

**HORRY COUNTY SCHOOLS
CONWAY, SOUTH CAROLINA
FOR THE FISCAL YEAR ENDED
JUNE 30, 2017**

**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

Contents

	<u>Reference</u>	<u>Page No.</u>
<u>Introductory Section</u>		
Table of Contents		1-5
Letter of Transmittal		6-20
Board of Education and Administration		21-26
Organizational Chart		27
Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting		28
Government Finance Officers Association (GFOA)		29
<u>Financial Section</u>		
Independent Auditor's Report		30-32
Management's Discussion and Analysis		33-45
Basic Financial Statements		
Government-wide Financial Statements		
Statement of Net Position	Exhibit A	46
Statement of Activities	Exhibit B	47
Fund Financial Statements		
Balance Sheet - Governmental Funds	Exhibit C	48
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position	Exhibit D	49
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	Exhibit E	50
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Exhibit F	51
Statement of Net Position - Proprietary Fund - School Food Service	Exhibit G	52
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund - School Food Service	Exhibit H	53
Statement of Cash Flows - Proprietary Fund - School Food Service	Exhibit I	54
Statement of Fiduciary Net Position - Fiduciary Funds	Exhibit J	55
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	Exhibit K	56
Notes to Basic Financial Statements		57-84

Horry County Schools

Contents

<u>Financial Section, Continued</u>	<u>Reference</u>	<u>Page No.</u>
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	RSI Schedule 1	85
Budgetary Comparison Schedule - Special Revenue Fund - Special Projects Fund	RSI Schedule 2	86
Budgetary Comparison Schedule - Special Revenue Fund - EIA Fund	RSI Schedule 3	87
District's Proportionate Share of the Net Pension Liability	RSI Schedule 4	88
District Contributions	RSI Schedule 5	89
Other Supplementary Schedules:		
General Fund:		
Comparative Balance Sheets	Schedule A-1	90
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule A-2	91
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	Schedule A-3	92-102
Special Revenue Fund - Special Projects Fund:		
Comparative Balance Sheets	Schedule B-1	103
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances	Schedule B-2	104
Schedule of Revenues, Expenditures, and Changes in Fund Balances	Schedule B-3	105-111
Summary Schedule for Designated State Restricted Grants	Schedule B-4	112
Summary Schedule of Other Special Revenue Programs	Schedule B-5	113
Special Revenue Fund - Education Improvement Act Fund:		
Comparative Balance Sheets	Schedule B-6	114
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule B-7	115
Schedule of Revenues, Expenditures and Changes in Fund Balance	Schedule B-8	116-121
Summary Schedule by Program	Schedule B-9	122
Debt Service Fund:		
Comparative Balance Sheets	Schedule C-1	123
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule C-2	124
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	Schedule C-3	125
Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule C-4	126

Horry County Schools

Contents

<u>Financial Section, Continued</u>	<u>Reference</u>	<u>Page No.</u>
Other Supplementary Schedules, Continued		
Capital Projects Fund:		
Comparative Balance Sheets	Schedule D-1	127
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule D-2	128
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	Schedule D-3	129
Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule D-4	130-131
Food Service Fund:		
Comparative Schedule of Net Position	Schedule E-1	132
Comparative Schedule of Revenues, Expenses, and Changes in Net Position	Schedule E-2	133
Schedule of Revenues, Expenditures, and Changes in Net Position	Schedule E-3	134
Trust Funds:		
Private Purpose Trust Funds:		
Combining Statements of Fiduciary Assets, Liabilities and Net Position	Schedule F-1	135
Combining Statements of Changes in Fiduciary Net Position	Schedule F-2	136
Statement of Changes in Fiduciary Assets, Liabilities and Net Position	Schedule F-3	137
Education Endowment Trust Fund:		
Comparative Schedule of Fiduciary Net Position	Schedule F-4	138
Comparative Schedule of Additions, Deductions and Changes in Net Position	Schedule F-5	139
Scholarship Endowment Fund:		
Comparative Schedule of Fiduciary Net Position	Schedule F-6	140
Comparative Schedule of Additions, Deductions, and Changes in Net Position	Schedule F-7	141
Agency Funds:		
Combining Statements of Fiduciary Assets and Liabilities	Schedule G-1	142
Combined Statement of Changes in Assets and Liabilities	Schedule G-2	143
Pupil Activity Fund:		
Comparative Balance Sheets	Schedule G-3	144
Schedule of Changes in Assets and Liabilities	Schedule G-4	145
Schedule of Receipts, Disbursements, and Changes in Amounts Due to Student Organizations	Schedule G-5	146
Federal Program Fund:		
Comparative Balance Sheets	Schedule G-6	147
Schedule of Changes in Assets and Liabilities	Schedule G-7	148

Horry County Schools

Contents

<u>Financial Section, Continued</u>	<u>Reference</u>	<u>Page No.</u>
Other Supplementary Schedules, Continued		
Component Units:		
Combining Schedule of Net Position	Schedule H-1	149
Combining Schedule of Activities	Schedule H-2	150
Combining Balance Sheets - Governmental Fund	Schedule H-3	151
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	Schedule H-4	152
General Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule H-5	153-155
Special Projects Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule H-6	156-157
Education Improvement Act Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule H-7	158
Additional Schedules Required by the South Carolina Department of Education:		
Detailed Schedule of Due to State Department of Education/Federal Government		159
Location Reconciliation Schedule		160-161
<u>Statistical Section</u>	<u>Reference</u>	<u>Page No.</u>
Net Position By Component, Last Ten Fiscal Years	Table 1	162
Changes in Net Position, Last Ten Fiscal Years	Table 2	163-164
Fund Balances, Governmental Funds, Last Ten Fiscal Years	Table 3	165
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	Table 4	166
Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	Table 5	167
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	Table 6	168
Principal Property Taxpayers, Current Year and Nine Years Ago	Table 7	169
Property Tax Levies and Collections, Last Ten Fiscal Years	Table 8	170
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	Table 9	171
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	Table 9	172
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures, Last Ten Fiscal Years	Table 9	173
Computation of Direct and Overlapping Debt	Table 10	174
Legal Debt Margin Information, Last Ten Fiscal Years	Table 11	175
Demographic and Economic Statistics, Last Ten Calendar Years	Table 12	176
Principal Employers, Current Year and Nine Years Ago	Table 13	177
Employee Staffing Levels and Staffing Ratios for Regular Teachers, Last Ten Fiscal Years	Table 14	178
Operating Statistics, Last Ten Fiscal Years	Table 15	179
Capital Asset Information, Last Ten Fiscal Years	Table 16	180
Student Enrollment, Last Ten Fiscal Years	Table 17	181
Teacher Base Salaries, Last Ten Fiscal Years	Table 18	182

Horry County Schools

Contents

<u>Single Audit Section</u>	<u>Page No.</u>
Schedule of Expenditures of Federal Awards	183
Notes to the Schedule of Expenditures of Federal Awards	184
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 <i>Government Auditing Standards</i>	185-186
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance Uniform Guidance	187-188
Schedule of Findings and Questioned Costs	189

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November 30, 2017

**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, 2017, 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 322,342 people.



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 58 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 42,912.



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, 2017, 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, 2017, 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

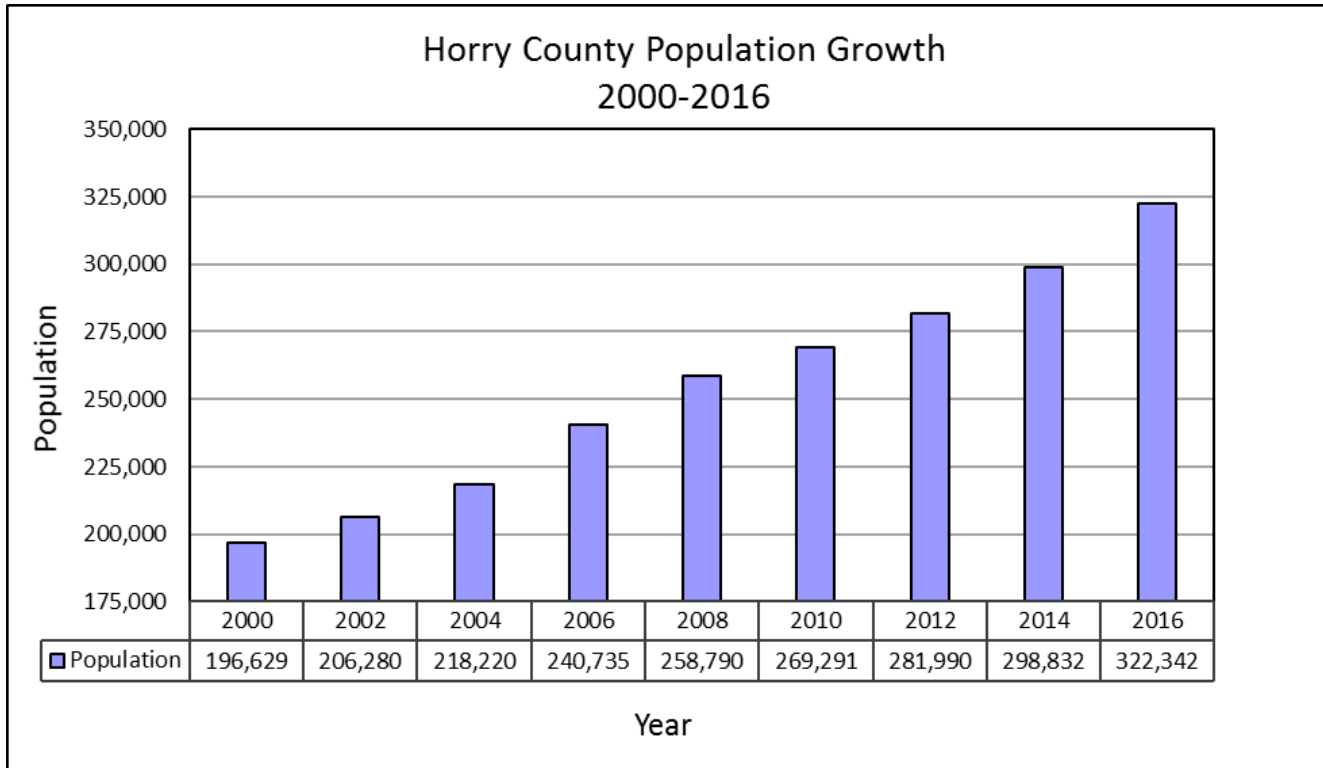
The District approves an annual budget which acts as the financial operating plan for the entire fiscal year and provides budgetary controls for all components of the District. The objective of these budgetary controls is to ensure compliance with the annual appropriated budget approved by the Board 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

There have not been any significant changes in financial policies that have a material impact on the financial statements.

ECONOMIC CONDITION AND OUTLOOK

Development of the County’s predominantly tourist-based economy has been extremely rapid since the early 1980’s. Most of the County’s 40 miles of beaches have been developed residentially or commercially while at least 50 percent of the remainder of the County is yet to be developed. Thirty-two percent of the state’s hotel and motel rooms are in Horry County, while 40 percent of the state’s second homes are also located here. According to the U.S. Census Bureau, Horry County grew to a permanent population of over 269,000 in the year 2010 and is expected to exceed 342,000 by the year 2025. Since 2000, this represents a growth of 125,713 residents, or 63.9 percent. For years 2012-2016, population data is estimated.

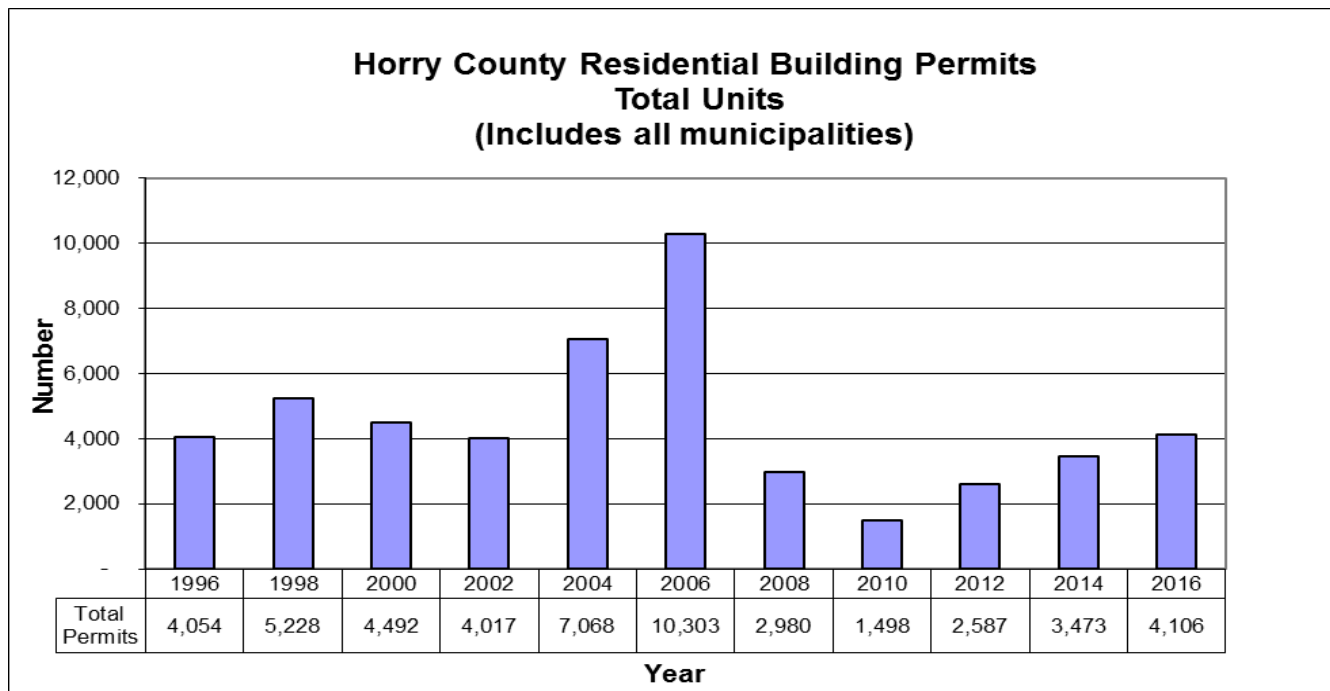


Source: US Census Bureau

According to the U. S. Census Bureau, Horry County’s population in 2010 was approximately 79.9 percent White, 13.4 percent African-American, and 6.7 percent Other Race. Of this total, approximately 6.2 percent were of Hispanic origin. For 2016, the HCS student population consisted of 63.4 percent White, 20.0 percent African-American, and 16.6 percent Other Race. In 2016, 9.6 percent of students were of Hispanic origin. According to the U.S. Census Bureau 2016 American Community Survey, the median household income estimate in Horry County was \$45,621, compared to the US median estimate of \$57,617. The estimate of per capita income in 2016 for Horry County was \$25,807, compared to the US per capita income estimate of \$31,128.

Residential Construction activities in Horry County have started to see improvement over the past few years. The County experienced a tremendous decrease in new construction starting in 2006. This bust came on the heels of the biggest building boom in the County’s history between 2002 and 2006. The boom in construction was a result of a combination of factors including a strong economy, a maturing market place and a fast-growing tourism base. However, between 2006 and 2010, Horry County experienced substantial drops in construction related employment and expenditures.

