400 Supplies and Materials	51,520	-	-	-	51,520
112 Primary Programs:					
400 Supplies and Materials	-	-	24,488	-	24,488
113 Elementary Programs:					
100 Salaries	16,044	-	69,988	-	86,032
200 Employee Benefits	-	-	20,001	-	20,001
400 Supplies and Materials	3,575	-	12,874	-	16,449
115 Career and Technology Education Programs:					
500 Capital Outlay	-	-	-	10,574	10,574
120 Exceptional Programs:					
126 Speech Handicapped:					
100 Salaries	-	18,310	-	-	18,310
127 Learning Disabilities:					
100 Salaries	22,263	-	27,055	47,601	96,919
200 Employee Benefits	6	-	-	8,789	8,795
170 Summer School Programs:					
175 Instructional Programs Beyond Regular School Day:					
100 Salaries	7,330	-	4,190	-	11,520
200 Employee Benefits	840	-	1,170	-	2,010
Total - Instruction	<u>101,578</u>	<u>21,734</u>	<u>161,124</u>	<u>66,964</u>	<u>351,400</u>

Horry County Schools

*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Special Projects Fund
For the year ended June 30, 2019*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures, continued					
200 Support Services:					
210 Pupil Services:					
213 Health Services:					
100 Salaries	-	-	15,000	-	15,000
200 Employee Benefits	-	-	1,155	-	1,155
215 Exceptional Program Services:					
300 Purchased Services	-	6,235	-	-	6,235
220 Instructional Staff Services:					
221 Improvement of Instruction Curriculum Development:					
300 Purchased Services	-	-	3,000	-	3,000
224 Improvement of Instruction - In-Service and Staff Training:					
300 Purchased Services	-	-	10,500	4,300	14,800
250 Finance and Operations Services:					
256 Food Service:					
100 Salaries	-	33,213	40,455	-	73,668
200 Employee Benefits	-	11,697	14,406	-	26,103
300 Purchased Services	-	-	-	-	-
400 Supplies and Materials	40,769	155,894	60,572	28,829	286,064
500 Capital Outlay	-	-	-	-	-
Total - Support Services	<u>40,769</u>	<u>207,039</u>	<u>145,088</u>	<u>33,129</u>	<u>426,025</u>
Total Expenditures	<u>142,347</u>	<u>228,773</u>	<u>306,212</u>	<u>100,093</u>	<u>777,425</u>
Other Financing Sources (Uses)					
5210 Transfer from General Fund	-	119,018	25,252	-	144,270
420-710 Transfer to General Fund	(33,036)	-	-	(6,280)	(39,316)
Total Other Financing Sources (Uses)	<u>(33,036)</u>	<u>119,018</u>	<u>25,252</u>	<u>(6,280)</u>	<u>104,954</u>
Excess/(Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balance, July 1, 2018	-	-	-	-	-
Fund Balance, June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Horry County Schools

*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Education Improvement Act
For the year ended June 30, 2019*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Revenues:					
Revenues from State Sources:					
3500 Education Improvement Act:					
3507 Aid to Districts - Technology	\$ 2,243	\$ -	\$ 975	\$ 2,014	\$ 5,232
3511 Professional Development	-	-	175	-	175
3518 Formative Assessment	692	1,401	540	630	3,263
3526 Refurbishment of Science Kits	689	-	-	-	689
3529 Career and Technology Education	-	-	6,910	-	6,910
3532 National Board Certification (NBC) Salary Supplement	6,316	-	-	-	6,316
3535 Reading Coaches	-	-	61,052	-	61,052
3538 Students at Risk of School Failure	24,423	28,346	20,204	18,428	91,401
3541 Child Development Education Program	-	-	71,161	-	71,161
3550 Teacher Salary Increase	28,433	62,692	54,100	25,465	170,690
3555 School Employer Contributions	8,035	17,717	15,098	7,308	48,158
3571 CSI and State Priority Schools	6,140	-	-	55,204	61,344
3577 Teacher Supplies	-	6,325	3,575	3,025	12,925
3595 EEDA - Supplies and Materials - Career Awareness	-	366	-	-	366
3597 Aid to Districts	5,123	10,376	4,003	4,663	24,165
Total State Sources	<u>82,094</u>	<u>127,223</u>	<u>237,793</u>	<u>116,737</u>	<u>563,847</u>
Total Revenue - All Sources	<u>82,094</u>	<u>127,223</u>	<u>237,793</u>	<u>116,737</u>	<u>563,847</u>

Horry County Schools

*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Education Improvement Act
For the year ended June 30, 2019*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures:					
100 Instruction:					
110 General Instruction:					
112 Primary Programs:					
100 Salaries	-	28,346	58,103	-	86,449
200 Employee Benefits	-	-	15,098	-	15,098
113 Elementary Programs:					
100 Salaries	57,764	62,692	-	-	120,456
200 Employee Benefits	9,443	17,717	-	-	27,160
400 Supplies and Materials	689	18,102	3,575	-	22,366
114 High School Programs:					
100 Salaries	-	-	-	81,893	81,893
200 Employee Benefits	-	-	-	16,908	16,908
400 Supplies and Materials	-	-	-	5,726	5,726
500 Capital Outlay	-	-	-	2,014	2,014
120 Exceptional Programs:					
127 Learning Disabilities:					
300 Purchased Services	5,123	-	-	-	5,123
140 Special Programs:					
147 Full Day 4K:					
100 Salaries	-	-	49,782	-	49,782
200 Employee Benefits	-	-	21,378	-	21,378
Total - Instruction	<u>73,019</u>	<u>126,857</u>	<u>147,936</u>	<u>106,541</u>	<u>454,353</u>

Horry County Schools*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Education Improvement Act**For the year ended June 30, 2019*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures, continued:					
200 Support Services:					
210 Pupil Services:					
212 Guidance Services:					
100 Salaries	-	-	-	4,663	4,663
400 Supplies and Materials	-	366	-	-	366
220 Instructional Staff Services:					
221 Improvement of Instruction Curriculum and Development:					
100 Salaries	-	-	49,170	-	49,170
200 Employee Benefits	-	-	11,882	-	11,882
224 Improvement of Instruction - In-Service and Staff Training:					
300 Purchased Services	6,140	-	1,354	-	7,494
230 General Administrative Services:					
231 Board of Education:					
600 Other Objects	-	-	6,272	-	6,272
233 School Administration:					
400 Supplies and Materials	692	-	975	630	2,297
250 Finance and Operations Services:					
255 Student Transportation:					
100 Salaries	-	-	20,204	-	20,204
260 Central Support Services:					
266 Technology and Data Processing Services:					
300 Purchased Services	-	-	-	4,903	4,903
500 Capital outlay	2,243	-	-	-	2,243
Total - Support Services	<u>9,075</u>	<u>366</u>	<u>89,857</u>	<u>10,196</u>	<u>109,494</u>
Total Expenditures	<u>82,094</u>	<u>127,223</u>	<u>237,793</u>	<u>116,737</u>	<u>563,847</u>
Excess/(Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balance, July 1, 2018	-	-	-	-	-
Fund Balance, June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ADDITIONAL SCHEDULES
REQUIRED BY THE SOUTH CAROLINA
DEPARTMENT OF EDUCATION**

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Horry County Schools*Detailed Schedule of Due to State Department of Education/Federal Government**As of June 30, 2019*

Program	Revenue/ Subfund Code	Description	Total Due	Status of Amount Due to Grantors
Industry Certifications/Credentials	3528 / 2328	Unspent allocation	\$ 21,168	Repaid 8/20/19
EEDA Career Specialists	3118 / 2928	Unspent allocation	<u>158,789</u>	Repaid 9/24/19
			<u>\$ 179,957</u>	