Between 2002 and 2006, there were over 22,000 Single Family Residential Permits issued and over 14,000 Multi Family Units permitted. Horry County residential building permits in 2005 totaled 11,673 at the peak of the building boom. In 2006, residential permits totaled 10,303. This was a decrease over 2005 of 10 percent as the downward slide began. From 2007 through 2010, the number of annual building permits issued continued to decline with the 2010 total of 1,498 permits being the lowest year on record since 1991. In 2011, the permitting began to rebound with 2,304 units but was still well below previous years. In 2012, permits totaled 2,587, and in 2014, Horry County issued 3,473 permits. In 2015, Horry County issued 3,637 permits – a 4.7 percent increase from 2014. The number of residential permits authorized in 2016 increased by 12.9 percent to 4,106. Sales of existing properties are also rebounding and should continue to do so.



Source: U.S. Department of Housing and Urban Development

Based on the latest research compiled by the SC Department of Parks, Recreation & Tourism, total domestic visitor spending has an enormous impact on South Carolina and Horry County. In South Carolina, a total of \$20.2 billion was spent on travel or on behalf of tourism in 2015, up 6.1 percent over 2014. In 2015, tourism supported approximately 5.2 billion in payroll income. Domestic traveler expenditures supported 127,800 jobs within South Carolina. These jobs composed 6.4 percent of the total state non-agricultural employment. Tourism also had a total fiscal impact in state and local revenues of \$1.5 billion, up 7.1 percent over 2014. In 2015, tourism supported one in ten South Carolina jobs. (Source: U.S. Travel Association, January, 2017)

Visitor estimates to Horry County totaled some 18.6 million in 2016. The direct and indirect economic impact from tourism in Horry County led the State in all travel expenditures, payroll incomes and jobs directly generated by domestic travel spending in 2015. Domestic travel expenditures in Horry County were \$3.9 billion in 2015, more than 31 percent of the total spent on domestic travel in the State. Domestic travel expenditures generated over \$733 million in payroll and 40,200 jobs for County residents. In 2015, domestic travel in Horry County generated \$244.4 million in state sales tax receipts and over \$147 million in local tax receipts. Horry County ranks first among all SC counties in each of these categories. (Source: SC Department of Parks, Recreation and Tourism; Myrtle Beach Area Chamber of Commerce; Coastal Carolina University; U. S. Travel Association, 2015; Tourism Works for Us at <http://www.tourismworksforus.com>)



There are many amusement attractions spanning the Grand Strand along with over 100 golf courses located in the area. This constitutes one of the largest concentrations of like facilities in the nation. Golfers played more than 3.2 million rounds of golf in Horry County during 2013. The state has 368 golf courses, giving South Carolina the highest number of holes per capita in the United States. In 2011, golf generated more than \$2.7 billion annually for the state's economy and directly or indirectly created 34,785 jobs, according to a SC Department of Parks, Recreation & Tourism study from April 2012. This industry has been instrumental in the expansion of the Horry County tourist season, including early spring and late fall, as well as strengthening our regular May through October seasons. In addition to golf, the area boasts eight live entertainment theaters with over 11,000 seats; 1,700 full-service restaurants; 300 outlet shopping stores; and over 400 hotels with approximately 98,600 accommodation units.

Located just one mile inland from the Atlantic Ocean, The Myrtle Beach International Airport (MYR) provides easy service to more than 350 destinations worldwide. MYR recently completed a \$118 million terminal project that expanded the number of gates, baggage claim and security screening areas, while adding a separate car rental facility and additional parking. MYR is currently served by seven airlines with non-stop service to more than 30 markets. During 2016, 972,041 passengers arrived at the Myrtle Beach International Airport. MYR reached a major milestone in November 2017 when the airport welcomed over one million passengers within a year. In addition to MYR, several regional airports serve the Myrtle Beach area including: Conway-Horry County Airport (HWY); Grand Strand Airport-Ramp 66 (CRE); Loris-Twin Cities Airport (5J9). (Source: Myrtle Beach International Airport at <https://www.flymyrtlebeach.com>)

In 2012, Horry County ranked 13th in the State in agricultural production (crops and livestock) with more than \$101 million in cash receipts, according to the USDA National Agriculture Statistics Service. In 2012, there were 177,569 total acres of farmland in Horry County. In 2002, there was a total of 188,311 acres, indicating a five percent loss of farmland in a ten-year period. This continues to illustrate Horry County's decline as a major agricultural producer in South Carolina. In 1996, the County ranked 2nd in the State, and in 2003, it ranked 7th. (Source: USDA, National Agriculture Statistics Service.)

Of recent interest in Horry County has been the development of Sports Tourism. The area is coming to be recognized across the Southeast as a primary destination for sports tournaments. Grand Park Athletic Complex, which is located in the Market Common district of Myrtle Beach and was completed in 2013, boasts seven large multipurpose fields and two youth fields. These fields have lights and synthetic turf, and are designed to accommodate a variety of sports, including baseball, softball, lacrosse, soccer and football. For 2013, Myrtle Beach hosted 2,892 teams on its athletic fields. The Myrtle Beach Sports Center, a 100,000 square foot state-of-the-art indoor sports facility, is the latest addition to Myrtle Beach's impressive sports venue roster. Opened in March 2015, the facility features 8 basketball courts and 16 volleyball courts spread over 72,000 square feet of column-free hardwood space. The venue has been designed to host court sports, wrestling, gymnastics, table tennis, pickle ball, and other sports events as well as trade shows.

In 2014, North Myrtle Beach opened its own state-of-the-art sports tourism and recreational facility. The North Myrtle Beach Park and Sports Complex contains six baseball/softball fields and eight soccer/lacrosse fields, an ADA accessible playground, two dog parks and the only outdoor amphitheater along the Grand Strand. Over 70 sports tourism events were held at the Complex in 2016.

NEW DEVELOPMENTS & ATTRACTIONS

Horry County's biggest development, Carolina Forest, opened by International Paper, was begun in the mid 1990's. Carolina Forest is approximately 17 square miles or 10,850 acres. To compare, the City of Myrtle Beach is also approximately 17 square miles or 10,700 acres. According to the U.S. Census Bureau, the Carolina Forest area grew by 506 percent in population between 2000 and 2010, growing to over 20,000 residents. The area continues to grow as evidenced by information received from Horry County, indicating that almost 1600 single family units located in or near Carolina Forest have been approved for addressing since June 2016.

The long awaited Urban Village is now a reality at the former Myrtle Beach Air Force Base. **The Market Common, Myrtle Beach** offers an outstanding opportunity to be part of a master planned redevelopment by the Myrtle Beach Air Force Base Redevelopment Authority. On the 3,790-acre parcel of land, over \$30 million of new infrastructure has been installed, including 29 acres of lakes, new community parks and four miles of new roads, all contiguous to the Myrtle Beach International Airport. In the heart of the 100-acre redevelopment is a complimentary mix of retail, restaurant, residential, hotel, and parking—bringing together the best ideas in land use and urban planning to create a beautifully designed, pedestrian-friendly lifestyle center. **The Market Common** has become an important social and economic focal point for Myrtle Beach. In addition to the core redevelopment, developers have begun construction on several new single family neighborhoods surrounding the core. One of the recent neighborhood additions to Market Common is the **Vinings**, an upscale apartment complex with 288 units, which was completed in 2016.

SkyWheel Myrtle Beach - May of 2011 marked the grand opening of Myrtle Beach's new attraction, **SkyWheel Myrtle Beach**. The giant attraction stands at 196 feet (60 meters) and 18 stories high and spans two ocean front lots along Ocean Boulevard, on the north side of Plyler Park. It has been specifically designed to include 42 glass enclosed and temperature-controlled gondolas, each of which can hold six people. The **SkyWheel Myrtle Beach** is an exciting new addition to the Grand Strand area, along with the newly renovated Myrtle Beach Boardwalk and Promenade. The **SkyWheel Myrtle Beach** also incorporates a complete light show in the evening. The only one of its kind in the United States, this family-friendly attraction is sure to become an iconic staple for Myrtle Beach.

Myrtle Beach International Airport Technology, Commerce and Aeronautics Park (ITAP) - ITAP is a 460 acre Class "A" Aviation Technology, Commerce and Aeronautics Park owned by Horry County. The park is located on Myrtle Beach International Airport property and has a public entrance from the Market Common district. Horry County has plans to capitalize on the growing aviation and innovation industries and position the County as the premier live/work community in the Southeast.

Construction began on a **Hilton Myrtle Beach Resort** with 385 guest rooms on October 15, 2013, with a 20-month timetable, setting a completion date around July 2015.

In October of 2014, a ribbon cutting ceremony was held to welcome **STARTEK Inc.** to Horry County. STARTEK, a customer support center located in the Carolina Forest area, plans to bring 615 jobs with an annual economic impact of more than \$45 million to the area.

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 thirteen projects which will cost close to \$590 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.

AREA ACCOLADES

TRIPADVISOR

“2014 TripAdvisor Travelers’ Choice Awards & Most Popular Destination”

TripAdvisor, the world’s largest travel site, released the results of its annual summer travel survey of more than 2,500 respondents, which showed Myrtle Beach as the most popular travel destination of 2014 – the second year in a row. TripAdvisor also named Myrtle Beach as #22 of its Top 25 Cities in the United States. The popular travel website described Myrtle Beach as “distinguished by panoramic views of the Atlantic, calm waters and soft white sand” and “offers plenty of family attractions, making it perfect for beach-lovers with kids.” Myrtle Beach was described as “a family-friendly beach destination—which means in addition to great beaches, there’s plenty to do when the kids are sick of making sand castles. Amusement parks, water sports and golf courses are nearby. And family-friendly dining and hotels abound.”

COASTAL LIVING MAGAZINE

“Top Ten Public Gardens America”

Brookgreen Gardens in Murrells Inlet, South Carolina, was selected as one of the “Top Ten Public Gardens America” by *Coastal Living Magazine*. The Alabama-based magazine serves more than three million readers and is a leader in lifestyle information. Brookgreen Gardens is open to the public and is located on US Highway 17 between Myrtle Beach and Pawleys Island.

HUFFINGTONPOST.COM

“Best Restaurant Cities (2013)”

The Huffington Post ranked the Myrtle Beach/Florence market as number 6 of 15 restaurant crazy cities based on the number of restaurants per capita in the area. HuffPost Food used data from The NPD Group’s annual ReCount survey, which takes a yearly census of the number of restaurants in the country, to rank United States metropolitan areas by the number of restaurants per capita. The group sites the area having over 1,700 restaurants and 24 restaurants per 10,000 restaurants.

NATIONAL GEOGRAPHIC

“Top 10 U.S. Boardwalks”

National Geographic named the newly-launched Myrtle Beach Oceanfront Boardwalk and Promenade one of its *Top 10 U.S. Boardwalks*. With arcades, souvenir shops, and nightly live entertainment, the boardwalk is hailed as the town’s hub of activity.

TRAVEL + LEISURE MAGAZINE

“America’s Best Beach Boardwalks”

Myrtle Beach’s Oceanfront Boardwalk was named by Travel + Leisure Magazine as one of *America’s Best Beach Boardwalks*. Lined with shops and attractions on the north end, the boardwalk charms visitors and “revitalizes” downtown Myrtle Beach.

GOLF WORLD

“2010 Reader’s Choice Awards”

Golf World readers named the Dunes Golf & Beach Club as one of the top 50 resort golf courses in the United States. Courses were evaluated by the following criteria: quality, condition, reputation, prestige, golf practice facilities, speed of play, clubhouse and locker rooms, hotel accommodations, caddie program, golf pro shop, food and dining, off-course activities and amenities, service and overall value. The Dunes Golf and Beach Club has remained a world class course since it opened its doors in 1947.

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 7,151 students. Of the District's 58 school facilities, 11 of them are operating over capacity. To temporarily cope with growth, more than 200 portable 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 42,912 students in fiscal year 2016-17 to over 45,042 students by fiscal year 2020-21.

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 July 28, 2015, revised on November 2, 2015, revised on June 6, 2016, and revised on October 24, 2016, to the current Board Approved Short-term Capital Plan as indicated on the next page.

Short-term Capital Plan

Current Board Approved Project List	Total	Proposed Completion Date
Addition & Renovation - NMB Middle	9,660,750	Operational August 2017
Addition & Renovation - Midland Elementary	16,191,887	January 2018
Replace HCEC	47,363	Project Delayed
New Intermediate (St. James)	51,391,369	Opened August 2017
New Middle (Carolina Forest)	50,845,221	Opened August 2017
Replace Socastee Elementary	40,305,836	Opened August 2017
New Middle (Myrtle Beach)	49,741,056	November 2017
Addition & Renovation - Aynor Middle	-	Project Delayed
New Middle (Socastee)	47,891,843	January 2018
Renovation - NMBH	21,086,340	February 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	4,000,000	September 2016
Capital Administration	20,000,000	Annual \$1,818,182 (End: June 2024)
Owner's Contingency for Five Design-Build Projects	174,444	February 2018
Off-Site Development Contingency for Five Design-Build Projects	-	August 2017
Misc. Equipment	5,000,000	Annual \$454,545 (End: June 2024)
Technology	86,000,000	Annual \$9,100,000 (End: June 2024)
Total	541,336,109	

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.

Results from the College Board showed a record 46 point gain on the SAT for college-bound [Horry County Schools'](#) students. The District's 2016 composite score on the three-part test rose to 1,535 and is 51 points above the national average of 1,484. HCS students surpassed the state average of 1,425 by 77 points.

[Horry County Schools](#) was South Carolina's first recipient of the prestigious Apple Distinguished Education Program award, which is given to schools that demonstrate visionary leadership, innovative learning and teaching, and compelling evidence of success implementing digital learning.

[HCS](#) surpassed statewide performance on ACT WorkKeys®. Over eighty-nine percent of [Horry County Schools'](#) students demonstrated work readiness in the first statewide administration of ACT WorkKeys®.

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

School and Team Awards

U.S. News and World Report listed [St. James, Aynor and Myrtle Beach high schools](#) in their annual *Best High School* rankings; each receiving a Silver award for high performance and college readiness.

[St. James High](#) was named a Palmetto's Finest award winner by the South Carolina Association of School Administrators. Each year, one high school, one middle school and two elementary schools in the state are named Palmetto's Finest for offering the best in innovative and effective educational programs.

[Burgess Elementary School](#) was awarded as the 2016 SC Green Steps Overall School of the Year.

[River Oaks, Seaside, and Burgess elementary schools](#) received the Horry County Outstanding School Award for their efforts in recycling, composting, gardening and overall sustainability.

[Burgess Elementary School](#) received the ASCD Whole Child Award.

[St. James High and St. James Elementary](#) School Improvement Councils are two of sixteen named to South Carolina School Improvement Council's 2017 Honor Roll.

[The Ocean Bay Middle School Roboray's Lego robotics team](#) took the Champions Award, First Place at the FIRST Lego League East State Championship and competed in the World competition in St. Louis.

[Aynor High School Softball team](#) won the AA SC State Title.

[St. James High Girls Golf team](#) won the 2016 Class AAAA SC State Title.

[St. James High School Softball team](#) honored as having 9th best team GPA in the nation, according to the National Fastpitch Coaches Association.

[Carolina Forest High's Show Choir](#) was featured on Dance Network's "To the Stage."

Student Awards

[John Mastrobert](#), a senior at [Horry County Schools' Scholars Academy](#) and [Carolina Forest High School](#), was one of 11 students worldwide to earn a perfect score on the AP BC Calculus exam.

[Socastee High's Jenny Rogers](#) was the 2016 Congressional Art Competition Winner for her acrylic painting, "Light."

[Forestbrook Middle's Skyler Kistenmacher](#) had his poem published in the "Your Own Pages" section of the September 2016 issue of Highlights magazine.

[Myrtle Beach High's Ethan Epstein](#) won the Class AAA State individual championship for the 3,200 meter dash.

[St James High's Michael Mewhorter](#) claimed the Class AAA State individual wrestling title.

[Myrtle Beach High's Alex Burroughs](#) became a recent recipient of the South Carolina Youth of the Year Award from the State's Boys and Girls Club.

[Aynor High's salutatorian for the Class of 2016, Bailey Richardson](#), is the first woman to be awarded The Citadel's Star of the West Scholarship.

Staff Awards

[John Cahill of Myrtle Beach High School](#) was named 2015-16 Athletic Director of the Year by the South Carolina Athletic Administrators Association.

[Dr. Jim Berry of Conway High School](#) was presented the 2016 Most Distinguished Athletic Trainer Award by the National Athletic Trainer's Association.

[Kim Rothberg, a Carolina Forest Elementary](#) 5th grade teacher, was a SC finalist for the Presidential Award for Excellence in Mathematics and Science Teaching.

[Lynn Quinn of St. James Elementary](#) was named the 2016 Elementary Teacher of the Year by the South Carolina Bar Association's Law Related Education (LRE) Division.

[Samantha DeCerbo, a teacher at HCS Early College High School](#), was among 23 teachers selected to be a Behring Teacher Ambassador for National History Day® during the 2016-2017 school year.

HCS awarded Budget Awards

The District has received the Distinguished Budget Presentation Award from the Government Finance Officers Association and the Meritorious Budget Award from the Association of School Business Officials International.

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 fifteen 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 fifteen 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 2017 Comprehensive Annual Financial Report would not have been possible.

Respectfully Submitted,



John K. Gardner
Chief Financial Officer

BOARD OF EDUCATION

ChairpersonJoe DeFeo
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 MemberJanice Morreale
District 6 Board Member Pamela Timms
District 7 Board Member Janet Graham
District 8 Board Member John Poston
District 9 Board Member Chris Hardwick
District 10 Vice-ChairpersonNeil 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 OfficerMary J. Anderson
Chief Information & Accountability Officer Edward Boyd
Chief Instructional Support OfficerCarolyn J. Chestnut



Dr. Rick Maxey, Superintendent of Schools: The Horry County Board of Education appointed Dr. Maxey the Superintendent of Schools in June 2015 after a six-month appointment as the Acting Superintendent. Dr. Maxey has more than 30 years of career experience, to include three years as the District's Deputy Superintendent and other leadership roles in District operations, support services, middle school and secondary education, and special education.

Before he began working as a District administrator, Dr. Maxey was the principal of Conway High School for five years and of Carolina Forest High School for two years. He was an assistant principal and technology coordinator for Loris High School after six years of teaching English at the school. Before working for Horry County Schools, 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. He and his wife, Vencie, are career educators and the parents of two adult sons.



Joe J. DeFeo, Chairperson – Mr. DeFeo is the Chairman of the Horry County Board of Education. DeFeo was first elected to represent District 3 in 2006 and is in his second term as the county-wide chairman. Mr. DeFeo was born in Philadelphia, PA. He attended Burlington Community College and Trenton State College and has a degree in Electronics Technology. A former NJ police officer, Mr. DeFeo moved to Myrtle Beach 35 years ago. He has twenty years of experience working in the aviation industry and as a corporate pilot. A passionate aviator, DeFeo maintains his commercial pilot's license and mechanic's certificate to enable him to continue to enjoy the freedom of flight. He has three children, Megan, Joseph, and Annah, and is engaged to Sandra Lucas-Hyde.

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 – Ms. Todd was elected to the School Board in November 2014. She is a life-long resident of Myrtle Beach and a retired Horry County Schools teacher. Todd earned a master's degree in career and technology education from the University of South Carolina and serves on the Book Adoption Committee for the South Carolina Department of Education. In addition to her career teaching at the secondary level, Todd also teaches as an adjunct instructor at Horry Georgetown Technical College. Todd is a small business owner and the president of Hair Heirs, Inc., LLC. She has served four terms on the Board of Trustees for the Horry County Museum. Todd and her husband, Ting, have two adult daughters, one adult son, and six grandchildren.

Ray H. Winters, District 3 – Mr. Winters was elected as a member of the Board of Education in November 2014. He obtained his undergraduate degrees in History and Political Science from the University of South Alabama as well as his Masters from USA in Public Administration in 1994. He received his Juris Doctorate from Loyola University (New Orleans) in 1998. Ray is a licensed attorney in the states of South Carolina and Alabama, as well as the U. S. Tax Court. He is the managing attorney of his own law practice that focuses on real estate, corporate and business transactions, and other basic transactional matters. He and his wife, Tracy, have one daughter, Alyssa.



David Cox, District 4 – Mr. Cox was elected to the Board of Education in November 2008. Mr. Cox is employed by Elliott Realty in North Myrtle Beach. He is a graduate of the University of South Carolina with a Bachelor of Arts degree in Journalism. He is married with children and grandchildren.

Janice Morreale, District 5 – Ms. Morreale was elected to the Board of Education in November 2012. She is a graduate of Horry Georgetown Technical College with an Associate's Degree in Public Service Technology. She is a paralegal at Nelson Mullins Riley and Scarborough. Mrs. Morreale and her husband, John, have two children, Anthony and Gabriel.



Pamela C. Timms, District 6 – Ms. Timms has been a member of the Horry County Schools’ Board of Education since November 1998. A native of Horry County, Ms. Timms is a 1972 graduate of Myrtle Beach High School and attended Coastal Carolina’s school of nursing program from 1973-76. Ms. Timms is nationally certified as a professional activity director (NAAP) and a member of the South Carolina Activity Professional Association (SCAPA). She is employed as Director of Activities at Reflections Assisted Living in Carolina Forest. Ms. Timms has one daughter, Sarah Elizabeth, and one granddaughter.



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

John R. Poston, District 8 – Mr. Poston was elected to the Board of Education in November 2008. He is a professional land surveyor and a professional engineer. He is the Chief Operating Officer and a partner with Castles Engineering, Inc. Mr. Poston received his Bachelor of Science degree in Mathematics from Francis Marion University in 1991 and a Bachelor of Science degree in Civil Engineering from Clemson University in 1996. Mr. Poston and his wife, Robin, have three children – a son and two daughters.





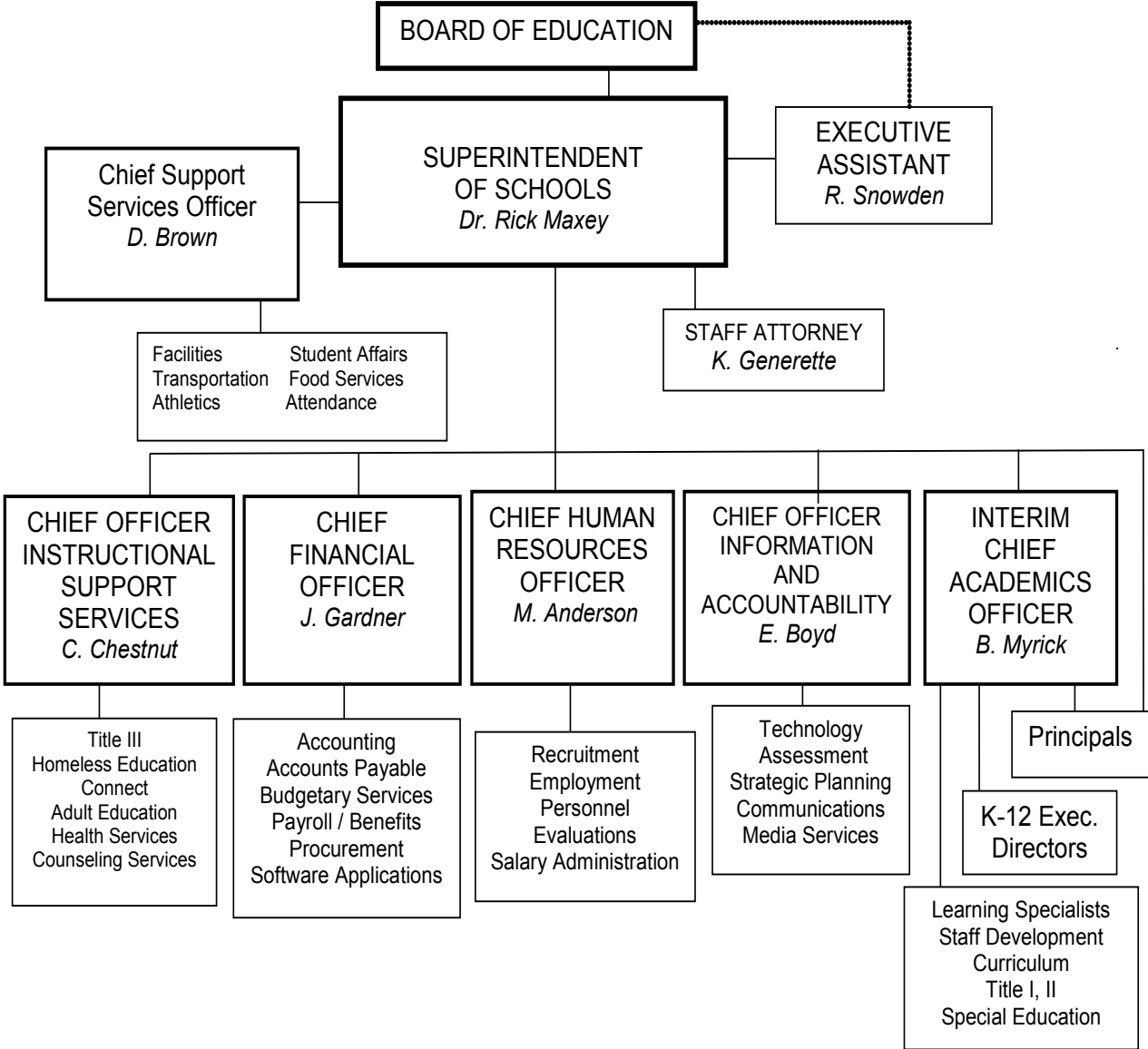
Chris Hardwick, District 9 – Mr. Hardwick was elected to the Board of Education in 2016. He is the owner and president of Hardwick Funeral Home in Loris. He graduated from the University of South Carolina with degrees in English and Business Management and from Gupton-Jones College with a degree in Mortuary Science. Mr. Hardwick is a former president of the Loris Area Chamber of Commerce and attends the Loris Presbyterian Church. He and his wife, Cindy, have two daughters.

Neil James, Vice-Chairman, District 10 – Mr. James was appointed to the Board of Education in November 2009 and elected in 2010 and again in 2014. He is a professional engineer (PE) and holds a BS in Agricultural Engineering and a BS in Electrical Engineering from Clemson University, and an MBA from Webster University. Mr. James is employed by Santee Cooper. He and his wife, Felicia, have two daughters.



Shanda Allen, District 11 – Mrs. Allen was elected to the Board of Education in 2016. She is the owner and operator of Allen Aviation, Inc., and has served on the Higher Education Commission at Coastal Carolina University. Mrs. Allen is a native to Horry County. She and her husband, Al, have two children.

Horry County Schools





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, 2016.

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



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, 2016

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 business-type 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, 2017, 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; 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity'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 entity'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 opinions.

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 business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the School District as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension 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 other supplementary schedules, introductory section, the statistical section, as presented in the Table of Contents, and the accompanying schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the 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 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 30, 2017, 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 style with a large, sweeping initial 'E'.

Charleston, South Carolina
November 30, 2017

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**HORRY COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

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, 2017. 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

- Although the District's total net position for 2016-17 increased by \$36.6 million, the implementation of GASB Statement 68 continues to have a significant impact on the School District's ending net position. This Statement requires the District to recognize a net pension liability, deferred outflows of resources, and deferred inflows of resources due to its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System.

The continued application of the accounting standard has lowered the District's net position by \$463.1 million. The District's total net position (as reported on the Government-wide Statement of Net Position) as of June 30, 2017, was \$151.6 million.

- Our principal operating fund, the General Fund, had \$375.7 million in fiscal year 2017 revenues, which primarily consisted of state aid and property taxes. In addition, the General Fund had \$11.3 million in other financing sources, which consisted primarily of transfers from the Special Revenue Fund in the form of indirect cost and teacher salary supplement transfers. The General Fund incurred \$376.3 million in expenditures, as well as \$.8 million in other financing uses.
- The General Fund's fund balance increased from \$91.9 million as of June 30, 2016, to \$101.8 million as of June 30, 2017. In the 2016-17 funding plan, the District planned to utilize \$7.7 from fund balance. This significant change in fund balance was the result of several events. The District received \$5.9 million more in total revenues than was budgeted. This was most notably the result of a \$3.2 million increase in budgeted Education Finance Act (EFA) revenues and a \$2.7 million increase in fringe benefit employer contributions and retiree insurance revenues. Analysis of ad valorem taxes indicate that the district received over 99.6% of the budgeted revenues for 2016-17.
- Analysis of the positive budget variances related to expenditures indicate \$10.9 million in salaries and employee benefits and \$5.8 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 \$5.8 million operating expenditure surplus was \$4.5 million assigned from fiscal year 2016.
- The District's total general obligation debt decreased by \$22.9 million during fiscal year 2017 to \$444.6 million due 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.

- The District's only Proprietary Fund is the Food Service Fund. The fund ended the year with expenses and transfers exceeding revenues by (\$422,660) and total net position equaling (\$304,646).

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, Fiduciary, and Proprietary), 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) and functions principally supported by user charges (business type activities). The governmental activities of the District include instruction, support services, community services, and intergovernmental activities. The District's food service operation is reported as a business type activity. 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 page 57.

The government-wide financial statements are included on pages 46 and 47 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 three categories: governmental funds, proprietary 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 49 and 51.

Proprietary Funds: The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for its food service operation. Proprietary fund statements are reported on the accrual basis.

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), 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 57 – 84.

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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$151.6 million as of June 30, 2017.

The following table presents a comparative analysis of the District's net position for the fiscal years ended June 30, 2017, and June 30, 2016.

Net Position
(Amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 357,802	\$ 475,015	\$ 6,842	\$ 6,906	\$ 364,644	\$ 481,921
Capital assets, net	839,297	673,501	1,806	2,038	841,103	675,539
Total assets	1,197,099	1,148,516	8,648	8,944	1,205,747	1,157,460
Deferred outflows of resources	91,809	52,206	1,765	609	93,574	52,815
Current liabilities	86,437	61,561	1,421	1,755	87,858	63,316
Long-term liabilities	1,045,398	1,016,971	9,646	7,968	1,055,044	1,024,939
Total liabilities	1,131,835	1,078,532	11,067	9,723	1,142,902	1,088,255
Deferred inflows of resources	5,212	7,394	(349)	(288)	4,863	7,106
Net position						
Net investment in capital assets	315,403	140,200	1,806	2,038	317,209	411,568
Restricted	176,491	302,736	-	-	176,491	37,509
Unrestricted	(340,033)	(328,140)	(2,111)	(1,920)	(342,144)	(334,163)
Total net position	\$ 151,861	\$ 114,796	\$ (305)	\$ 118	\$ 151,556	\$ 114,914

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

- The net position of the District's governmental activities increased by \$37.1 million as current year revenues exceeded current year expenses.
- The \$122.5 million decrease in cash and cash equivalents was primarily due the prior year sale of general obligation debt for the construction of five new schools.
- The \$2.8 million increase in due from federal government was due to an increase in the amount of federal reimbursement claims outstanding at fiscal year-end.
- The \$157.3 million increase in non-depreciable assets is primarily due to an increase in construction in progress due to the ongoing construction of five new schools.
- Total liabilities increased \$54.6 million primarily due to a \$61.7 million increase in the net pension liability. The increase in other liabilities is due to a \$11.1 million increase in accounts payable and other liabilities combined with a \$6.6 million increase in revenue received in advance, a \$5.7 million increase in retainage payable, and a \$1.2 million increase in accrued interest payable. This increase was offset by a \$31.7 million reduction in long-term obligations due to principal payments on outstanding debt, amortization of deferred bond premiums, and a decrease in compensated absences.
- Total deferred inflows of resources decreased \$2.2 million due to a decrease in deferred inflows related to pensions.