Horry County Schools**Location Reconciliation Schedule****For the year ended June 30, 2019**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
0001	Aynor High	High School	School	\$ 10,378,819
0002	North Myrtle Beach High	High School	School	14,472,249
0004	Conway High	High School	School	16,731,333
0006	Green Sea Floyds High	Middle-High School	School	9,570,515
0008	Loris High	High School	School	10,895,914
0010	Myrtle Beach High	High School	School	15,980,669
0011	Socastee High	High School	School	17,908,821
0013	Whittemore Park Middle	Middle School	School	8,813,732
0014	Aynor Elementary	Elementary School	School	8,238,977
0016	Myrtle Beach Middle	Middle School	School	10,815,004
0017	Conway Middle	Middle School	School	6,578,588
0021	Daisy Elementary	Elementary School	School	7,401,525
0023	Green Sea Floyds Elementary	Elementary School	School	6,247,033
0025	Homewood Elementary	Elementary School	School	6,783,354
0027	Loris Middle	Middle School	School	8,166,775
0028	Kingston Elementary	Elementary School	School	5,626,078
0029	Lakewood Elementary	Elementary School	School	9,118,892
0030	St. James Elementary	Elementary School	School	7,651,992
0032	Loris Elementary	Elementary School	School	8,455,395
0033	Midland Elementary	Elementary School	School	6,092,107
0034	Myrtle Beach Elementary	Elementary School	School	6,578,747
0035	Myrtle Beach Primary	Primary School	School	8,657,260
0036	Conway Elementary	Elementary School	School	7,017,179
0037	North Myrtle Beach Middle	Middle School	School	11,219,320
0039	Pee Dee Elementary	Elementary School	School	8,860,079
0042	Waccamaw Elementary	Elementary School	School	8,844,673
0045	South Conway Elementary	Elementary School	School	7,454,257
0046	Forestbrook Elementary	Elementary School	School	9,313,668
0047	St James Middle	Middle School	School	8,634,446
0049	Carolina Forest Elementary	Elementary School	School	10,444,194
0050	Seaside Elementary School	Elementary School	School	6,446,692
0051	Forestbrook Middle	Middle School	School	8,679,741
0052	Carolina Forest High	High School	School	22,394,020
0053	Myrtle Beach Intermediate	Elementary School	School	6,605,271
0054	Socastee Elementary	Elementary School	School	8,862,052
0056	Palmetto Bays Elementary	Elementary School	School	6,859,267
0057	Aynor Middle School	Middle School	School	7,399,089
0058	St. James High School	High School	School	17,327,701
0060	Ocean Bay Elementary School	Elementary School	School	7,745,563
0061	Ocean Bay Middle School	Middle School	School	5,648,414
0062	Black Water Middle School	Middle School	School	7,453,399
0063	Burgess Elementary School	Elementary School	School	6,790,049
0064	Early College High School	High School	School	4,318,108
0065	River Oaks Elementary School	Elementary School	School	10,883,119
0066	Ocean Drive Elementary	Elementary School	School	8,469,100
0067	Waterway Elementary	Elementary School	School	6,809,712
0068	Riverside Elementary	Elementary School	School	7,042,134
0069	Socastee Middle	Elementary School	School	5,478,835

Horry County Schools

Location Reconciliation Schedule

For the year ended June 30, 2019

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
0070	Ten Oaks Middle	Middle School	School	8,766,553
0071	St. James Intermediate	Middle School	School	7,534,360
0074	Myrtle Beach Elementary (Renovation)	Middle School	School	12,648,479
0096	Acad Arts Sci And Tech	High School	School	7,362,151
0098	Academy of Tech & Academics	High School	School	8,157,278
0172	Conway Education Center	Various	School	232,374
0173	Myrtle Beach Education Center	Various	School	126,868
0174	Saint Andrews	Various	School	131,534
0175	Chabad Academy	Various	Central	12,925
0176	Conway Alternative School	Various	School	4,298,205
0178	CCU Scholars Academy	High School	School	2,254,943
0179	Bridgewater Academy	Charter School	Central	1,745,896
0180	Playcard Environmental	Various	School	127,324
0181	PALS	Charter School	Central	2,662,535
0182	Therapeutic Learning Center	Various	School	1,207,001
0183	Palmetto Acad for Learning MS	Charter School	Central	1,723,154
0184	Academy of Hope	Charter School	Central	1,649,776
0185	Saint Micheals	Various	School	17,552
0186	Holy Trinity Catholic School	Various	School	55,908
0188	Risen Christ Lutheran Church	Various	School	21,314
0189	Seacoast Youth Academy	Various	School	133,694
0190	Waccamaw Youth Center	Various	Central	9,600
0192	Sea Haven, Inc.	Various	Central	13,691
1100	Office Of Superintendent	Various	Central	435,081
1200	Board Of Education	Various	Central	837,624
1300	Policy & Legal	Various	Central	494,991
2000	Academics	Various	Central	5,845,143
3000	Support Services	Various	Central	9,265,226
4000	Fiscal Services	Various	Central	3,272,757
4600	Human Resources	Various	Central	2,999,798
4900	Debt Service	Various	Central	62,878,319
5100	Facilities Management	Various	Central	8,244,634
8000	Communications	Various	Central	1,132,944
9100	Instructional Support Services	Various	Central	7,732,605
Total expenditures for all funds				\$ 602,196,098

The above expenditures are reconciled to the School District's financial statements as follows:

General Fund	\$ 410,906,703
Special Projects Fund	38,196,539
Education Improvement Act Fund	18,736,615
School Food Service Fund	20,403,709
Debt Service	62,878,319
Capital Projects Fund	42,792,336
Agency Funds	8,223,023
Trust and Other Private Purpose Funds	58,854
Total expenditures for all funds	\$ 602,196,098

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STATISTICAL SECTION

(Unaudited)

This part of Horry County Schools' 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 School District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	181-185
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the School District's ability to generate its property taxes.	186-189
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of understanding debt and the School District's ability to issue additional debt in the future.	190-194
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place and to help make comparisons over time and with other Districts.	195-197
Operating Information These schedules contain information about the School District's operations and resources to help the reader understand how the School District's financial information relates to the services the School District provides and the activities it performs.	198-201

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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Table 1

Horry County Schools
Net Position by Component
Last Ten Years - Accrual Basis (Dollars in thousands)

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 165,674	\$ 195,460	\$ 233,111	\$ 268,586	\$ 286,007	\$ 308,891	\$ 140,200	\$ 315,403	\$ 404,743	\$ 467,134
Restricted	101,572	102,769	89,869	82,185	83,606	87,927	302,736	176,491	115,091	106,893
Unrestricted	60,803	72,512	82,353	86,608	90,920	(335,482) *	(328,140) *	(340,033) *	(786,720)	(841,869)
Total governmental activities net position	\$ 328,049	\$ 370,741	\$ 405,333	\$ 437,379	\$ 460,533	\$ 61,336	\$ 114,796	\$ 151,861 **	\$ (266,886)	\$ (267,842)
Business-type activities										
Net investment in capital assets	\$ 2,525	\$ 2,341	\$ 2,347	\$ 2,286	\$ 2,310	\$ 2,162	\$ 2,038	\$ 1,806	\$ 4,820 ***	\$ -
Unrestricted	3,228	3,684	4,162	4,302	4,251	(2,009) *	(1,920) *	(2,111) *	(25,939) ***	-
Total business-type activities net position	\$ 5,753	\$ 6,025	\$ 6,509	\$ 6,588	\$ 6,561	\$ 153	\$ 118	\$ (305) **	\$ (21,119) ***	\$ -
Total primary government net position	\$ 333,802	\$ 376,766	\$ 411,842	\$ 443,967	\$ 467,094	\$ 61,489	\$ 114,914	\$ 151,556 **	\$ (288,005)	\$ (267,842)
Component units										
Net investment in capital assets	\$ 181	\$ 413	\$ 505	\$ 411	\$ 465	\$ 604	\$ 507	\$ 97	\$ (258)	\$ (734)
Restricted	-	-	-	-	8	9	7	5	3	2
Unrestricted	435	268	552	641	533	(2,391) *	(2,858) *	(3,228) *	(8,585)	(9,116)
Total component units net position (deficit)	\$ 616	\$ 681	\$ 1,057	\$ 1,052	\$ 1,006	\$ (1,778)	\$ (2,344)	\$ (3,126)	\$ (8,840)	\$ (9,848)

* The change in unrestricted net position beginning in 2015 is due to the implementation of GASB Statement No. 68.
 ** The change in unrestricted net position in 2018 is due to the implementation of GASB Statement No. 75.
 *** The School District converted its food service program operations, its only enterprise fund, from an enterprise fund to a special revenue fund effective July 1, 2018.