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 adoption of GASB Statement 68 "Accounting and Financial Reporting for Pensions."

The following table presents a five-year comparative analysis of the District's net position for the fiscal years ended 2013 through 2017.

Net Position By Component
(Amounts expressed in thousands)

	2013	2014	2015	2016	2017
Governmental Activities	\$ 437,380	\$ 32,250	\$ 61,337	\$ 114,796	\$ 151,861
Business - Type Activities	6,588	(211)	153	118	(305)
Total Primary Government	\$ 443,968	\$ 32,039	\$ 61,490	\$ 114,914	\$ 151,556

Prior to the implementation of GASB Statement 68, 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 2018 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 five-year comparative analysis of the District's net position for the fiscal years ended 2013 through 2017.

Net Position By Classification
(Amounts expressed in thousands)

	2013	2014	2015	2016	2017
Net Investment in Capital Assets	\$ 270,872	\$ 288,317	\$ 311,053	\$ 142,238	\$ 317,208
Restricted for Debt Service	27,229	27,198	26,431	36,832	34,069
Restricted for Capital Projects	54,957	56,408	61,496	265,227	141,037
Restricted for Special Projects	-	-	-	677	1,385
Unrestricted	90,910	(339,884)	(337,490)	(330,060)	(342,143)
Total Primary Government	\$ 443,968	\$ 32,039	\$ 61,490	\$ 114,914	\$ 151,556

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 five-year comparative analysis of the District's net pension liability for the fiscal years ended 2013 through 2017.

Net Pension Liability By Component

(Amounts expressed in thousands)

	2013	2014	2015	2016	2017
Governmental Activities	\$ -	\$ 452,587	\$ 434,410	\$ 469,632	\$ 529,681
Business - Type Activities	-	7,155	6,868	7,912	9,598
Total Primary Government	\$ -	\$ 459,742	\$ 441,278	\$ 477,544	\$ 539,279

Changes in net position. The District's total revenues for the fiscal year ended June 30, 2017, were \$541.5 million. The total cost of all programs and services before transfers was \$504.9 million.

The following table presents a comparative analysis of changes in net position for the fiscal years ended June 30, 2017, and June 30, 2016.

Changes in Net Position

(Amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	\$ 902	\$ 762	\$ 4,568	\$ 4,380	\$ 5,470	\$ 5,142
Operating grants and contributions	186,359	171,374	16,136	16,455	202,495	187,829
General revenues						
Property taxes	278,248	272,056	-	-	278,248	272,056
State aid	52,829	52,369	-	-	52,829	52,369
Other	2,312	1,122	193	235	2,505	1,357
Total revenues	520,650	497,683	20,897	21,070	541,547	518,753
Expenses						
Instruction	299,279	276,465	-	-	299,279	276,465
Support services	168,860	157,822	-	-	168,860	157,822
Community services	1,491	1,344	-	-	1,491	1,344
Pupil Activities	242	-	-	-	242	-
Interest on long-term debt	14,272	9,406	-	-	14,272	9,406
Food service	-	-	20,761	21,026	20,761	21,026
Total expenses	484,144	445,037	20,761	21,026	504,905	466,063
Increase (decrease) in net position before transfers	36,506	52,646	136	44	36,642	52,690
Transfers	559	813	(559)	(79)	-	734
Increase (decrease) in net position	37,065	53,459	(423)	(35)	36,642	53,424
Net position July 1	114,796	61,337	118	153	114,914	61,490
Net position June 30	\$ 151,861	\$ 114,796	\$ (305)	\$ 118	\$ 151,556	\$ 114,914

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

- Operating grants and contributions increased from the prior due to a combination of factors. The District received \$10.8 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 \$5.1 million to help offset the increases in employee insurance and retirement. Unearned revenue increased in the Education Improvement Act (EIA) fund by \$4.9 million. The District expects to leverage these funds in the 2018 fiscal year. Last year, the District experienced an increase in federal receipts in the Special Projects Fund in the amount of \$1.2 million. This year we experienced an increase in the amount of \$3.0 million. The increase was mostly attributable to additional funds received from Title I, Preschool Grant, and the Individuals with Disabilities Education Act (IDEA).
- Ad valorem tax revenue increased by \$6.2 million in fiscal year 2017. 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 \$.5 million as its proportionate share of the fiscal year 2017 entitlement.
- Other revenue increased due to additional interest earnings in the amount of \$1.1 million.
- Included in the expenses for 2017 was a mandated 2% cost of living increase for all certified teachers. The Board also provided a 2% longevity increase (if eligible) for certified teachers and all other employees.
- The District did incur additional operating expenses for the 2017 fiscal year. These include property insurance, employee benefits, utilities, and maintenance of facilities.
- The Proprietary Fund (Food Service Fund) experienced an increase of \$187,154 in paid lunch/breakfast sales and a decrease in USDA food service reimbursements for lunch/breakfast in the amount of \$397,238. Operating costs decreased by \$265,510. This amount was offset by an increase in the net transfer to the General Fund in the amount of \$479,659.

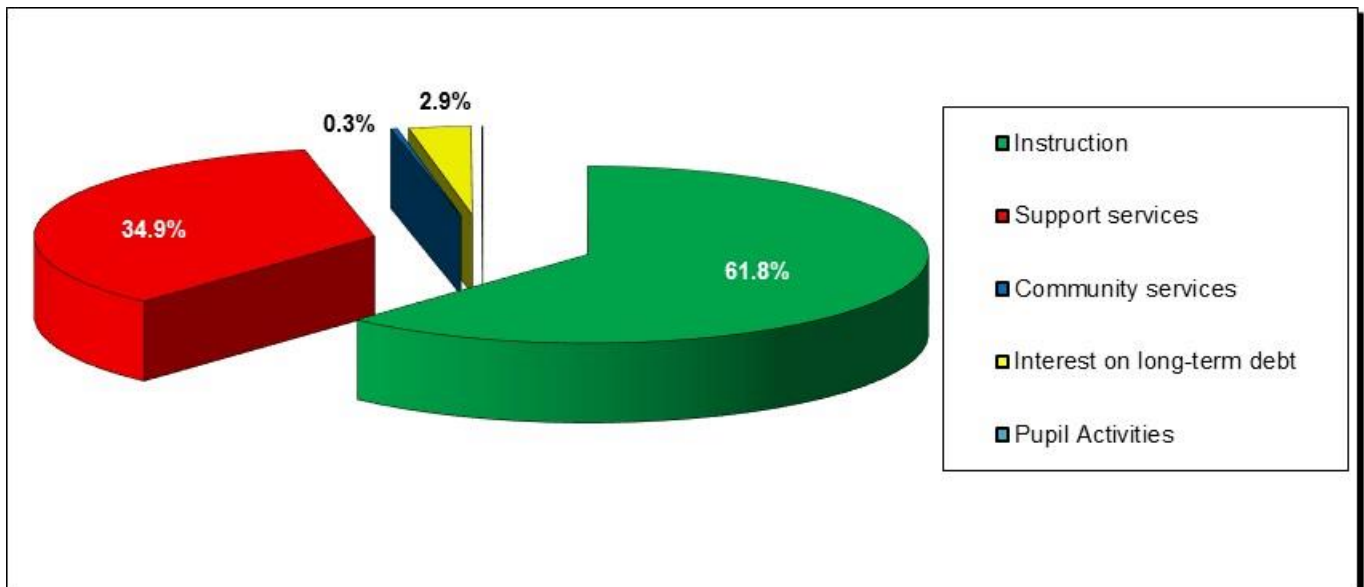
Governmental activities. The following table presents the cost of the five major District functional activities: instruction, support services, community services, pupil activities, and interest on long-term debt for the fiscal years ended June 30, 2017, and June 30, 2016. The table also shows each function's 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.

Governmental Activities
(Amounts expressed in thousands)

	2017		2016	
	Total Expenses	Net (Expense) Revenue	Total Expenses	Net (Expense) Revenue
Instruction	\$ 299,279	\$ (170,334)	\$ 276,465	\$ (155,453)
Support services	168,860	(110,619)	157,822	(106,848)
Community services	1,491	(1,416)	1,344	(1,193)
Pupil Activities	242	(242)	-	-
Interest on long-term debt	14,272	(14,272)	9,406	(9,406)
Total expenses	\$ 484,144	\$ (296,883)	\$ 445,037	\$ (272,900)

- The cost of all governmental activities this fiscal year was \$484.1 million.
- Operating grants, capital grants, and charges for services subsidized certain programs in the amount of \$187.2 million.
- Net cost of governmental activities, \$296.9 million was financed by general revenues, which are made up primarily of property taxes in the amount of \$278.2 million and state aid of \$52.8 million. Unrestricted grants/other contributions and other revenue accounted for \$2.3 million. In addition, a net transfer of \$.6 million was made to the General Fund from the Proprietary Fund.

As the 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 increase in fund balance in the General Fund for the fiscal year was \$9.9 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 \$80.5 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, \$56.4 million of the *unassigned* fund balance is utilized to address cash flow requirements pending the receipt of local property tax revenues. The remaining \$24.1 million of *unassigned* fund balance is available for future Board initiatives.

The Debt Service fund balance showed a decrease of \$2.7 million from the prior year. Incorporating the positive budgeted variance of \$.4 million, this decrease is net result of \$.9 million in additional property tax revenue, \$7.0 million in additional receipts from Education Capital Improvements tax, a \$.7 million decrease in debt service payments and a \$11.7 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 2017-18 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 are expected to open in 2017-18.

The Capital Projects fund balance decreased from \$265.2 million to \$116.8 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 2017, \$43.6 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. The Proprietary Fund (Food Service Fund) showed a decrease in net position in the amount of \$422,660 compared with a \$34,770 decrease in the prior year. Operating revenues, comprised of proceeds from sales of meals, increased by \$144,771 and operating expenses decreased by \$265,510. Non-Operating Revenues, primarily composed of USDA food service reimbursements, decreased by \$318,512. Net transfers to/from General Fund increased by \$479,659 due to the recalculation of support for food service fringe benefits.

GENERAL FUND BUDGETARY HIGHLIGHTS

The net change between the General Fund’s expenditure original budget and final budget, which include budgeted transfers out (\$4.9 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	\$ 2,474,669
School carryover budgets and enrollment adjustments	496,745
Subsequent years expenditures	193,389
Summer staff development activities	189,238
Bus security camera system upgrades	436,538
Board of Education funds	90,000
Purchase 2 vans	76,000
Insurance claims	388,963
Modular classrooms	500,000
Rental for temporary relocation of Adult Ed programs	78,000
	<u>\$ 4,923,542</u>

The net change between the General Fund’s revenue and other financing sources’ original budget and final budget \$388,963, which is due to reimbursement from insurance claims.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2017, the District had invested \$1,123.3 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 \$282.2 million including current depreciation expense of \$19.9 million for the year.

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2017, and June 30, 2016.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Land	\$ 26,797	\$ 26,797	\$ -	\$ -	\$ 26,797	\$ 26,797
Buildings and improvements	543,078	534,113	-	-	543,078	534,113
Improvements other than buildings	28,869	30,728	-	-	28,869	30,728
Autos and trucks	5,534	5,104	-	1	5,534	5,105
Machinery and equipment	7,707	6,724	1,806	2,037	9,513	8,761
Construction in progress	227,312	70,035	-	-	227,312	70,035
Total	\$839,297	\$673,501	\$1,806	\$2,038	\$841,103	\$675,539

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 \$371.8 million in general obligation bonds and \$72.8 million in special obligation bonds outstanding, of which \$38.6 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, 2017, and June 30, 2016.

Outstanding Debt
(Amounts expressed in millions)

	2017	2016
8% General obligation debt	\$ 125.0	\$ 125.0
Special obligation debt	72.8	72.8
Referendum general obligation debt	246.8	269.7
Total	\$ 444.6	\$ 467.5

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 2017-18 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 2017-18 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, with a primary emphasis on literacy.
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 741 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 2017-18 fiscal year. These include increases in retirement, health insurance, and other fixed costs. Additionally, the 2017-18 funding plan incorporates a 2% salary increase for all eligible employees.

The 2017-18 funding plan also includes staffing and operational expenses for the new Ten Oaks Middle School, the new St. James Intermediate School, the new Socastee Middle School, the replacement for Myrtle Beach Middle School, and the replacement for Socastee Elementary School.

Although there is always a great deal of uncertainty regarding State funding, it was fortunate that the House Ways & Means Committee approved the continuation of the proviso regarding the imputation of 4% property in the calculation of the index of tax paying ability (ITA). This action allowed the District to develop a more pragmatic approach for sharing information to the Board regarding the state of the 2017-18 budget. The full House is also in support of the proviso, and the Senate concurred.

Revenue projections are generally based on the Senate 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 2017-18 funding plan anticipates that this growth will continue next year.

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 1.26% and the population increase for the County is 4.02%. Under this statute, the District cannot exceed a 5.28% or 6.4 mill increase for operations.

The district administration is pleased to provide to the Board of Education the comprehensive budget for 2017-18. This budget does not include a millage increase for operations or debt service.

The 2017-18 General Fund budget indicates the utilization of \$13.3 million of the unassigned fund balance. The fund balance at June 30, 2017, for the General Fund is \$101.8 million. This amount maintains the Board established minimum of 15% and provides adequate reserves for 2017-18.

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 Government Funds for the years 2017-18 and 2016-17.

	2017-18	2016-17	Change
Governmental Funds Budget (total)	\$655,520,490	\$776,668,407	\$(121,147,917)
General Fund	408,636,793	389,023,451	19,613,342
Special Projects Fund	31,528,540	33,682,816	(2,154,276)
Education Improvement Act Fund (EIA)	26,479,882	25,901,972	577,910
Debt Service Fund	58,167,158	75,190,910	(17,023,752)
Capital Projects Fund	130,708,117	252,869,258	(122,161,141)
Millage required for General Fund	123.1 mills	123.1 mills	no change
Millage required for Debt Service	10.0 mills	10.0 mills	no change
Total millage required	133.1 mills	133.1 mills	no change

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.