Table 2

Horry County Schools
Changes in Net Position
Last Ten Fiscal Years - Accrual Basis (Dollars in thousands)

	Fiscal year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities										
Instructional services	\$ 236,394	\$ 236,524	\$ 251,284	\$ 256,028	\$ 267,754	\$ 273,224	\$ 276,465	\$ 299,279	\$ 321,479	\$ 333,064
Supporting services	127,351	128,715	133,424	140,253	152,291	155,900	157,822	168,860	185,218	212,453
Community services	1,218	961	943	956	1,000	1,285	1,344	1,491	1,963	2,020
Interest and other charges	19,980	17,516	14,182	13,646	15,908	13,707	9,406	14,272	17,446	12,809
Pupil activities	341	457	529	656	646	716	-	242	-	-
Total governmental activities expenses	<u>385,284</u>	<u>384,173</u>	<u>400,362</u>	<u>411,539</u>	<u>437,599</u>	<u>444,832</u>	<u>445,037</u>	<u>484,144</u>	<u>526,106</u>	<u>560,346</u>
Business-type activities:										
Food service	19,092	20,088	20,857	21,315	21,189	21,376	21,026	20,761	30,405 *	-
Total business-type activities expenses	<u>19,092</u>	<u>20,088</u>	<u>20,857</u>	<u>21,315</u>	<u>21,189</u>	<u>21,376</u>	<u>21,026</u>	<u>20,761</u>	<u>30,405 *</u>	<u>-</u>
Total primary government expenses	<u>\$ 404,376</u>	<u>\$ 404,261</u>	<u>\$ 421,219</u>	<u>\$ 432,854</u>	<u>\$ 458,788</u>	<u>\$ 466,208</u>	<u>\$ 466,063</u>	<u>\$ 504,905</u>	<u>\$ 556,511</u>	<u>\$ 560,346</u>
Program revenues:										
Governmental activities										
Charges for services:										
Instruction	\$ 94	\$ 117	\$ 114	\$ 116	\$ 43	\$ 36	\$ 611	\$ 827	\$ 562	\$ 4,670
Supporting services	3,530	3,567	3,627	3,547	3,862	3,389	-	-	-	-
Community services	-	-	-	-	-	-	151	75	73	54
Operating grants and contributions	112,481	121,586	132,408	137,520	147,407	156,393	171,374	186,359	202,062	223,199
Total governmental activities program revenues	<u>116,105</u>	<u>125,270</u>	<u>136,149</u>	<u>141,183</u>	<u>151,312</u>	<u>159,818</u>	<u>172,136</u>	<u>187,261</u>	<u>202,697</u>	<u>227,923</u>
Business-type activities										
Charges for services	5,357	5,259	5,272	5,068	5,033	4,824	4,381	4,568	4,101 *	-
Operating grants and contributions	14,023	15,056	15,726	16,044	15,559	16,422	16,455	16,136	17,263 *	-
Total business-type activities program revenues	<u>19,380</u>	<u>20,315</u>	<u>20,998</u>	<u>21,112</u>	<u>20,592</u>	<u>21,246</u>	<u>20,836</u>	<u>20,704</u>	<u>21,364 *</u>	<u>-</u>
Total primary government program revenues	<u>\$ 135,485</u>	<u>\$ 145,585</u>	<u>\$ 157,147</u>	<u>\$ 162,295</u>	<u>\$ 171,904</u>	<u>\$ 181,064</u>	<u>\$ 192,972</u>	<u>\$ 207,965</u>	<u>\$ 224,061</u>	<u>\$ 227,923</u>

Table 2

Horry County Schools
Changes in Net Position
Last Ten Fiscal Years - Accrual Basis (Dollars in thousands)

	Fiscal year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (expense) revenue										
Governmental activities net (expense) revenue	\$ (269,179)	\$ (258,903)	\$ (264,213)	\$ (270,356)	\$ (286,287)	\$ (285,014)	\$ (272,901)	\$ (296,883)	\$ (323,409)	\$ (332,423)
Business-type activities net (expense) revenue	288	227	141	(203)	(597)	(130)	(190)	(57)	(9,041) *	-
Total primary government (net expense)	<u>(268,891)</u>	<u>(258,676)</u>	<u>(264,072)</u>	<u>(270,559)</u>	<u>(286,884)</u>	<u>(285,144)</u>	<u>(273,091)</u>	<u>(296,940)</u>	<u>(332,450)</u>	<u>(332,423)</u>
General revenues and other:										
Governmental activities:										
Property taxes	\$ 265,424	\$ 254,328	\$ 251,240	\$ 253,568	\$ 259,884	\$ 262,613	\$ 272,056	\$ 278,248	\$ 277,205	\$ 290,328
State aid	46,155	46,367	47,045	48,496	49,642	51,292	52,369	52,829	54,063	55,957
Other	1,504	941	860	614	481	680	1,122	2,312	3,625	6,301
Transfers	(287)	(41)	(340)	(276)	(566)	(485)	813	559	(3,110)	-
Total general revenues and other	<u>312,796</u>	<u>301,595</u>	<u>298,805</u>	<u>302,402</u>	<u>309,441</u>	<u>314,100</u>	<u>326,360</u>	<u>333,948</u>	<u>331,783</u>	<u>352,586</u>
Change in net position, governmental activities	<u>\$ 43,617</u>	<u>\$ 42,692</u>	<u>\$ 34,592</u>	<u>\$ 32,046</u>	<u>\$ 23,154</u>	<u>\$ 29,086</u>	<u>\$ 53,459</u>	<u>\$ 37,065</u>	<u>\$ 8,374</u>	<u>\$ 20,163</u>
Business-type activities:										
Other	\$ 11	\$ 3	\$ 3	\$ 6	\$ 3	\$ 9	\$ 235	\$ 193	\$ 145 *	\$ -
Transfers	287	41	340	276	566	485	(79)	(559)	3,110 *	-
Total general revenues and other	<u>298</u>	<u>44</u>	<u>343</u>	<u>282</u>	<u>569</u>	<u>494</u>	<u>156</u>	<u>(366)</u>	<u>3,255 *</u>	<u>-</u>
Change in net position, business-type activities	<u>\$ 586</u>	<u>\$ 271</u>	<u>\$ 484</u>	<u>\$ 79</u>	<u>\$ (28)</u>	<u>\$ 364</u>	<u>\$ (34)</u>	<u>\$ (423)</u>	<u>\$ (5,786) *</u>	<u>\$ -</u>
Primary government:										
Property taxes	\$ 265,424	\$ 254,328	\$ 251,240	\$ 253,568	\$ 259,884	\$ 262,613	\$ 272,056	\$ 278,248	\$ 277,205	\$ 290,328
State aid	46,155	46,367	47,045	48,496	49,642	51,292	52,369	52,829	54,063	55,957
Other	1,515	944	863	620	484	689	1,357	2,505	3,770	6,301
Transfers	-	-	-	-	-	-	734	-	-	-
Total general revenues and other	<u>313,094</u>	<u>301,639</u>	<u>299,148</u>	<u>302,684</u>	<u>310,010</u>	<u>314,594</u>	<u>326,516</u>	<u>333,582</u>	<u>335,038</u>	<u>352,586</u>
Change in net position, primary government	<u>\$ 44,203</u>	<u>\$ 42,963</u>	<u>\$ 35,076</u>	<u>\$ 32,125</u>	<u>\$ 23,126</u>	<u>\$ 29,450</u>	<u>\$ 53,425</u>	<u>\$ 36,642</u>	<u>\$ 2,588</u>	<u>\$ 20,163</u>
Total Component Units										
Total Expenses	\$ 1,340	\$ 2,620	\$ 4,068	\$ 5,194	\$ 6,912	\$ 7,076	\$ 8,054	\$ 8,673	\$ 8,888	\$ 9,143
Program Revenues:										
Charges for Services	73	55	54	58	-	-	-	-	-	10
Operating Grants and Contributions	13	2,548	4,067	5,126	6,473	7,015	6,987	7,466	7,310	7,659
Total program revenues	<u>86</u>	<u>2,603</u>	<u>4,121</u>	<u>5,184</u>	<u>6,473</u>	<u>7,015</u>	<u>6,987</u>	<u>7,466</u>	<u>7,310</u>	<u>7,669</u>
Net (expense) revenue	<u>(1,254)</u>	<u>(17)</u>	<u>53</u>	<u>(10)</u>	<u>(439)</u>	<u>(61)</u>	<u>(1,067)</u>	<u>(1,207)</u>	<u>(1,578)</u>	<u>(1,474)</u>
General revenues - state aid/grants (unrestricted)	<u>1,289</u>	<u>77</u>	<u>294</u>	<u>126</u>	<u>394</u>	<u>442</u>	<u>501</u>	<u>425</u>	<u>489</u>	<u>466</u>
Change in net position - component units	<u>\$ 35</u>	<u>\$ 60</u>	<u>\$ 347</u>	<u>\$ 116</u>	<u>\$ (45)</u>	<u>\$ 381</u>	<u>\$ (566)</u>	<u>\$ (782)</u>	<u>\$ (1,089)</u>	<u>\$ (1,008)</u>