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BASIC FINANCIAL STATEMENTS

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Horry County Schools*Statement of Net Position*

June 30, 2017

	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash and cash equivalents	\$ 316,683,394	\$ 6,353,318	\$ 323,036,712	\$ 1,380,734
Receivables:				
Property taxes receivable	23,513,523	-	23,513,523	-
Due from state government, net	718,519	-	718,519	-
Due from federal government	7,659,955	131,135	7,791,090	-
Due from other governmental units, net	4,969,797	-	4,969,797	183,921
Prepaid and other	2,857,750	-	2,857,750	79,262
Inventories - supplies and materials	641,426	312,707	954,133	-
Other receivables	656,976	44,587	701,563	23,904
Non-current assets:				
Non-depreciable capital assets	254,108,870	-	254,108,870	-
Depreciable capital assets, net	585,187,692	1,805,947	586,993,639	8,564,829
Total assets	<u>1,196,997,902</u>	<u>8,647,694</u>	<u>1,205,645,596</u>	<u>10,232,650</u>
Deferred outflows of resources				
Deferred charge on bond refunding	12,517,789	-	12,517,789	-
Deferred outflows related to pensions	79,291,636	1,764,987	81,056,623	1,625,349
Total deferred outflows of resources	<u>91,809,425</u>	<u>1,764,987</u>	<u>93,574,412</u>	<u>1,625,349</u>
Liabilities				
Accounts payable and other accrued liabilities	61,590,059	1,231,633	62,821,692	398,580
Retainage payable	7,509,967	-	7,509,967	-
Revenue received in advance	13,754,565	189,156	13,943,721	278,871
Accrued interest payable	3,481,446	-	3,481,446	-
Non-current liabilities:				
Due within one year	27,635,009	22,027	27,657,036	263,312
Due in more than one year	488,082,289	25,540	488,107,829	8,580,024
Net pension liability	529,681,055	9,598,365	539,279,420	5,078,733
Total liabilities	<u>1,131,734,390</u>	<u>11,066,721</u>	<u>1,142,801,111</u>	<u>14,599,520</u>
Deferred inflows of resources				
Deferred inflows related to pensions	5,211,612	(349,394)	4,862,218	384,207
Total deferred inflows of resources	<u>5,211,612</u>	<u>(349,394)</u>	<u>4,862,218</u>	<u>384,207</u>
Net position (deficit)				
Net investment in capital assets	315,402,525	1,805,947	317,208,472	96,567
Restricted for:				
Debt service	34,068,438	-	34,068,438	-
Capital projects	141,037,679	-	141,037,679	-
Special projects	1,385,342	-	1,385,342	4,948
Net position - unrestricted	(340,032,659)	(2,110,593)	(342,143,252)	(3,227,243)
Total net position	<u>\$ 151,861,325</u>	<u>\$ (304,646)</u>	<u>\$ 151,556,679</u>	<u>\$ (3,125,728)</u>

See Notes to Basic Financial Statements

Horry County Schools
Statement of Activities
For the year ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary government:							
Governmental activities:							
Instruction	\$ 299,279,599	\$ 827,080	\$ 128,118,577	\$ (170,333,942)		\$ (170,333,942)	
Support Services	168,859,706	-	58,240,431	(110,619,275)		(110,619,275)	
Community Service	1,490,856	74,711	-	(1,416,145)		(1,416,145)	
Pupil Activity	242,068	-	-	(242,068)		(242,068)	
Interest & Other Charges	14,271,894	-	-	(14,271,894)		(14,271,894)	
Total governmental activities	<u>484,144,123</u>	<u>901,791</u>	<u>186,359,008</u>	<u>(296,883,324)</u>		<u>(296,883,324)</u>	
Business-type activities:							
Food Service	20,760,805	4,567,715	16,136,454		\$ (56,636)	(56,636)	
Total primary government	<u>\$ 504,904,928</u>	<u>\$ 5,469,506</u>	<u>\$ 202,495,462</u>	<u>(296,883,324)</u>	<u>(56,636)</u>	<u>(296,939,960)</u>	
Component units:							
Charter Schools	<u>\$ 8,672,975</u>	<u>\$ -</u>	<u>\$ 7,465,780</u>				<u>\$ (1,207,195)</u>
General revenues:							
Property taxes levied for:							
General purposes				195,765,223	-	195,765,223	-
Debt service				82,483,137	-	82,483,137	-
State aid not restricted for specific purpose				52,828,553	-	52,828,553	-
Unrestricted investment earnings				1,912,985	13,951	1,926,936	-
Miscellaneous				399,355	179,057	578,412	425,388
Transfers				<u>559,032</u>	<u>(559,032)</u>	<u>-</u>	<u>-</u>
Total general revenues				<u>333,948,285</u>	<u>(366,024)</u>	<u>333,582,261</u>	<u>425,388</u>
Change in net position				<u>37,064,961</u>	<u>(422,660)</u>	<u>36,642,301</u>	<u>(781,807)</u>
Net position - beginning of year				<u>114,796,364</u>	<u>118,014</u>	<u>114,914,378</u>	<u>(2,343,921)</u>
Net position - end of year				<u>\$ 151,861,325</u>	<u>\$ (304,646)</u>	<u>\$ 151,556,679</u>	<u>\$ (3,125,728)</u>

See Notes to Basic Financial Statements

Horry County Schools
Balance Sheet - Governmental Funds
June 30, 2017

	<u>Special Revenue Funds</u>					<u>Total Governmental Funds</u>
	<u>General</u>	<u>Special Projects</u>	<u>Education Improvement Act</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Assets						
Cash and cash equivalents	\$ 131,728,730	\$ -	\$ 12,182,283	\$ 31,738,244	\$ 141,034,137	\$ 316,683,394
Property taxes receivable, net	21,255,603	-	-	2,257,920	-	23,513,523
Due from state government, net	1,655	657,161	59,703	-	-	718,519
Due from federal government	25,744	7,634,211	-	-	-	7,659,955
Due from other governmental units, net	4,892,289	1,692	-	72,274	3,542	4,969,797
Prepaid and other	2,453,743	404,007	-	-	-	2,857,750
Inventories - supplies and materials	641,426	-	-	-	-	641,426
Other receivables	614,001	35,716	7,259	-	-	656,976
Total assets	<u>\$ 161,613,191</u>	<u>\$ 8,732,787</u>	<u>\$ 12,249,245</u>	<u>\$ 34,068,438</u>	<u>\$ 141,037,679</u>	<u>\$ 357,701,340</u>
Liabilities						
Accounts payable	\$ 3,335,745	\$ 1,027,414	\$ 451,966	\$ -	\$ 16,744,742	\$ 21,559,867
Accrued salaries	21,586,232	1,634,987	1,171,105	-	-	24,392,324
Accrued payroll related liabilities	14,485,222	649,303	503,343	-	-	15,637,868
Retainage payable	-	-	-	-	7,509,967	7,509,967
Unearned revenue	-	3,631,734	10,122,831	-	-	13,754,565
Total liabilities	<u>39,407,199</u>	<u>6,943,438</u>	<u>12,249,245</u>	<u>-</u>	<u>24,254,709</u>	<u>82,854,591</u>
Deferred inflows of resources						
Unavailable revenue - property taxes	20,392,102	-	-	2,142,598	-	22,534,700
Total deferred inflows of resources	<u>20,392,102</u>	<u>-</u>	<u>-</u>	<u>2,142,598</u>	<u>-</u>	<u>22,534,700</u>
Fund balances						
Non-spendable	3,095,169	404,007	-	-	-	3,499,176
Restricted	-	1,385,342	-	31,925,840	116,782,970	150,094,152
Assigned	18,207,629	-	-	-	-	18,207,629
Unassigned	80,511,092	-	-	-	-	80,511,092
Total fund balances	<u>101,813,890</u>	<u>1,789,349</u>	<u>-</u>	<u>31,925,840</u>	<u>116,782,970</u>	<u>252,312,049</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 161,613,191</u>	<u>\$ 8,732,787</u>	<u>\$ 12,249,245</u>	<u>\$ 34,068,438</u>	<u>\$ 141,037,679</u>	<u>\$ 357,701,340</u>

See Notes to Financial Statements

Horry County Schools

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

June 30, 2017

Total governmental fund balances	\$ 252,312,049
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 \$1,117,189,191 and the accumulated depreciation was \$277,892,629.	839,296,562
Property taxes receivable are not available to pay for current period expenditures and, therefore are deferred in the funds.	22,534,700
Bond premiums are amortized in the Statement of Net Position. The premiums of \$89,512,123 have been amortized by \$21,915,006.	(67,597,117)
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	(3,560,181)
Deferred refunding	12,517,789
Bonds payable	(444,560,000)
Accrued interest	(3,481,446)
Pension related deferrals	45,405,156
Contributions to the pension plan in the current fiscal year	28,674,868
Pension obligation	<u>(529,681,055)</u>
Net position of governmental activities	<u><u>\$ 151,861,325</u></u>

Horry County Schools

*Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the year ended June 30, 2017*

	Special Revenue Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Service	Capital Projects	
Revenues						
Local:						
Taxes levied/assessed by the LEA	\$ 189,593,009	\$ -	\$ -	\$ 81,569,942	\$ -	\$ 271,162,951
Revenue from local governmental units	6,074,335	-	-	1,012,466	-	7,086,801
Tuition	72,513	9,965	-	-	-	82,478
Earnings on investments	500,301	-	-	134,128	1,278,556	1,912,985
Pupil activities	-	744,602	-	-	-	744,602
Other revenue from local sources	4,633,581	2,937,333	-	-	-	7,570,914
Intergovernmental	123,910	-	-	-	1,564,188	1,688,098
State sources	173,924,142	3,043,400	22,750,417	853,692	-	200,571,651
Federal sources	736,897	29,094,067	-	-	-	29,830,964
Total revenues	<u>375,658,688</u>	<u>35,829,367</u>	<u>22,750,417</u>	<u>83,570,228</u>	<u>2,842,744</u>	<u>520,651,444</u>
Expenditures						
Current:						
Instruction	232,157,193	24,297,942	9,162,261	-	279,699	265,897,095
Support services	132,977,137	7,803,609	3,922,366	-	5,606,676	150,309,788
Community services	24,605	1,290,443	-	-	-	1,315,048
Pupil activities	239,408	2,660	-	-	-	242,068
Intergovernmental	6,731,526	703,998	489,161	-	-	7,924,685
Debt Service:						
Redemption of principal	-	-	-	22,945,000	-	22,945,000
Interest	-	-	-	19,671,086	-	19,671,086
Other objects	-	-	-	18,769	-	18,769
Capital outlay	4,243,841	261,209	272,817	-	189,000,652	193,778,519
Total expenditures	<u>376,373,710</u>	<u>34,359,861</u>	<u>13,846,605</u>	<u>42,634,855</u>	<u>194,887,027</u>	<u>662,102,058</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(715,022)</u>	<u>1,469,506</u>	<u>8,903,812</u>	<u>40,935,373</u>	<u>(192,044,283)</u>	<u>(141,450,614)</u>
Other financing sources (uses)						
Transfers in	11,341,055	45,902	-	-	43,600,000	54,986,957
Transfers out	(759,573)	(1,164,540)	(8,903,812)	(43,600,000)	-	(54,427,925)
Total other financing sources (uses)	<u>10,581,482</u>	<u>(1,118,638)</u>	<u>(8,903,812)</u>	<u>(43,600,000)</u>	<u>43,600,000</u>	<u>559,032</u>
Net change in fund balances	9,866,460	350,868	-	(2,664,627)	(148,444,283)	(140,891,582)
Fund balance, beginning of year	91,947,430	1,438,481	-	34,590,467	265,227,253	393,203,631
Fund balance, ending of year	<u>\$ 101,813,890</u>	<u>\$ 1,789,349</u>	<u>\$ -</u>	<u>\$ 31,925,840</u>	<u>\$ 116,782,970</u>	<u>\$ 252,312,049</u>

See Notes to 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, 2017**

Net change in fund balance - total governmental funds	\$ (140,891,582)
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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 capitalized items acquired (\$185,660,335) exceeded net depreciation expense (\$19,865,168).

165,795,167

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.

22,945,000

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 decreased by this amount in the current year.

(1,392)

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 (\$8,198,581) exceed the amortization of the deferred refunding (\$1,585,127) in the current year.

6,613,454

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 used (\$1,791,582) exceeds vacation and sick leave earned (\$1,313,600). This amount is adjusted by the decrease in compensated absences that has already been included in the governmental funds.

477,982

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 increased by this amount during the year.

(1,195,493)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.

28,674,868

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

(45,353,043)**Change in net position of governmental activities**\$ 37,064,961

Horry County Schools

Statement of Net Position - Proprietary Fund - School Food Service

June 30, 2017

Assets

Current assets

Cash and cash equivalents	\$ 6,353,318
Due from federal government	131,135
Inventories	312,707
Other receivables	44,587
Total current assets	<u>6,841,747</u>

Property and equipment, net

Total assets	<u>1,805,947</u>
	<u>8,647,694</u>

Deferred outflows of resources

Deferred outflows related to pensions	1,764,987
Total assets and deferred outflows of resources	<u>\$ 10,412,681</u>

Liabilities

Current liabilities

Accrued liabilities	\$ 1,231,633
Unearned revenue	189,156
Compensated absences payable	22,027
Total current liabilities	<u>1,442,816</u>

Non-current liabilities

Compensated absences payable	25,540
Net pension liability	9,598,365
Total non-current liabilities	<u>9,623,905</u>
Total liabilities	<u>11,066,721</u>

Deferred inflows of resources

Deferred inflows related to pensions	<u>(349,394)</u>
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Net position

Investment in capital assets	1,805,947
Unrestricted	<u>(2,110,593)</u>
Total net position	<u>(304,646)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 10,412,681</u>

See Notes to the Financial Statements

Horry County Schools

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund - School Food Service For the year ended June 30, 2017

Operating revenues	
Meal sales	\$ 4,567,715
Other operating revenue	193,008
Total operating revenues	<u>4,760,723</u>
Operating expenses	
Food costs	8,349,651
Salaries	7,246,448
Employee benefits	4,024,969
Purchased services	92,789
Supplies and materials	618,996
Other objects	23,591
Intergovernmental	166,607
Depreciation	237,754
Total operating expenses	<u>20,760,805</u>
Operating loss	<u>(16,000,082)</u>
Non-operating revenues	
USDA reimbursements	14,716,800
USDA commodities	1,418,527
Other state aid	1,127
Total non-operating revenues	<u>16,136,454</u>
Gain before transfers	136,372
Transfers to other funds, net	<u>(559,032)</u>
Change in net position	(422,660)
Net position, beginning of year	<u>118,014</u>
Net position, end of year	<u><u>\$ (304,646)</u></u>

See Notes to the Financial Statements

Horry County Schools

Statement of Cash Flows - Proprietary Fund - School Food Service

For the year ended June 30, 2017

Cash flows from operating activities

Received from patrons	\$ 4,427,531
Payments to employees for services	(7,250,120)
Payments for employee benefits	(4,024,969)
Payments to suppliers for goods and services	(7,862,278)
Other receipts	193,008
Other payments	278,047
Net cash used for operating activities	<u>(14,238,781)</u>

Cash flows from non-capital financing activities

Federal and state grants received	14,634,386
Transfers to other funds	(559,032)
Net cash provided by non-capital financing activities	<u>14,075,354</u>

Cash flows from capital and related financing activities

Purchases of capital assets	(5,227)
Net cash used for capital and related financing activities	<u>(5,227)</u>
Net change in cash and cash equivalents	(168,654)

Cash and cash equivalents - beginning of year

6,521,972

Cash and cash equivalents - end of year

\$ 6,353,318

Reconciliation of operating loss to net cash used by operating activities

Operating loss	\$ (16,000,082)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	237,754
Pension expense	468,245
Commodities received from USDA	1,418,527
Change in assets and liabilities:	
Decrease in accounts receivable	10,599
Increase in inventories - supplies and materials	(31,436)
Decrease in accounts payable	(187,933)
Decrease in accrued salaries	(4,024)
Increase in accrued payroll related liabilities	8,726
Decrease in compensated absences payable	(8,374)
Decrease in unearned revenue	(150,783)
Net cash used for operating activities	<u>\$ (14,238,781)</u>

Non-cash, non-capital financing activities

USDA commodities received	<u>\$ 1,418,527</u>
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See Notes to Financial Statements

Horry County Schools

Statement of Net Position - Fiduciary Funds

As of June 30, 2017

	Private-Purpose Trusts	Agency Funds
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	\$ 66,079	\$ 5,661,550
Investments	100,000	-
Other assets	-	78,187
Total assets	<u>166,079</u>	<u>5,739,737</u>
Liabilities		
Accounts payable	\$ 2,000	\$ 299,545
Accrued liabilities	-	40,127
Due to other governments	-	1,050,688
Due to student organizations	-	4,349,377
Total liabilities	<u>2,000</u>	<u>5,739,737</u>
Restricted net position	<u>\$ 164,079</u>	<u>\$ -</u>

See Notes to Financial Statements

Horry County Schools

Statement of Changes in Net Position - Fiduciary Funds

For the year ended June 30, 2017

	<u>Private-Purpose Trusts</u>	<u>Agency Funds</u>
Additions		
Scholarship receipts	\$ 41,736	\$ -
Other income	14,669	-
Interest	1,271	-
Receipts	-	8,412,029
Transfers in	-	242,068
Total additions	<u>57,676</u>	<u>8,654,097</u>
Deductions		
Scholarships awarded	58,451	-
Disbursements	-	8,413,213
Total deductions	<u>58,451</u>	<u>8,413,213</u>
Change in net position	(775)	240,884
Total net position/due to others, beginning of year	<u>164,854</u>	<u>5,159,181</u>
Total net position/due to others, end of year	<u><u>\$ 164,079</u></u>	<u><u>\$ 5,400,065</u></u>

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Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies

The accounting policies of Horry County Schools conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

Horry County Schools (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 accounting principles generally accepted in the United States of America, 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. 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, 2017

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, 2017.

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. These statements include the financial activities of the overall government, except for fiduciary activities. The effect of interfund activity has been eliminated from these statements except for interfund services provided and used. These statements distinguish between the governmental and business-type activities of the School District. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the School District and 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. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. 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, 2017

Note 1. Summary of Significant Accounting Policies, Continued

B. Basis of Presentation, Continued

Fund Financial Statements: 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, enterprise and fiduciary fund types.

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 major governmental funds:

General Fund: The General Fund is the general operating fund of the School District. The General Fund accounts for all financial resources not accounted for and reported in another fund.

Special Revenue Fund - Special Projects Fund: This fund is used to account for and report the financial resources provided by federal, state and local projects and grants that are restricted, committed or assigned for specific educational programs.

Special Revenue Fund - Education Improvement Act: This fund is used to account for and report the restricted revenue from the South Carolina Education Improvement Act of 1984 which are restricted for specific programs authorized or mandated by EIA.

Debt Service Fund: This fund is used to account for and report the accumulation of restricted resources for and the payment of general long-term debt, principal and interest.

Capital Projects Fund: This fund is used to account for and report all financial resources that are restricted to expenditure for capital outlays, other than those financed by proprietary and trust funds. Capital projects are funded by proceeds of bonds issued for public school construction and from certain State assistance and grants.

Proprietary Fund: Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to provide sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The School District has no internal service funds.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

B. Basis of Presentation, Continued

Enterprise funds account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or covered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The School Food Service Fund is the School District's only enterprise fund and is used to account for the United States Department of Agriculture (USDA) approved school breakfast and lunch programs.

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 which 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: This fund is used to report resources held by the School District in a custodial capacity for students and student organizations.

Agency Fund - Federal Program Fund: This fund is used 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: This fund is used 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: This fund is used to account for scholarship money under the control of the School District for the benefit of the students within the School District.

C. Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: The government-wide, proprietary, 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 accounts 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.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

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.

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, 2017, 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 accounting principles generally accepted in the United States of America. 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: For purposes of the proprietary fund statement of cash flows, the School District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

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.

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. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is designated as non-spendable. Enterprise Fund inventories consist of food and supplies and are recorded as expenses when consumed. Included within Enterprise Fund inventories, are United States Department of Agriculture (USDA) commodities which were received, but not consumed as of June 30, 2017. 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 fair market 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 capitalized 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.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

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, 2017, 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 and proprietary fund types, 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.

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 and proprietary fund 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 and/or Proprietary Fund have been used to liquidate the liability for compensated absences.

Deferred Outflows of Resources and Deferred Inflows of Resources: Changes in net pension liability not included in pension 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 are reported as deferred outflows of resources.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS) and additions to/deductions from SCRS's and PORS' fiduciary net position have been determined on the same basis as they are reported by SCRS or PORS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balances and Net Position: The School District has five classifications of governmental fund balances: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a balance that can only be used for the specific purpose determined by the Board. The Board, as the School District's highest level of decision making authority, may establish, modify, or rescind a fund balance commitment through formal action taken in open session of a Board meeting. This action must be taken prior to the School District's fiscal year end for that fiscal year. Assigned fund balance is a balance meant to be used for a specific purpose that meets neither the criteria as restricted nor committed and with the assignment made prior to the report issuance date. The intent to assign balances can be expressed by the Board or body to which the Board delegates the authority. Amounts the School District intends to use for a specific purpose and 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. No formal action to impose, modify, or remove any fund balance assignment is required. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Where applicable, these classifications are presented on the face of the governmental funds Balance Sheet.

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 \$56,456,057 for this commitment is included in the unassigned fund balance at June 30, 2017.

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 is available. For the governmental funds financial statements the School District applies committed, then assigned, then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation and the outstanding balances of any borrowings used for the acquisition, construction or improvement of the unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

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. Proprietary funds operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal ongoing revenues of the enterprise fund are charges to students and teachers for breakfast, lunch and special sales. Operating expenses for the enterprise fund include the cost of sales, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

D. New Accounting Standards

The GASB has issued the following statements:

Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017.

Statement No. 77, "Tax Abatement Disclosures." The requirements of this Statement require the disclosure of information about the nature and magnitude of tax abatements. The requirements of this Statement are effective for the current fiscal year.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 1. Summary of Significant Accounting Policies, Continued

D. New Accounting Standards, Continued

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.

E. Subsequent Events

In preparing these financial statements, the School District's management has evaluated events and transactions for potential recognition or disclosure through November 30, 2017, the date the financial statements were available for issuance.

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

The School District follows Governmental Accounting Standards Board (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.

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, 2017 the carrying amount of the School District's deposits was \$328,764,341 and the bank balance was \$335,938,311. 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.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

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

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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.

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 generally accepted accounting principles. 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.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

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. Horry 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 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).
- 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. County manually applies SSRC to reduce 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, 2017, the County abated School District property tax revenues of \$493,414 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”)	\$ 463,936
Special Source Revenue Credit (“SSRC”)	<u>29,478</u>
Total	<u>\$ 493,414</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 \$179,287.
- 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 \$90,965.
- 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 \$69,343.

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

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

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.

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, 2017 is as follows:

Total property taxes uncollected	\$ 39,189,207
Less allowance for doubtful accounts	<u>(15,675,684)</u>
Net property taxes receivable in the Statement of Net Position	23,513,523
Less collections made within 60 days of year end	<u>(978,823)</u>
Total deferred inflows of resources included in the Governmental Funds Balance Sheet	<u>\$ 22,534,700</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	<u>Balance, July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2017</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 26,796,567	\$ -	\$ -	\$ 26,796,567
Construction in progress	<u>70,035,318</u>	<u>181,945,330</u>	<u>(24,668,345)</u>	<u>227,312,303</u>
Total capital assets, not being depreciated	<u>96,831,885</u>	<u>181,945,330</u>	<u>(24,668,345)</u>	<u>254,108,870</u>
Capital assets, being depreciated:				
Buildings and improvements	738,178,155	23,829,948	(152,604)	761,855,499
Land improvements	51,105,372	298,098	-	51,403,470
Vehicles	10,109,872	1,300,088	(29,368)	11,380,592
Machinery and equipment	<u>35,485,544</u>	<u>2,955,216</u>	<u>-</u>	<u>38,440,760</u>
Total capital assets, being depreciated	<u>834,878,943</u>	<u>28,383,350</u>	<u>(181,972)</u>	<u>863,080,321</u>
Accumulated depreciation:				
Buildings and improvements	(204,064,917)	(14,865,233)	152,604	(218,777,546)
Land improvements	(20,377,405)	(2,157,290)	-	(22,534,695)
Vehicles	(5,005,598)	(870,611)	29,368	(5,846,841)
Machinery and equipment	<u>(28,761,513)</u>	<u>(1,972,034)</u>	<u>-</u>	<u>(30,733,547)</u>
Total accumulated depreciation	<u>(258,209,433)</u>	<u>(19,865,168)</u>	<u>181,972</u>	<u>(277,892,629)</u>
Governmental activities capital assets, net	<u>\$ 673,501,395</u>	<u>\$ 190,463,512</u>	<u>\$ (24,668,345)</u>	<u>\$ 839,296,562</u>
Business-type activities				
Capital assets being depreciated:				
Machinery and equipment	\$ 6,095,682	\$ 5,227	\$ -	\$ 6,100,909
Vehicles	<u>42,864</u>	<u>-</u>	<u>-</u>	<u>42,864</u>
Total capital assets, being depreciated	<u>6,138,546</u>	<u>5,227</u>	<u>-</u>	<u>6,143,773</u>
Accumulated depreciation:				
Machinery and equipment	(4,058,157)	(236,805)	-	(4,294,962)
Vehicles	<u>(41,915)</u>	<u>(949)</u>	<u>-</u>	<u>(42,864)</u>
Total accumulated depreciation	<u>(4,100,072)</u>	<u>(237,754)</u>	<u>-</u>	<u>(4,337,826)</u>
Business-type activities capital assets, net	<u>\$ 2,038,474</u>	<u>\$ (232,527)</u>	<u>\$ -</u>	<u>\$ 1,805,947</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 5. Capital Assets, Continued

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

Instruction	\$ 12,610,702
Support services	7,188,052
Community services	<u>66,414</u>
Total depreciation expense - governmental activities	<u>\$ 19,865,168</u>

Note 6. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2017, is as follows:

	<u>Balance, July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2017</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds payable					
General obligation bonds	\$ 467,505,000	\$ -	\$ (22,945,000)	\$ 444,560,000	\$ 17,815,000
Plus deferred amounts for issuance premiums	<u>75,795,698</u>	<u>-</u>	<u>(8,198,581)</u>	<u>67,597,117</u>	<u>8,028,427</u>
Total bonds payable	543,300,698	-	(31,143,581)	512,157,117	25,843,427
Compensated absences	4,038,163	1,313,600	(1,791,582)	3,560,181	1,791,582
Net pension liability*	<u>469,631,729</u>	<u>60,049,326</u>	<u>-</u>	<u>529,681,055</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$1,016,970,590</u>	<u>\$ 61,362,926</u>	<u>\$ (32,935,163)</u>	<u>\$1,045,398,353</u>	<u>\$ 27,635,009</u>
	<u>Balance, July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2017</u>	<u>Due Within One Year</u>
Business-type activities					
Compensated absences	\$ 55,941	\$ 13,653	\$ (22,027)	\$ 47,567	\$ 22,027
Net pension liability*	<u>7,912,463</u>	<u>1,685,902</u>	<u>-</u>	<u>9,598,365</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 7,968,404</u>	<u>\$ 1,699,555</u>	<u>\$ (22,027)</u>	<u>\$ 9,645,932</u>	<u>\$ 22,027</u>

* Additions and reductions for net pension liability are shown net.

For the governmental activities, compensated absences are generally liquidated by the fund from which the fund liability was incurred.

Bonds payable consisted of the following at June 30, 2017:

	<u>Original bond issue</u>	<u>Interest rates</u>	<u>Maturity dates</u>	<u>Balance June 30, 2017</u>
General obligation bonds				
Series 2010A	\$ 43,330,000	2.00 - 5.00%	March 1, 2021	\$ 21,260,000
Series 2011A	54,965,000	3.00 - 5.00%	March 1, 2022	33,720,000
Series 2012A	59,455,000	2.00 - 5.00%	March 1, 2030	48,905,000
Series 2015A	110,810,000	3.50 - 5.00%	March 1, 2031	109,925,000
Series 2015B	32,970,000	3.00 - 5.00%	March 1, 2027	32,970,000
Series 2016A	125,000,000	5.00%	March 1, 2025	125,000,000
Series 2016B	72,780,000	5.00%	March 1, 2025	<u>72,780,000</u>
				<u>\$ 444,560,000</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 6. Long-Term Liabilities, Continued

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, 2017, the only debt applicable to the debt limitation is related to the Series 2016A issue of \$125,000,000. Based on Horry County's assessed property tax values, the School District is within its debt limit of approximately \$174,000,000 at June 30, 2017.

General obligation bonds of the School District are backed by the full faith, credit, and taxing power of the School District.

The scheduled maturities of the general obligation bonds payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 17,815,000	\$ 20,831,600	\$ 38,646,600
2019	42,895,000	19,973,950	62,868,950
2020	45,070,000	17,863,950	62,933,950
2021	47,375,000	15,615,500	62,990,500
2022	46,130,000	13,257,350	59,387,350
2023-2027	187,220,000	32,364,300	219,584,300
2028-2031	<u>58,055,000</u>	<u>5,533,200</u>	<u>63,588,200</u>
Totals	<u>\$ 444,560,000</u>	<u>\$ 125,439,850</u>	<u>\$ 569,999,850</u>

Note 7. Inter-Fund Balances and Activity

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "Due From and Due To" on the Governmental Funds Balance Sheet. There were no interfund balances at June 30, 2017.

Inter-fund transfers for the year ended June 30, 2017, consist of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 11,341,055	\$ 759,573
Special Projects	45,902	1,164,540
Education Improvement Act	-	8,903,812
Capital Projects	43,600,000	-
Debt Service	-	43,600,000
School Food Service	<u>713,671</u>	<u>1,272,703</u>
	<u>\$ 55,700,628</u>	<u>\$ 55,700,628</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

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 - Amounts that are not in a spendable form or are required to remain intact.

Fund balances - Restricted - Amounts constrained to a specific purpose by their providers (such as grants, bondholders and higher levels of government) through constitutional provisions or enabling legislation.

Fund balances - Committed - Amounts constrained to specific purpose by the School District through formal action made by the highest level of decision-making authority before the end of the reporting period. This action requires approval by majority vote of the Board of Education. 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 - Amounts the School District intends to use for a specific purpose and 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 - Amounts that are available for any purpose; positive amounts are reported only in the General Fund.

Government-wide and proprietary fund financial statements

Net investment in capital assets - This represents the School District's total investments in capital assets, net of 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>	<u>Business-Type Activities</u>
Capital assets, net of depreciation	\$ 839,296,562	\$ 1,805,947
Capital-related debt:		
Less: bonds, notes and loans	(444,560,000)	-
Less: premiums and discounts	(67,597,117)	-
Add: deferred charges on bond refundings	12,517,789	-
Less: accounts and retainages payable	(24,254,709)	-
Add: unspent debt proceeds*	-	-
Net investment in capital assets	<u>\$ 315,402,525</u>	<u>\$ 1,805,947</u>

*All cash in the capital projects fund at 6/30/17 is related to the 1% sales tax and, thus, is appropriately excluded from the calculation of net investment in capital assets above.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 8. Fund Balances and Net Position, Continued

Government-wide and proprietary fund financial statements, continued

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

Restricted net position (non-expendable) - Non-expendable restricted net position consist 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 - Unrestricted net position represent resources derived from ad valorem taxes, earnings on investments, and various local and state unrestricted grants, contracts and revenues.