Source: Horry County Schools' Audit Reports

* The School District converted its food service program operations, its only enterprise fund, from an enterprise fund to a special revenue fund effective July 1, 2018.

Table 3

Horry County Schools
Fund Balances, Governmental Funds
Last Ten Years - Modified Accrual Basis (Dollars in thousands)

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Reserved	\$ 2,181	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved	49,529	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total general fund	<u>\$ 51,710</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
General fund**										
Non-spendable:										
Inventories	N/A	475	614	534	580	570	518	641	696	725
Prepaid Expenditures	N/A	1,941	2,154	5,491	1,946	1,896	1,987	2,454	2,877	3,220
Committed:										
10-15% Reserve	N/A	-	-	-	-	-	-	-	-	-
Assigned:										
Carryover School Budgets	N/A	433	502	420	552	495	497	525	567	688
Subsequent Year Expenditures	N/A	2,473	2,726	2,925	4,698	14,134	11,345	17,683	21,236	24,183
Encumbered Operating Expenditures	N/A	54	59	59	-	-	-	-	-	-
Unassigned	N/A	56,676	64,112	65,377	75,919	71,806	77,600	80,511	85,113	78,901
Total general fund	<u>-</u>	<u>62,052</u>	<u>70,167</u>	<u>74,806</u>	<u>83,695</u>	<u>88,901</u>	<u>91,947</u>	<u>101,814</u>	<u>110,489</u>	<u>107,717</u>
All other governmental funds										
Reserved	101,572	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total all other governmental funds	<u>101,572</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
All other governmental funds**										
Non-spendable	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 761,532	\$ 404	\$ 20	\$ 383
Restricted:										
Special Projects	N/A	1,496	-	-	-	-	677	1,385	1,682 *	8,012
Debt Service	N/A	48,212	32,355	27,229	25,080	24,318	34,590	31,926	54,552	52,372
Capital Projects	N/A	53,060	57,514	54,957	56,408	61,496	265,227	116,783	42,695	39,272
Unassigned	N/A	-	-	-	-	-	-	-	-	(19)
Total all other governmental funds	<u>N/A</u>	<u>\$ 102,768</u>	<u>\$ 89,869</u>	<u>\$ 82,186</u>	<u>\$ 81,488</u>	<u>\$ 85,814</u>	<u>\$ 1,062,026</u>	<u>\$ 150,498</u>	<u>\$ 98,949</u>	<u>\$ 100,020</u>

Notes: Modified accrual basis of accounting.

* The School District converted its food service program operations, its only enterprise fund, from an enterprise fund to a special revenue fund effective July 1, 2018.

** The 2011 - 2015 fund balances for the General Fund and all other Governmental Funds are reported based on the requirements under GASBS 54.

The fund balances for years ended 2008-2010 are not reported under GASBS 54.

The District implemented GASB Statement 54 beginning July 1, 2010. As a result, this table presents new fund balance terminology information beginning with the fiscal year end June 30, 2011.

Horry County Schools
Changes in Fund Balances, Governmental Funds
Last Ten Years - Modified Accrual Basis

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Local sources	\$ 271,599,226	\$ 260,378,440	\$ 257,295,873	\$ 261,628,826	\$ 269,272,250	\$ 268,240,809	\$ 279,013,531	\$ 288,560,731	\$ 294,870,019	\$ 308,743,136
Intergovernmental	66,970	101,110.00	284,647	225,530	98,407.00	36,536	1,651,625	1,688,098	737,500	1,171,111
State sources	120,888,530	126,255,717	146,966,230	158,030,653	169,692,055	178,626,061	187,206,318	200,571,651	225,123,941	229,866,443
Federal sources	35,353,050	39,757,221	29,463,176	24,212,242	23,696,383	25,912,165	26,800,598	29,830,964	28,208,037	45,896,297
Total revenue	427,907,776	426,492,488	434,009,926	444,097,251	462,759,095	472,815,571	494,672,072	520,651,444	548,939,497	585,676,987
Expenditures:										
Current:										
Instructional services	222,148,334	219,841,958	232,174,633	236,650,368	240,683,778	245,518,875	252,922,172	265,897,095	280,526,941	285,154,149
Support services	119,883,821	119,687,739	123,756,733	130,039,982	136,916,619	139,944,831	144,215,511	150,309,788	164,457,225	187,294,426
Community services	1,144,979	891,076	871,428	883,415	885,554	1,138,889	1,219,662	1,315,048	1,747,261	1,768,089
Pupil activities	-	456,962	528,974	656,605	646,784	715,943	-	242,068	-	-
Intergovernmental	1,951,639	3,365,840	4,659,258	5,625,885	7,137,197	7,874,729	8,221,998	7,924,685	11,422,585	11,859,411
Capital outlay	23,922,155	28,923,022	40,660,605	37,343,051	31,972,154	31,870,449	73,318,123	193,778,519	91,899,156	44,959,827
Debt Service:										
Principal	34,590,000	22,210,000	18,250,000	19,390,000	19,935,000	20,845,000	21,860,000	22,945,000	17,815,000	42,895,000
Interest and Legal Fees	21,153,094	19,976,914	17,768,555	16,419,252	16,064,806	15,708,756	14,162,896	19,689,855	20,840,969	19,983,319
Total expenditures	424,794,022	415,353,511	438,670,186	447,008,558	454,241,892	463,617,472	515,920,362	662,102,058	588,709,137	593,914,221
Excess (deficiency) of revenues over expenditures	3,113,754	11,138,977	(4,660,260)	(2,911,307)	8,517,203	9,198,099	(21,248,290)	(141,450,614)	(39,769,640)	(8,237,234)
Other financing sources (uses):										
Premium on bonds sold	6,492,467	9,867,454	7,559,556	1,399,317	-	23,080,290	41,113,039	-	-	-
General obligation bonds issued	-	-	-	-	-	-	197,780,000	-	-	-
Proceeds of refunding debt	43,330,000	54,965,000	59,455,000	14,745,000	-	143,780,000	-	-	-	-
Payment to refunded debt escrow agent	(49,646,378)	(64,662,177)	(66,817,219)	(16,026,573)	-	(166,352,383)	-	-	-	-
Sale of capital assets	66,980	269,318	18,874	25,376	240,239	150,850	29,883	-	5,000	57,000
Other financing sources	-	-	-	-	-	160,926	-	-	-	-
Transfers in	8,726,301	63,987,288	54,215,836	46,983,030	47,761,342	48,187,711	44,351,867	54,986,957	35,834,349	51,573,491
Transfers out	(9,354,198)	(64,028,004)	(54,555,763)	(47,258,901)	(48,327,433)	(48,672,830)	(43,538,901)	(54,427,925)	(38,944,519)	(51,573,491)
Total other financing sources (uses)	(384,828)	398,879	(123,716)	(132,751)	(325,852)	334,564	239,735,888	559,032	(3,105,170)	57,000
Change in fund balances	\$ 2,728,926	\$ 11,537,856	\$ (4,783,976)	\$ (3,044,058)	\$ 8,191,351	\$ 9,532,663	\$ 218,487,598	\$ (140,891,582)	\$ (42,874,810)	\$ (8,180,234)
Debt service as a percentage of non capital expenditures	13.9%	10.9%	9.0%	8.7%	8.5%	8.5%	7.8%	8.9%	7.6%	11.1%

Source: Horry County Schools' Audit Reports

Horry County Schools
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years - (Dollars in thousands)

Fiscal Year Ended June 30,	Real Property		Personal Property		Total		Total Direct Rate **	Ratio of Total Assessed to Total Estimated Actual Value
	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated		
	Value	Actual Value	Value	Actual Value	Value	Actual Value		
2010	\$ 1,703,167	\$ 30,216,061	\$ 303,012	\$ 5,375,767	\$ 2,006,179	\$ 35,591,828	139.3	5.64%
2011	1,753,786	31,504,581	275,204	4,943,697	2,028,990	36,448,278	132.2	5.57%
2012	1,766,947	31,844,873	277,771	5,006,139	2,044,718	36,851,012	130.2	5.55%
2013	1,764,836	31,878,821	289,034	5,220,918	2,053,870	37,099,739	130.2	5.54%
2014	1,780,231	32,189,061	304,251	5,501,283	2,084,482	37,690,344	130.2	5.53%
2015	1,710,319	30,622,912	386,683	6,923,480	2,097,002	37,546,392	133.1	5.59%
2016	1,746,474	31,610,130	361,462	6,542,245	2,107,936	38,152,375	133.1	5.53%
2017	1,794,535	32,602,762	381,119	6,924,096	2,175,654	39,526,858	133.1	5.50%
2018	1,854,839	33,961,085	374,627	6,859,215	2,229,466	40,820,300	133.1	5.46%
2019	1,936,313	35,575,980	383,311	7,042,593	2,319,624	42,618,573	133.1	5.44%

Source(s): Horry County Government
 ** Per \$1,000 of assessed value.

Horry County Schools
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Jurisdiction	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<i>Direct Rates:</i>										
Horry County Schools										
General Fund	119.3	118.2	120.2	120.2	120.2	123.1	123.1	123.1	123.1	123.1
Debt Service	20.0	14.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Total	<u>139.3</u>	<u>132.2</u>	<u>130.2</u>	<u>130.2</u>	<u>130.2</u>	<u>133.1</u>	<u>133.1</u>	<u>133.1</u>	<u>133.1</u>	<u>133.1</u>
<i>Overlapping Rates:</i>										
Horry County	47.3	44.9	45.2	45.2	45.2	45.2	52.4	52.4	52.4	52.4
Town of Atlantic Beach	94.5	94.5	84.5	84.5	84.5	84.5	84.5	84.5	84.5	84.5
Town of Aynor	72.2	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8
Town of Briarcliffe Acres	55.6	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8
City of Conway	86.6	79.3	79.3	79.3	79.3	82.4	82.4	82.4	82.4	82.4
City of Loris	105.0	103.7	103.7	103.7	103.2	111.7	115.0	115.0	118.5	118.5
City of Myrtle Beach	64.4	66.1	66.1	66.1	66.1	74.5	74.5	77.5	77.5	80.5
City of North Myrtle Beach	32.2	32.0	38.0	38.0	38.0	39.3	39.3	41.3	41.3	43.3
Town of Surfside Beach	44.0	40.0	40.0	40.0	40.0	46.2	46.2	46.2	46.2	46.2

Source: Horry County Auditor

Horry County Schools
Principal Property Taxpayers
Current Year and Nine Years Prior

Taxpayer	Fiscal Year Ended June 30, 2019 (b)			Fiscal Year Ended June 30, 2010 (a)		
	Taxable Assessed Value	Rank	Percent of Assessed Value to Total Assessed Value	Taxable Assessed Value	Rank	Percent of Assessed Value to Total Assessed Value
Horry Electric Coop. Inc.	\$ 19,491,230	1	0.89%	\$ 18,161,715	2	0.91%
Burroughs & Chapin Company, Inc.	16,363,620	2	0.75%	35,853,334	1	1.79%
Lawyers Title Insurance Corp.	5,260,390	3	0.24%	3,819,929	7	0.19%
Bluegreen Vacations Unlimited, Inc.	5,208,820	4	0.24%	6,650,068	4	0.33%
South Carolina Electric & Gas	4,538,830	5	0.21%			
Time Warner Cable Southeast LI	4,391,580	6	0.20%			
AVX Corporation	4,121,163	7	0.19%			
Marriott Ownership Resorts Inc.	4,077,130	8	0.19%	3,853,080	10	0.19%
Ocean Lakes Family Campground	3,587,260	9	0.16%			
Ireit North Myrtle Beach Coastal North	3,444,290	10	0.16%			
Horry Telephone Coop.				9,150,492	3	0.46%
Verizon South, Inc.				6,522,700	5	0.33%
HRP Myrtle Beach Operations, LLC				4,303,486	6	0.21%
Walmart Real Estate Business Trust/Sam's				1,336,082	8	0.07%
Time Warner Ent. - Advance/Newhouse				3,468,210	9	0.17%
Totals	<u>\$ 70,484,313</u>		<u>3.21%</u>	<u>\$ 93,119,096</u>		<u>4.65%</u>

Source: (a) 2010 Horry County Schools' CAFR

Horry County Schools

Property Tax Levies and Collections

Last Ten Fiscal Years - (Dollars in thousands)

Fiscal Year Ended June 30,	Taxes Levied For the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 218,910	\$ 205,037	93.66%	\$ 9,911	\$ 214,948	98.19%
2011	210,897	201,815	95.69%	3,376	205,191	97.29%
2012	203,283	197,292	97.05%	4,537	201,829	99.28%
2013	205,857	198,715	96.53%	4,567	203,282	98.75%
2014	210,364	207,083	98.44%	2,646	209,729	99.70%
2015	209,106	205,538	98.29%	509	206,047	98.54%
2016	211,371	207,122	97.99%	2,163	209,285	99.01%
2017	217,694	213,523	98.08%	1,823	215,346	98.92%
2018	220,535	216,613	98.22%	1,056	217,669	98.70%
2019	224,965	221,179	98.32%	-	221,179	98.32%

Source(s): Horry County Schools' audited financial statements and Horry County Treasurer

Horry County Schools
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years (Amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Total Outstanding</u>	<u>Less Debt Service</u>	<u>Net General Bonded Debt</u>	<u>Estimated Actual Value</u>	<u>Population</u>	<u>Ratio Bonded Debt to Estimated Actual Value</u>	<u>Bonded Debt Per Capita in Actual Dollars</u>
2010	\$ 424,455	\$ 73,876	\$ 350,579	\$ 35,591,828	264	1.19%	\$ 1,608
2011	401,208	44,130	357,078	36,448,278	269	1.10%	1,491
2012	379,873	27,574	352,299	36,851,012	276	1.03%	1,376
2013	357,575	27,036	330,539	37,099,739	282	0.96%	1,268
2014	346,986	20,466	326,520	37,690,344	290	0.92%	1,197
2015	330,620	19,612	311,008	37,546,392	299	0.88%	1,106
2016	543,301	34,462	508,839	38,152,375	309	1.42%	1,758
2017	512,157	34,068	478,089	39,526,858	322	1.30%	1,591
2018	486,314	56,185	430,129	40,835,795	333	1.19%	1,460
2019	435,390	53,913	381,477	42,618,573	344	1.02%	1,266