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total
Nonspendable:					
Inventories	\$ 641,426	\$ -	\$ -	\$ -	\$ 641,426
Prepaid items	<u>2,453,743</u>	<u>404,007</u>	<u>-</u>	<u>-</u>	<u>2,857,750</u>
	<u>3,095,169</u>	<u>404,007</u>	<u>-</u>	<u>-</u>	<u>3,499,176</u>
Restricted for:					
Afterschool childcare	-	1,385,342	-	-	1,385,342
Debt service	-	-	31,925,840	-	31,925,840
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,782,970</u>	<u>116,782,970</u>
	<u>-</u>	<u>1,385,342</u>	<u>31,925,840</u>	<u>116,782,970</u>	<u>150,094,152</u>
Assigned to:					
Subsequent year expenditures	17,683,049	-	-	-	17,683,049
Carryover school budgets	<u>524,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>524,580</u>
	<u>18,207,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,207,629</u>
Unassigned	<u>80,511,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,511,092</u>
	<u>\$ 101,813,890</u>	<u>\$ 1,789,349</u>	<u>\$ 31,925,840</u>	<u>\$ 116,782,970</u>	<u>\$ 252,312,049</u>

Note 9. Pension Plans

The majority of employees of the School District are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division, a public employee retirement system. Generally, all State employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost of living adjustment, death, and group life insurance benefits to eligible employees and retirees.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 9. Pension Plans, Continued

Description of the Entity: The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review.

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.

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 South Carolina Retirement System (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 allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

Employees eligible for service retirement may participate in the Teacher and Employee Retention Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. TERI participants with retirement dates on or after July 1, 2005, make the same pre-tax contributions to the SCRS as active members. In addition, they are eligible to receive group life insurance benefits, but are ineligible to receive service credit or disability retirement benefits. The TERI program will be closed effective June 30, 2018; therefore, only those participants that enter the program beginning July 1, 2013 will be eligible to participate in the program for five full years.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 9. Pension Plans, Continued

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective 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 allowances and other benefits for police officers and firemen of the state and its political subdivisions.

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.
- 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 Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes. Employee and Employer 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 investment providers 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 state 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.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 9. Pension Plans, Continued

Benefits Provided: 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 legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. 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.

- 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. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA Board may adopt and present to the SFAA for approval an increase in the SCRS and PORS employer and employee contribution rates, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the Board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 9. Pension Plans, Continued

Contributions (continued)

- Required employee contribution rates¹ are as follows:

<u>SCRS</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>
Employee Class Two	8.66%	8.16%
Employee Class Three	8.66%	8.16%
<u>State ORP</u>		
Employee	8.66%	8.16%
<u>PORS</u>		
Employee Class Two	9.24%	8.74%
Employee Class Three	9.24%	8.74%

- Required employer contribution rates¹ are as follows:

<u>SCRS</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>
Employer Class Two	11.41%	10.91%
Employer Class Three	11.41%	10.91%
Employer Incidental Death Benefit	0.15%	0.15%
<u>State ORP</u>		
Employer Contribution ²	11.41%	10.91%
Employer Incidental Death Benefit	0.15%	0.15%
<u>PORS</u>		
Employer Class Two	13.84%	13.34%
Employer Class Three	13.84%	13.34%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

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

²Of 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.

Actuarial Assumptions and Methods: Actuarial valuations 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. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 9. Pension Plans, Continued

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 as of July 1, 2015. The June 30, 2016, total pension liability, net pension liability, and sensitivity information were determined by the Systems consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2015, actuarial valuations, as adopted by the PEBA Board and SFAA which utilized membership data as of July 1, 2015. The total pension liability was rolled-forward from the valuation date to the Systems' fiscal year ended June 30, 2016, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2015, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry age normal	Entry age normal
Actuarial Assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service)	4.0% to 10.0% (varies by service)
Includes inflation at	2.75%	2.75%
Benefits adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2015 valuations for SCRS and PORS are as follows.

Former Job Class	Males	Females
Educators	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety and Firefighters	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

Net Pension Liability: The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2016, 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	\$ 45,356,214,752	\$23,996,362,354	\$ 21,359,852,398	52.9%
PORS	6,412,510,458	3,876,035,732	2,536,474,726	60.4%

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 9. Pension Plans, Continued

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the Systems' 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, as used in the July 1, 2015, actuarial valuations, was based upon the 30 year capital markets outlook at the end of third quarter 2015. 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 revised target asset allocation adopted beginning January 1, 2016. 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 7.85 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.10 percent real rate of return and a 2.75 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	43.00%		
Global Public Equity	34.00%	6.52%	2.22%
Private Equity	9.00%	9.30%	0.84%
Real Assets	8.00%		
Real Estate	5.00%	4.32%	0.22%
Commodities	3.00%	4.53%	0.13%
Opportunistic	20.00%		
GTAA/Risk Parity	10.00%	3.90%	0.39%
HF (Low Beta)	10.00%	3.87%	0.39%
Diversified Credit	17.00%		
Mixed Credit	5.00%	3.52%	0.17%
Emerging Markets Debt	5.00%	4.91%	0.25%
Private Debt	7.00%	4.47%	0.31%
Conservative Fixed Income	12.00%		
Core Fixed Income	10.00%	1.72%	0.17%
Cash and Short Duration (Net)	2.00%	0.71%	0.01%
Total Expected Real Return	100.00%		5.10%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			7.85%

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 9. Pension Plans, Continued

Discount Rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws will remain unchanged in future years. Based on those assumptions, each System's fiduciary net position was projected to be available to make all 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 total pension liability.

Sensitivity Analysis: The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$ 672,118,438	\$ 538,784,122	\$ 427,788,326
PORS	\$ 649,130	\$ 495,298	\$ 357,050

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, 2016 (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, 2016.

For the year ended June 30, 2017, the School District recognized total pension expense of \$46,338,948, including \$45,024,089 for SCRS and \$50,794 for PORS under governmental activities and \$1,264,065 for SCRS under business-type activities. At June 30, 2017, the School District reported total deferred outflows of resources and deferred inflows of resources related to pensions for both governmental and business-type activities from the following sources:

	SCRS	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 5,585,130	\$ 585,121
Net difference between projected and actual earnings on pension plan investments	45,329,055	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	906,630	4,268,528
District contributions subsequent to the measurement date*	29,136,600	-
Total	<u>\$ 80,957,415</u>	<u>\$ 4,853,649</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 9. Pension Plans, Continued

	<u>PORS</u>	
	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 7,349	\$ -
Net difference between projected and actual earnings on pension plan investments	56,163	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,303	8,569
District contributions subsequent to the measurement date*	<u>34,393</u>	-
Total	<u>\$ 99,208</u>	<u>\$ 8,569</u>

* Amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year.

Future amortization:

	<u>SCRS</u>	<u>PORS</u>
2018	\$ 10,812,598	\$ 11,591
2019	7,893,215	11,218
2020	18,034,595	20,386
2021	<u>10,226,758</u>	<u>13,051</u>
	<u>\$ 46,967,166</u>	<u>\$ 56,246</u>

Note 10. Post-Employment and Other Employee Benefits

In accordance with the South Carolina Code of Laws and the Annual Appropriations Act, the State of South Carolina provides certain health care, dental, and life insurance benefits to certain active and retired State employees and certain surviving dependents of retirees. All permanent full-time and certain permanent part-time employees of the School District are eligible to receive these benefits. The State provides post-employment health and dental benefits to employees who retire from State service or who terminated with at least twenty years of service. They must meet one or more of the eligibility requirements: age, length of service or hire date. Generally, those who retire must have at least ten years of retirement service credit to qualify for these state-funded benefits. Benefits are effective at date of retirement when the employee is eligible for retirement benefits.

The benefits are provided through annual State appropriations by the General Assembly to the School District for its active employees and to the South Carolina Public Employee Benefit Authority for all participating State retirees except for portions funded through the pension surcharge and provided from other fund sources of the School District for its active employees who are not funded by the State General Fund appropriations. The State finances health and dental plan benefits on a pay-as-you-go basis.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 10. Post-Employment and Other Employee Benefits, Continued

As discussed in Note 9, the School District paid \$12,533,274 applicable to the 5.00% surcharge included with the employer contributions for retirement benefits. These amounts were remitted to the South Carolina Retirement Systems for distribution to the Offices of Insurance Services for retiree health and dental insurance benefits.

Information regarding the cost of insurance benefits applicable to the School District's retirees is not available. By State law, the School District has no liability for retirement benefits. Accordingly, the cost of providing these benefits for retirees is not included in the accompanying financial statements.

Note 11. Funding Flexibility

The State of South Carolina passed a Joint Resolution to provide funding flexibility for the fiscal year ended June 30, 2017. 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 District expects such amounts, if any, to be immaterial.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2017

Note 13. Commitments and Contingencies, Continued

The 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 District.

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

The District has entered into contracts and agreements with contractors and builders for various capital projects throughout the 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, 2017. A summary of the contracts in process by location is as follows:

	<u>Contract Amount</u>	<u>Expended as of June 30, 2017</u>	<u>Remaining Commitment</u>
St. James Intermediate School	\$ 46,694,043	\$ 42,163,928	\$ 4,530,115
Myrtle Beach Middle School	45,468,138	36,883,819	8,584,319
Carolina Forest Middle School	44,912,712	41,917,038	2,995,674
Socastee Middle School	44,067,676	27,569,460	16,498,216
Socastee Elementary School	37,571,872	31,698,486	5,873,386
North Myrtle Beach High School	20,563,818	14,946,779	5,617,039
All others < \$15,000,000 per location	<u>36,541,425</u>	<u>23,855,198</u>	<u>12,686,227</u>
	<u>\$ 275,819,684</u>	<u>\$ 219,034,708</u>	<u>\$ 56,784,976</u>

REQUIRED SUPPLEMENTARY INFORMATION

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Horry County Schools**Budgetary Comparison Schedule - General Fund****For the year ended June 30, 2017**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 200,799,180	\$ 201,188,143	\$ 200,873,739	\$ (314,404)
Intergovernmental	161,948	161,948	123,910	(38,038)
State sources	167,737,488	167,737,488	173,924,142	6,186,654
Federal sources	695,305	695,305	736,897	41,592
Total revenues	<u>369,393,921</u>	<u>369,782,884</u>	<u>375,658,688</u>	<u>5,875,804</u>
Expenditures				
Instruction	237,930,018	240,649,443	232,157,193	8,492,250
Support services	139,874,007	140,414,931	132,977,137	7,437,794
Community services	849	28,510	24,605	3,905
Pupil activities	-	-	239,408	(239,408)
Intergovernmental	7,467,761	7,467,761	6,731,526	736,235
Capital outlay	2,938,404	4,479,736	4,243,841	235,895
Total expenditures	<u>388,211,039</u>	<u>393,040,381</u>	<u>376,373,710</u>	<u>16,666,671</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,817,118)</u>	<u>(23,257,497)</u>	<u>(715,022)</u>	<u>22,542,475</u>
Other financing sources (uses)				
Sale of capital assets	100,787	100,787	-	(100,787)
Other financing sources	385,480	385,480	-	(385,480)
Transfers in	11,418,235	11,418,235	11,341,055	(77,180)
Transfers out	(812,412)	(906,612)	(759,573)	147,039
Total other financing sources (uses)	<u>11,092,090</u>	<u>10,997,890</u>	<u>10,581,482</u>	<u>(416,408)</u>
Net change in fund balances	<u>\$ (7,725,028)</u>	<u>\$ (12,259,607)</u>	9,866,460	<u>\$ 22,126,067</u>
Fund balance, beginning of year			91,947,430	
Fund balance, end of year			<u>\$ 101,813,890</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, 2017**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 1,914,135	\$ 6,119,864	\$ 3,691,900	\$ (2,427,964)
State sources	3,851,065	5,210,298	3,043,400	(2,166,898)
Federal sources	27,917,616	35,581,500	29,094,067	(6,487,433)
Total revenues	<u>33,682,816</u>	<u>46,911,662</u>	<u>35,829,367</u>	<u>(11,082,295)</u>
Expenditures				
Instruction	23,020,178	30,987,167	24,297,942	6,689,225
Support services	7,092,778	10,933,326	7,803,609	3,129,717
Community services	1,876,836	1,925,721	1,290,443	635,278
Pupil activities	-	-	2,660	(2,660)
Intergovernmental	479,073	770,518	703,998	66,520
Capital outlay	116,473	910,547	261,209	649,338
Total expenditures	<u>32,585,338</u>	<u>45,527,279</u>	<u>34,359,861</u>	<u>11,167,418</u>
Excess of revenues over expenditures	<u>1,097,478</u>	<u>1,384,383</u>	<u>1,469,506</u>	<u>85,123</u>
Other financing sources (uses)				
Transfers in	-	-	45,902	45,902
Transfers out	(1,097,478)	(1,384,383)	(1,164,540)	219,843
Total other financing sources (uses)	<u>(1,097,478)</u>	<u>(1,384,383)</u>	<u>(1,118,638)</u>	<u>265,745</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>350,868</u>	<u>\$ 350,868</u>
Fund balance, beginning of year			<u>1,438,481</u>	
Fund balance, end of year			<u>\$ 1,789,349</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, 2017**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
State sources	\$ 25,901,972	\$ 33,066,920	\$ 22,750,417	\$ (10,316,503)
Total revenues	25,901,972	33,066,920	22,750,417	(10,316,503)
Expenditures				
Instruction	13,249,484	17,147,664	9,162,261	7,985,403
Support services	3,539,015	6,519,657	3,922,366	2,597,291
Intergovernmental	352,056	436,201	489,161	(52,960)
Capital outlay	71,291	273,272	272,817	455
Total expenditures	17,211,846	24,376,794	13,846,605	10,530,189
Excess of revenues over expenditures	8,690,126	8,690,126	8,903,812	213,686
Other financing sources (uses)				
Transfers out	(8,690,126)	(8,690,126)	(8,903,812)	(213,686)
Total other financing sources (uses)	(8,690,126)	(8,690,126)	(8,903,812)	(213,686)
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*Schedule of the District's Proportionate Share of the Net Pension Liability**For the year ended June 30, 2017*

	SCRS		
	2017	2016	2015
Entity's proportion of the net pension liability	2.52242%	2.51573%	2.56084%
Entity's proportionate share of the net pension liability	<u>\$ 538,784,122</u>	<u>\$ 477,120,324</u>	<u>\$ 440,892,267</u>
Entity's covered payroll during the measurement period	<u>\$ 256,766,931</u>	<u>\$ 220,703,321</u>	<u>\$ 217,871,216</u>
Entity's proportionate share of the net pension liability as a percentage of its covered-employee payroll	209.83392%	216.18176%	202.36371%
Plan fiduciary net position as a percentage of the total pension liability	52.91%	56.99%	59.92%
	PORS		
	2017	2016	2015
Entity's proportion of the net pension liability	0.01953%	0.01945%	0.02015%
Entity's proportionate share of the net pension liability	<u>\$ 495,298</u>	<u>\$ 423,868</u>	<u>\$ 385,757</u>
Entity's covered payroll during the measurement period	<u>\$ 248,943</u>	<u>\$ 240,929</u>	<u>\$ 238,010</u>
Entity's proportionate share of the net pension liability as a percentage of its covered-employee payroll	198.96040%	175.93067%	162.07596%
Plan fiduciary net position as a percentage of the total pension liability	60.44%	64.57%	67.55%

Horry County Schools
Schedule of District Contributions - SCRS and PORS
 For the year ended June 30, 2017

	SCRS									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 29,136,600	\$ 27,015,407	\$ 25,710,929	\$ 24,644,067	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	29,136,600	27,015,407	25,710,929	24,644,067	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
Entity's covered-employee payroll	\$ 265,112,547	\$ 256,766,931	\$ 220,703,321	\$ 217,871,216	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	10.99028%	10.52137%	11.64954%	11.31130%	N/A	N/A	N/A	N/A	N/A	N/A
	PORS									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 34,393	\$ 34,205	\$ 32,309	\$ 31,117	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	34,393	34,205	32,309	31,117	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
Entity's covered-employee payroll	\$ 241,521	\$ 248,943	\$ 240,929	\$ 238,010	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	14.24017%	13.74009%	13.41017%	13.07382%	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.