Source(s): Horry County Government

Horry County Schools
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (Amounts expressed in thousands)

Fiscal Year	General Obligation Bonds	Personal Income	Population	Ratio of O/S Debt to Personal Income	Bonded Debt per Capita In Actual Dollars
2010	\$ 424,455	\$ 7,550,055	264	5.62%	\$ 1,608
2011	401,208	7,849,294	269	5.11%	1,491
2012	379,873	8,417,316	276	4.51%	1,376
2013	357,575	8,753,093	282	4.09%	1,268
2014	346,986	9,260,979	290	3.75%	1,197
2015	330,620	9,810,655	299	3.37%	1,106
2016	543,301	10,457,110	309	5.20%	1,758
2017	512,157	11,449,588	322	4.47%	1,591
2018	486,314	Unavailable	333	Unavailable	1,460
2019	435,390	Unavailable	344	Unavailable	1,266

Note: Detail regarding the District's outstanding debt can be found in the notes to the financial statements

Source(s): Personal Income - County Population x Per Capita Personal Income (in thousands)
Population - US Census Bureau

Horry County Schools***Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total Governmental Expenditures******Last Ten Fiscal Years***

Fiscal Year	Principal	Interest and Fiscal Charges	Total	Total Governmental Expenditures	Ratio of Debt Service to Total Expenditures
2010	\$ 34,590,000	\$ 20,970,609	\$ 55,560,609	\$ 424,794,022	13.08%
2011	22,210,000	19,769,181	41,979,181	415,353,511	10.11%
2012	18,250,000	17,541,361	35,791,361	438,670,186	8.16%
2013	19,390,000	16,269,040	35,659,040	447,008,558	7.98%
2014	19,935,000	16,064,806	35,999,806	454,241,892	7.93%
2015	20,845,000	15,708,756	36,553,756	463,617,472	7.88%
2016	21,860,000	14,162,896	36,022,896	515,920,362	6.98%
2017	22,945,000	19,689,855	42,634,855	662,102,058	6.44%
2018	17,815,000	20,840,969	38,655,969	588,709,137	6.57%
2019	42,895,000	19,983,319	62,878,319	593,914,221	10.59%

Note: Total governmental expenditures represent total expenditures, excluding other financing sources (uses), for all governmental fund types: General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund.

Source(s): Horry County Schools' Auditor Reports.

Horry County Schools
Computation of Direct and Overlapping Debt
June 30, 2019 (Dollars in thousands)

<u>Government</u>	<u>Total General Debt Outstanding</u>	<u>Percentage Applicable to School District*</u>	<u>School District's Share of Debt</u>
Entity:			
Horry County Schools	\$ 435,390	100%	\$ 435,390
Direct Debt	<u>435,390</u>		<u>435,390</u>
Horry County Government	63,008	100%	63,008
City of Myrtle Beach	181,323	100%	181,323
City of Conway	3,197	100%	3,197
City of Loris	1,857	100%	1,857
Town of Surfside Beach	<u>152</u>	100%	<u>152</u>
Total Overlapping Debt	<u>249,537</u>		<u>249,537</u>
Total Direct and Overlapping Debt	<u>\$ 684,927</u>		<u>\$ 684,927</u>

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

Debt outstanding includes capital leases for all entities.

Debt outstanding includes the net of unamortized premiums, discounts, and bond issuance costs.

Source(s): Finance Department of each entity

*Overlapping governments are those that coincide with the geographic boundaries of the County. The overlapping portion is calculated to be 100% since Horry County Schools is the only school district located within the geographic boundaries. This percentage represents the portion of burden the outstanding debt of those overlapping governments place on residents and businesses in Horry County. This process recognizes that when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

Horry County Schools
Computation of Legal Debt Margin
Last Ten Fiscal Years - (Dollars in thousands)

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 160,862	\$ 164,213	\$ 166,459	\$ 166,313	\$ 164,364	\$ 167,760	\$ 168,635	\$ 168,615	\$ 178,357	\$ 185,570
Total net debt applicable to limit	20,200	13,435	9,160	5,620	4,355	3,035	125,000	125,000	125,000	109,705
Legal debt margin	\$ 140,662	\$ 150,778	\$ 157,299	\$ 160,693	\$ 160,009	\$ 164,725	\$ 43,635	\$ 43,615	\$ 53,357	\$ 75,865
Total net debt applicable to limit as a percentage of debt limit	12.56%	8.18%	5.50%	3.38%	2.65%	1.81%	74.12%	74.13%	70.08%	59.12%

Legal debt margin calculation for fiscal year 2019

Assessed value	\$ 2,319,625
Debt limit (8% of assessed value)	185,570
Debt applicable to limit	(109,705)
Legal debt margin	\$ 75,865

Source(s): Horry County Schools' audit reports and Horry County Auditor and Assessor

Horry County Schools*Demographic and Economic Statistics**Last Ten Calendar Years*

<u>Fiscal Year Ended June 30,</u>	<u>Population (1)</u>	<u>Per Capita Income County (2)</u>	<u>Personal Income (3)</u>	<u>County Unemployment Rate (4)</u>	<u>School Enrollment (5)</u>
2010	263,868	\$ 28,613	\$ 7,550,055	10.3%	37,421
2011	269,291	29,148	7,849,294	10.5%	37,927
2012	276,340	30,460	8,417,316	10.1%	38,464
2013	282,285	31,008	8,753,093	8.3%	39,321
2014	289,650	31,973	9,260,979	6.6%	40,256
2015	298,832	32,830	9,810,655	6.7%	41,195
2016	309,199	33,820	10,457,110	5.6%	42,174
2017	322,342	35,520	11,449,588	4.3%	42,912
2018	333,268	N/A	N/A	3.8%	43,706
2019	344,147	N/A	N/A	3.8%	43,854

Source(s):

- (1) U.S. Census Bureau
- (2) Bureau of Economic Analysis
- (3) County Population x Per Capita Personal Income (in thousands)
- (4) South Carolina Department of Employment and Workforce
- (5) Horry County Schools' 135-Day Average Daily Membership (based on fiscal year)

Horry County Schools

Principal Employers

Current Year and Nine Years Prior

Employer	Fiscal Year Ended June 30, 2019			Fiscal Year Ended June 30, 2010		
	Approximate Numbers of Employees	Rank	Percentage of Total Employment	Approximate Numbers of Employees	Rank	Percentage of Total Employment
Horry County School District	5,899	1	3.68%	4,870	1	3.53%
Wal-Mart	2,484	2	1.55%	2,061	2	1.49%
Horry County Government	2,158	3	1.35%	1,913	3	1.39%
Coastal Carolina University	1,481	4	0.92%	1,057	6	0.77%
Grand Strand Regional Medical Center	1,246	5	0.78%	1,200	4	0.87%
Conway Medical Center	1,170	6	0.73%	1,150	5	0.83%
City of Myrtle Beach	1,051	7	0.66%	902	6	0.65%
McLeod Health (Loris & Seacoast)	974	8	0.61%	900	9	0.65%
Food Lion	935	9	0.58%			
Kingston Resorts	688	10	0.43%			
Myrtle Beach National				980	7	0.71%
Blue Cross Blue Shield				827	10	0.60%
Totals	<u>18,086</u>		<u>11.29%</u>	<u>15,860</u>		<u>11.49%</u>

Note: The total employment is as of June of that year.

Source: Horry County Government

Table 14

Horry County Schools
Employee Staffing Levels and Staffing Ratios for Regular Teachers
Last Ten Fiscal Years

Budgeted Positions	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Teachers (1)	2,577	2,514	2,537	2,690	2,667	2,726	2,829	2,888	2,959	3,015
Classified Instructional Aides	756	730	733	730	774	769	783	793	811	814
Principals and Assistant Principals	128	130	133	137	137	137	144	146	153	156
Supervisors and Directors	34	32	32	33	33	39	40	39	42	43
Coordinators and Learning Specialists	106	99	101	114	114	115	116	115	112	113
Counselors and Guidance	87	87	87	88	89	99	108	112	118	127
Librarians and Media Specialists	48	47	47	48	48	48	49	49	52	52
Nurses	61	59	57	59	60	59	60	67	70	70
Psychologists	30	29	29	31	31	31	31	31	33	33
Special Education Therapists	67	66	66	66	66	65	65	65	65	65
Technology	23	24	23	23	23	25	20	25	25	24
Transportation	386	384	401	411	423	429	452	465	465	473
Cafeteria	342	349	351	355	355	341	331	330	325	317
Custodians	208	214	223	238	241	247	277	279	301	305
Clerical	271	266	268	270	271	270	281	282	289	292
Maintenance	73	72	74	75	72	77	48	48	53	58
Miscellaneous (2)	93	91	95	99	107	114	139	155	156	178
Totals	5,290	5,193	5,257	5,467	5,511	5,591	5,773	5,887	6,026	6,133

Budgeted Staffing Ratios	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Child Development	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1
Kindergarten	25 to 1	25 to 1	25 to 1	25 to 1	25 to 1	25.5 to 1	25.5 to 1	25.5 to 1	25.5 to 1	25.5 to 1
Primary - Grade 1	21 to 1	21 to 1	21 to 1	21 to 1	21 to 1	21.5 to 1	21.5 to 1	21.5 to 1	21.5 to 1	21.5 to 1
Primary - Grades 2-3	21 to 1	21 to 1	21 to 1	21 to 1	21 to 1	21.5 to 1	21.5 to 1	21.5 to 1	21.5 to 1	21.5 to 1
Elementary - Grades 4-5	24 to 1	24 to 1	24 to 1	24 to 1	24 to 1	24.5 to 1	24.5 to 1	24.5 to 1	24.5 to 1	24.5 to 1
Middle - Grade 6	19 to 1	19 to 1	19 to 1	19.8 to 1	20 to 1	20.2 to 1	20.2 to 1	20.2 to 1	20.2 to 1	20.2 to 1
Middle - Grades 7-8	19 to 1	19 to 1	19 to 1	19.8 to 1	20 to 1	20.2 to 1	20.2 to 1	20.2 to 1	20.2 to 1	20.2 to 1
High - Grades 9-12 (Smallest Schools)	15 to 1	15 to 1	15 to 1	15.75 to 1	16 to 1	16.13 to 1	16.13 to 1	16.13 to 1	16.13 to 1	16.13 to 1
High - Grades 9-12 (Largest Schools)	18.75 to 1	18.75 to 1	18.75 to 1	19.5 to 1	19.88 to 1	19.88 to 1	19.88 to 1	19.88 to 1	19.88 to 1	19.88 to 1

Note: (1) The number of regular classroom teachers employed varies with student enrollment.
 (2) Miscellaneous staff includes accountants, administrative assistants, athletic directors, trainers, auditorium managers, childcare and First Steps managers, interpreters, and interventionists.

Source(s): Horry County School District's budget document

Horry County Schools
Operating Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Enrollment	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced - Price Meals
2010	37,421	\$ 385,285	\$ 10,296	-0.66%	2,577	14.52	62.33%
2011	37,927	384,173	10,129	-1.62%	2,514	15.09	63.91%
2012	38,464	400,361	10,409	2.76%	2,557	15.04	64.47%
2013	39,321	411,539	10,466	0.55%	2,690	14.62	64.11%
2014	40,256	437,600	10,870	3.86%	2,688	14.98	63.01%
2015	41,195	444,832	10,798	-0.66%	2,747	15.00	61.14%
2016	42,174	445,036	10,552	-2.28%	2,849	14.80	59.73%
2017	42,912	484,144	11,282	6.92%	2,918	14.71	58.84%
2018	43,706	526,106	12,037	6.69%	2,992	14.61	48.99%
2019	43,854	560,345	12,778	6.15%	3,052	14.37	57.16%

Note: Operating expenditures are total expenditures less debt service and capital outlays.

Note: Enrollment reflects grades CD through 12.
 Percentage of Students Receiving Free or Reduced-Price Meals in 2019 is for NON-CEP Schools only
 In 2019, this is the District Wide Direct Certification Percentage.

Source(s): Financial records of Horry County, SC Dept of Education

Horry County Schools
Capital Asset Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Buildings:										
Primary Schools										
Number	2	2	2	2	1	1	1	1	1	1
Square feet	224,185	224,185	224,185	224,185	113,650	113,650	113,650	113,650	113,650	113,650
Capacity	1,994	1,994	1,994	1,994	850	850	826	826	762	762
Enrollment	1,600	1,712	1,726	1,760	910	884	830	825	798	798
Elementary Schools										
Number	22	22	22	23	25	25	25	25	26	25
Square feet	2,187,848	2,220,648	2,220,707	2,323,790	2,533,500	2,533,500	2,533,500	2,533,500	2,675,947	2,578,298
Capacity	18,249	18,249	18,249	18,249	20,347	20,347	20,290	20,646	19,494	19,494
Enrollment	15,571	14,747	15,863	16,234	18,621	19,130	19,301	19,392	19,124	19,003
Intermediate Schools										
Number	2	2	2	2	1	1	1	1	2	2
Square feet	177,465	177,465	177,465	177,465	78,290	78,290	78,290	78,290	249,208	249,208
Capacity	1,968	1,968	1,968	1,968	735	735	735	735	1,947	1,947
Enrollment	1,207	1,812	1,375	1,327	648	692	720	726	1,620	1,630
Middle Schools										
Number	10	10	10	10	10	10	10	10	113	12
Square feet	1,382,274	1,382,274	1,393,714	1,393,714	1,393,714	1,393,714	1,393,714	1,393,714	1,911,817	1,775,817
Capacity	10,436	10,436	10,436	10,436	8,912	8,912	8,610	9,216	11,051	11,051
Enrollment	7,961	8,850	8,427	9,107	9,115	9,127	9,338	9,348	9,192	9,662
High Schools										
Number	9	9	9	9	9	9	10	10	10	10
Square feet	2,254,304	2,254,304	2,254,304	2,254,304	2,254,304	2,254,304	2,313,304	2,313,304	2,313,304	2,313,304
Capacity	14,702	14,702	14,702	14,702	14,457	14,457	15,075	15,075	13,862	13,862
Enrollment	10,806	10,806	11,274	10,893	12,196	12,632	12,999	12,803	12,972	12,989
Other										
Buildings	10	9	10	10	14	14	12	48	70	73
Square Feet	653,002	609,149	689,002	727,002	786,002	786,002	679,825	711,813	653,286	879,275
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Horry County School District's records

Horry County Schools*Student Enrollment**Last Ten Fiscal Years*

<u>Fiscal Year Ended June 30,</u>	<u>Child Development</u>	<u>Kindergarten</u>	<u>Elementary Grades 1-8</u>	<u>High School Grades 9-12</u>	<u>Total</u>
2010	1,247	2,864	22,555	10,755	37,421
2011	1,217	2,964	22,940	10,806	37,927
2012	1,304	2,954	23,403	10,803	38,464
2013	1,120	3,349	23,959	10,893	39,321
2014	1,120	3,386	24,543	11,207	40,256
2015	1,100	3,135	25,233	11,727	41,195
2016	1,120	2,957	25,935	12,162	42,174
2017	1,114	3,072	26,234	12,492	42,912
2018	1,060	3,160	26,842	12,644	43,706
2019	1,060	2,970	27,139	12,685	43,854

Source: Horry County Schools' 135-Day Average Daily Membership Summary

Horry County Schools*Teacher Base Salaries**Last Ten Fiscal Years*

<u>Fiscal Year Ended June 30,</u>	<u>Minimum Salary (a)</u>	<u>Maximum Salary (a)</u>	<u>Average Contracted Salary (a)</u>	<u>Statewide Average Salary (b)</u>
2010	\$ 34,270	\$ 75,181	\$ 51,044	\$ 47,421
2011	34,270	75,181	51,044	47,642
2012	34,612	75,934	52,584	47,428
2013	35,306	77,452	52,584	48,375
2014	35,306	77,452	53,636	48,430
2015	35,306	77,452	53,636	48,561
2016	35,306	77,452	53,636	48,769
2017	36,011	79,000	54,709	50,050
2018	36,371	79,790	55,256	50,182
2019	36,371	79,790	55,256	50,882

Source: (a) Horry County Schools' budget document and district records
(b) SC Revenue and Fiscal Affairs Office

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SINGLE AUDIT SECTION

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Horry County Schools
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2019

LEA Subfund Fund Code	Fed. Grantor/Pass-Through Grantor/Program of Cluster Title	Federal CFDA Number	Pass - Through Grantor's Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture					
Passed through S.C. Department of Education					
<i>Child Nutrition Cluster</i>					
600	School Breakfast - cash assistance	10.553	N/A	\$ 45,295	\$ 4,456,897
600	School Lunch - cash assistance	10.555	N/A	105,172	10,955,487
600	School Lunch - non-cash assistance (commodities)	10.555	N/A	-	1,151,984
600	Summer Food Service Program for Children	10.559	N/A	-	121,627
	Total Child Nutrition Cluster			<u>150,467</u>	<u>16,685,995</u>
<i>Other Programs</i>					
600	Child Nutrition Food Equipment Grant	10.579	H63010013517	-	6,944
600	CNP Schools Meals Equipment	10.579	H63010013518	-	13,217
	Total Other Programs			<u>-</u>	<u>20,161</u>
	Total U.S. Department of Agriculture			<u>150,467</u>	<u>16,706,156</u>
U.S. Department of Education					
Passed through S.C. Department of Education					
<i>Title I</i>					
201	Title I Grants to LEAs	84.010	H63010100119	-	12,327,823
201	Title I Carryover from Prior Year	84.010	H63010100118	183,008	3,293,095
221	Title I N&D	84.010A	H63010100119	-	137,589
222	Title I N&D - Prior Year	84.010A	H63010100118	-	22,633
238	Title I Mini Grant	84.010	H63010100118	81,599	112,548
240	Title I Direct Student Services	84.010A	H63010100118	14,292	414,943
	Total Title I			<u>278,899</u>	<u>16,308,631</u>
<i>IDEA Cluster</i>					
203	IDEA	84.027	H63010100919	130,173	6,727,513
204	IDEA - Prior Year Carryover	84.027A	H63010100917	-	2,035,864
205	Preschool Grants, IDEA	84.173	H63010100818	-	323,635
206	Preschool Grants, IDEA - Prior Year Carryover	84.173A	H63010100817	-	9,700
	Total IDEA Cluster			<u>130,173</u>	<u>9,096,712</u>
<i>Other Programs</i>					
207	CATE Federal Perkins	84.048	H63010107119	10,575	723,258
208	CATE Federal Carryover	84.048A	H63010107118	-	12,711
210	Title IV SSAE	84.424	H63010100318	-	398,504
212	Extended School Year	84.027A	H6304510E	-	45,179
243	Adult Education - Current Year	84.002	H63010101019	-	392,350
243	Adult Education - Prior Year	84.002A	H63010101018	-	896
243	Adult Education - Prior Year	84.002A	H63010101017	-	137
264	Title III - English Language Acquisition	84.365A	H63010006719	-	1,781
264	Title III - English Language Acquisition - Mini Grant	84.365A	H63010006717	-	19,589
265	Title III - English Language Acquisition - Prior Year	84.365A	H63010006718	-	261,748
266	Title II Improving Teacher Quality - Prior Year	84.367A	H63010006818	-	719,210
267	Title II Supporting Effective Instruction	84.367A	H63010006819	4,300	276,572
603	Private Placement	84.027A	H6304510D	-	146,375
	Total Other Programs			<u>14,875</u>	<u>2,998,310</u>
	Total of U.S. Department of Education			<u>423,947</u>	<u>28,403,653</u>
U.S. Department of Defense					
Direct Program					
100	ROTC	12.357	N/A	-	582,931
	Total U.S. Department of Defense			<u>-</u>	<u>582,931</u>
U.S. Department of Homeland Security					
Direct Program					
100	FEMA - Flood Damage	97.036	N/A	-	203,557
	Total U.S. Department of Homeland Security			<u>-</u>	<u>203,557</u>
	Total expenditures of federal awards			<u>\$ 574,414</u>	<u>\$ 45,896,297</u>

Horry County Schools

Notes to Schedule of Expenditures of Federal Awards

June 30, 2019

I. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the School District under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School District.

II. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting as applicable to governmental funds. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School district has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Independent Auditor’s Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance With
*Government Auditing Standards***

To the Board of Education
Horry County Schools
Conway, South Carolina

We have audited, in accordance with the 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, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Horry County Schools (the “School District”), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements, and have issued our report thereon dated November 21, 2019. Our report includes a reference to other auditors who audited the financial statements of Waccamaw Park Public Charter School, Inc., d/b/a Bridgewater Academy, as described in our report of the School District’s financial statements. This report does not include the results of the other auditor’s testing of internal control over financial reporting or compliance and other matters that are reported on separately by their auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Charleston, South Carolina

November 21, 2019

**Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control
Over Compliance Required by the Uniform Guidance**

To the Board of Education
Horry County Schools
Conway, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Horry County Schools’ (the “School District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2019. The School District's major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

The School District’s basic financial statements include the operations of Waccamaw Park Public Charter School, Inc., d/b/a Bridgewater Academy (“Bridgewater”), a discretely presented component unit, which received \$158,499 in federal awards that are not included in the School District’s schedule of expenditures of federal awards for the year ended June 30, 2019. Our audit, described below, did not include the operations of Bridgewater as the discretely presented component unit engaged other auditors to perform an audit in accordance with Uniform Guidance.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the School District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Guidance”). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District’s compliance.

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Charleston, South Carolina
November 21, 2019

Horry County Schools
Schedule of Findings and Questioned Costs
June 30, 2019

I. Summary of Auditor's Results

Financial Statements

- (a.) Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified
- (b.) Internal control over financial reporting:
 - 1) Material weakness(es) identified: No
 - 2) Significant deficiency(ies) identified: None reported
- (c.) Noncompliance material to financial statements noted: No

Federal Awards

- (a.) Internal control over major programs:
 - 1) Material weakness(es) identified: No
 - 2) Significant deficiency(ies) identified: None reported
- (b.) Type of auditors' report issued on compliance for major federal programs: Unmodified
- (c.) Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? No

(d.) Identification of major program(s):

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010 and 84.010A	Title I

- (e.) Dollar threshold used to distinguish between type A and type B Programs: \$1,376,889
- (f.) Auditee qualified as low risk auditee? Yes

Horry County Schools

Schedule of Findings and Questioned Costs

June 30, 2019

II. Findings Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards*:

No matters were reported.

III. Findings and Questioned Costs Relating to Federal Awards:

No matters were reported.

Horry County Schools

Summary Schedule of Prior Audit Findings

June 30, 2019

Item 2018-1: Cash Collateral

Condition: As of June 30, 2019, the School District held cash deposits with one financial institution in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits and collateral provided by the financial institution by \$10,584,539. As of June 30, 2018, sufficient collateral was not maintained to protect these deposits.

Recommendation: We recommend that the School District implement procedures to ensure that all of its deposits in excess of the FDIC insurance limits held at each financial institution are properly secured by the market values of deposit insurance, surety bonds, investment securities or letters of credit so that it can prevent the risk of losing such deposits in the event of insolvency or liquidation of the financial institution or for any other cause.

Current Status: The School District has communicated with the County Treasurer's Office regarding any potential deposits approaching fiscal year-end. In addition, the County has placed procedures in place to ensure transfers from investment accounts are properly collateralized prior to initiation.

The County is working with its financial institutions, including those of the School District, to get blanket collateralization for all accounts. We expect that an agreement will be in place for the year ended June 30, 2020 that will protect all deposits under the County's jurisdiction that are subject to collateralization.

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