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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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 131,728,730	\$ 121,001,772
Property tax receivable, net	21,255,603	20,583,406
Due from state government	1,655	682,976
Due from federal government	25,744	111,958
Due from other governmental units, net	4,892,289	3,624,585
Prepaid and other	2,453,743	1,986,513
Inventories - supply and materials	641,426	517,773
Other receivables	614,001	273,594
Total assets	<u>\$ 161,613,191</u>	<u>\$ 148,782,577</u>
Liabilities		
Accounts payable	\$ 3,335,745	\$ 2,498,299
Accrued salaries	21,586,232	20,733,264
Accrued payroll related liabilities	14,485,222	13,309,361
Total liabilities	<u>39,407,199</u>	<u>36,540,924</u>
Deferred inflows of resources		
Unavailable revenue - property taxes	20,392,102	20,294,223
Total deferred inflows of resources	<u>20,392,102</u>	<u>20,294,223</u>
Fund balances		
Non-spendable	3,095,169	2,504,286
Assigned	18,207,629	11,843,222
Unassigned	80,511,092	77,599,922
Total fund balances	<u>101,813,890</u>	<u>91,947,430</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 161,613,191</u>	<u>\$ 148,782,577</u>

Horry County Schools**Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund
For the years ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Revenues		
Local sources	\$ 200,873,739	\$ 196,404,349
Intergovernmental	123,910	441,998
State sources	173,924,142	156,343,684
Federal sources	736,897	724,188
Total revenues	<u>375,658,688</u>	<u>353,914,219</u>
Expenditures		
Instruction	232,157,193	217,857,632
Support services	132,977,137	129,449,067
Community services	24,605	2,045
Intergovernmental	6,731,526	7,261,002
Capital outlay	4,243,841	4,537,939
Total expenditures	<u>376,134,302</u>	<u>359,107,685</u>
Excess (deficiency) of revenues over expenditures	<u>(475,614)</u>	<u>(5,193,466)</u>
Other financing sources (uses)		
Sale of capital assets	-	29,883
Transfers in	11,341,055	9,691,778
Transfers out	(998,981)	(1,482,599)
Total other financial sources (uses)	<u>10,342,074</u>	<u>8,239,062</u>
Excess of revenues and other financing sources (uses) over expenditures	9,866,460	3,045,596
Fund balance, beginning of year	<u>91,947,430</u>	<u>88,901,834</u>
Fund balance, end of year	<u>\$ 101,813,890</u>	<u>\$ 91,947,430</u>

Horry County Schools*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**For the year ended June 30, 2017*

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
1000 Revenue from local sources			
1100 Taxes levied/assessed by the LEA			
1110 Ad valorem taxes-including delinquent	\$ 188,559,005	\$ 187,850,381	\$ (708,624)
1140 Penalties & interest on taxes	1,925,172	1,742,628	(182,544)
1200 Revenue from local governmental units other than leases			
1280 Revenue in lieu of taxes	5,345,570	6,074,335	728,765
1300 Tuition			
1310 Tuition from patrons for regular day school	65,915	72,493	6,578
1330 Tuition from patrons for adult/continuing education	6,272	20	(6,252)
1500 Earnings on investments			
1510 Interest on investments	258,019	500,301	242,282
1900 Other revenue from local sources			
1910 Rentals	84,421	56,249	(28,172)
1920 Contributions and donations from private sources	2,061	-	(2,061)
1930 Special needs transportation	4,046,508	3,699,853	(346,655)
1950 Refund of prior year's expenditures	71,385	236,139	164,754
1990 Miscellaneous local revenue			
1993 Receipt of insurance proceeds	492,985	399,355	(93,630)
1994 Receipt of legal settlements	1,050	-	(1,050)
1999 Revenue from other local sources	329,780	241,985	(87,795)
Total revenue from local sources	<u>201,188,143</u>	<u>200,873,739</u>	<u>(314,404)</u>
2000 Intergovernmental revenue			
2100 Payments from other governmental units	161,948	123,910	(38,038)
Total intergovernmental revenue	<u>161,948</u>	<u>123,910</u>	<u>(38,038)</u>
3000 Revenue from state sources			
3100 Restricted state funding			
3130 Special programs			
3131 Handicapped transportation	23,699	11,329	(12,370)
3132 Home schooling	3,150	1,763	(1,387)
3160 School bus driver salary	3,191,361	3,385,888	194,527
3161 EAA bus driver salary and fringe	12,597	10,275	(2,322)
3162 Transportation workers' compensation	185,430	185,270	(160)
3180 Fringe benefits employer contributions	30,547,459	32,424,832	1,877,373
3181 Retiree insurance	8,658,644	9,441,964	783,320
3199 Other restricted state grants	19,411	-	(19,411)
3300 Education finance act			
3310 Full-time programs			
3311 Kindergarten	3,513,368	3,616,007	102,639
3312 Primary	11,485,320	11,076,228	(409,092)
3313 Elementary	17,914,207	18,526,548	612,341
3314 High school	8,907,608	8,417,581	(490,027)
3315 Trainable mentally handicapped	299,493	276,889	(22,604)
3316 Speech handicapped (part-time program)	3,226,677	3,301,269	74,592
3317 Homebound	76,816	70,864	(5,952)
3320 Part-time programs			
3321 Emotionally handicapped	418,455	371,111	(47,344)
3322 Educable mentally handicapped	314,051	300,118	(13,933)
3323 Learning disabilities	7,968,779	8,244,364	275,585
3324 Hearing handicapped	194,313	227,470	33,157
3325 Visually handicapped	82,980	86,415	3,435
3326 Orthopedically handicapped	149,606	128,930	(20,676)
3327 Vocational	6,045,904	7,188,051	1,142,147

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2017**

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues, Continued			
3000 Revenue from state sources, continued			
3330 Miscellaneous EFA programs			
3331 Autism	1,248,257	1,346,865	98,608
3332 High achieving students	1,562,232	1,694,708	132,476
3334 Limited english proficiency	769,303	813,848	44,545
3350 Residential treatment facilities	58,503	-	(58,503)
3351 Academic assistance	1,027,669	2,423,822	1,396,153
3352 Pupils in poverty	8,009,664	8,260,897	251,233
3353 Dual credit enrollment	-	115,965	115,965
3800 State revenue in lieu of taxes			
3810 Reimbursement for local residential property tax relief	11,598,180	11,700,436	102,256
3820 Homestead exemption	3,952,008	3,952,008	-
3825 Reimbursement for property tax relief	34,759,545	34,896,351	136,806
3830 Merchant's inventory tax	701,824	701,824	-
3840 Manufacturers depreciation reimbursement	256,311	256,436	125
3890 Other state property tax revenues	554,664	467,806	(86,858)
3900 Other state revenue			
3999 Revenue from other state sources	-	10	10
Total revenue from state sources	<u>167,737,488</u>	<u>173,924,142</u>	<u>6,186,654</u>
4000 Revenue from federal sources			
4900 Other federal sources			
4990 Other federal revenue			
4999 Revenue from other federal sources	695,305	736,897	41,592
Total revenue from federal sources	<u>695,305</u>	<u>736,897</u>	<u>41,592</u>
Total revenues from all sources	<u>369,782,884</u>	<u>375,658,688</u>	<u>5,875,804</u>
Expenditures			
100 Instruction			
110 General instruction			
111 Kindergarten programs			
100 Salaries	9,261,805	9,099,673	162,132
140 Terminal leave	-	1,500	(1,500)
200 Employee benefits	3,984,215	3,843,536	140,679
300 Purchased services	111,635	110,081	1,554
400 Supplies and materials	119,643	113,395	6,248
500 Capital outlay	1,026	410	616
	<u>13,478,324</u>	<u>13,168,595</u>	<u>309,729</u>
112 Primary programs			
100 Salaries	32,221,269	30,938,371	1,282,898
140 Terminal leave	-	2,690	(2,690)
200 Employee benefits	12,211,344	11,877,188	334,156
300 Purchased services	472,616	469,692	2,924
400 Supplies and materials	776,202	775,326	876
500 Capital outlay	10,700	10,186	514
600 Other objects	1,000	896	104
	<u>45,693,131</u>	<u>44,074,349</u>	<u>1,618,782</u>
113 Elementary programs			
100 Salaries	40,981,988	40,223,259	758,729
140 Terminal leave	-	8,580	(8,580)
200 Employee benefits	15,368,226	15,166,903	201,323
300 Purchased services	1,772,269	1,768,773	3,496
400 Supplies and materials	1,678,334	1,675,091	3,243
500 Capital outlay	16,176	12,654	3,522
600 Other objects	14,942	13,991	951
	<u>59,831,935</u>	<u>58,869,251</u>	<u>962,684</u>

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2017*

	Final Budget	Actual	Variance Favorable (Unfavorable)
114 High school programs			
100 Salaries	34,878,974	34,053,563	825,411
140 Terminal leave	-	34,250	(34,250)
200 Employee benefits	13,060,368	12,447,566	612,802
300 Purchased services	2,775,278	2,774,178	1,100
400 Supplies and materials	1,666,551	1,655,531	11,020
500 Capital outlay	13,755	13,566	189
600 Other objects	49,130	48,931	199
	<u>52,444,056</u>	<u>51,027,585</u>	<u>1,416,471</u>
115 Career and technology education programs			
100 Salaries	3,535,678	3,517,147	18,531
200 Employee benefits	1,337,776	1,334,489	3,287
300 Purchased services - other than tuition	60,069	58,861	1,208
400 Supplies and materials	268,101	199,664	68,437
500 Capital outlay	4,801	-	4,801
600 Other objects	1,000	156	844
	<u>5,207,425</u>	<u>5,110,317</u>	<u>97,108</u>
117 Driver education program			
400 Supplies and materials	14,059	4,724	9,335
	<u>14,059</u>	<u>4,724</u>	<u>9,335</u>
Total general instruction	<u>176,668,930</u>	<u>172,254,821</u>	<u>4,414,109</u>
120 Exceptional programs			
121 Educable mentally handicapped			
100 Salaries	472	-	472
200 Employee benefits	36	-	36
400 Supplies and materials	4,822	1,839	2,983
	<u>5,330</u>	<u>1,839</u>	<u>3,491</u>
122 Trainable mentally handicapped			
100 Salaries	2,043,174	1,977,555	65,619
200 Employee benefits	780,086	767,750	12,336
300 Purchased services	46,000	25,025	20,975
400 Supplies and materials	13,356	8,745	4,611
600 Other objects	240	238	2
	<u>2,882,856</u>	<u>2,779,313</u>	<u>103,543</u>
123 Orthopedically handicapped			
100 Salaries	765,154	765,083	71
200 Employee benefits	312,207	311,598	609
300 Purchased services	24,235	17,010	7,225
400 Supplies and materials	833	663	170
500 Capital outlay	300	256	44
	<u>1,102,729</u>	<u>1,094,610</u>	<u>8,119</u>
124 Visually handicapped			
100 Salaries	124,693	124,654	39
200 Employee benefits	53,027	52,928	99
300 Purchased services	7,920	6,611	1,309
400 Supplies and materials	5,948	634	5,314
	<u>191,588</u>	<u>184,827</u>	<u>6,761</u>
125 Hearing handicapped			
100 Salaries	317,041	234,726	82,315
200 Employee benefits	160,210	124,240	35,970
300 Purchased services	12,550	12,351	199
400 Supplies and materials	1,527	618	909
	<u>491,328</u>	<u>371,935</u>	<u>119,393</u>

Horry County Schools*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**For the year ended June 30, 2017*

	Final Budget	Actual	Variance Favorable (Unfavorable)
126 Speech handicapped			
100 Salaries	2,586,159	2,585,893	266
200 Employee benefits	969,521	969,251	270
300 Purchased services	10,950	10,906	44
400 Supplies and materials	12,044	5,484	6,560
	<u>3,578,674</u>	<u>3,571,534</u>	<u>7,140</u>
127 Learning disabilities			
100 Salaries	18,835,792	18,032,643	803,149
140 Terminal leave	-	1,180	(1,180)
200 Employee benefits	7,352,692	7,155,195	197,497
300 Purchased services	198,569	138,700	59,869
400 Supplies and materials	202,163	106,881	95,282
600 Other objects	150	-	150
	<u>26,589,366</u>	<u>25,434,599</u>	<u>1,154,767</u>
128 Emotionally handicapped			
100 Salaries	1,376,864	1,213,800	163,064
200 Employee benefits	583,306	516,495	66,811
400 Supplies and materials	29,017	8,773	20,244
600 Other objects	250	205	45
	<u>1,989,437</u>	<u>1,739,273</u>	<u>250,164</u>
129 Coordinated early intervening services (ceis)			
100 Salaries	3,336,709	3,014,272	322,437
200 Employee benefits	1,253,746	1,098,047	155,699
400 Supplies and materials	250	222	28
	<u>4,590,705</u>	<u>4,112,541</u>	<u>478,164</u>
Total exceptional programs	<u>41,422,013</u>	<u>39,290,471</u>	<u>2,131,542</u>
130 Preschool programs			
137 Preschool handicapped-self-contained (3 & 4 year olds)			
100 Salaries	1,641,422	1,565,599	75,823
200 Employee benefits	655,097	642,830	12,267
300 Purchased services	3,000	2,940	60
400 Supplies and materials	1,354	1,335	19
	<u>2,300,873</u>	<u>2,212,704</u>	<u>88,169</u>
139 Early childhood programs			
100 Salaries	105,586	104,710	876
140 Terminal leave	-	785	(785)
200 Employee benefits	71,739	71,661	78
300 Purchased services	7,095	4,724	2,371
400 Supplies and materials	90,143	67,837	22,306
500 Capital outlay	1,681	258	1,423
600 Other objects	344	-	344
	<u>276,588</u>	<u>249,975</u>	<u>26,613</u>
Total preschool programs	<u>2,577,461</u>	<u>2,462,679</u>	<u>114,782</u>
140 Special programs			
141 Gifted and talented - academic			
100 Salaries	4,774,405	4,570,019	204,386
200 Employee benefits	1,782,687	1,721,882	60,805
300 Purchased services	352,901	297,985	54,916
400 Supplies and materials	160,390	160,371	19
500 Capital outlay	1,500	1,454	46
600 Other objects	252	-	252
	<u>7,072,135</u>	<u>6,751,711</u>	<u>320,424</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2017

	Final Budget	Actual	Variance Favorable (Unfavorable)
143 Advanced placement			
100 Salaries	102,473	102,380	93
200 Employee benefits	28,660	26,104	2,556
300 Purchased services	233,619	230,382	3,237
400 Supplies and materials	91,883	56,483	35,400
500 Capital outlay	2,500	2,475	25
	459,135	417,824	41,311
145 Homebound			
100 Salaries	764,352	570,485	193,867
200 Employee benefits	193,958	141,644	52,314
300 Purchased services	203,000	64,307	138,693
400 Supplies and materials	918	-	918
	1,162,228	776,436	385,792
149 Other special programs			
100 Salaries	5,011,931	4,804,596	207,335
200 Employee benefits	1,894,631	1,811,102	83,529
300 Purchased services	170,299	122,348	47,951
400 Supplies and materials	89,351	50,921	38,430
500 Capital outlay	11,564	3,450	8,114
600 Other objects	600	556	44
	7,178,376	6,792,973	385,403
Total special programs	15,871,874	14,738,944	1,132,930
160 Other exceptional programs			
161 Autism			
100 Salaries	1,796,876	1,471,690	325,186
200 Employee benefits	793,000	694,095	98,905
300 Purchased services	284,517	83,758	200,759
400 Supplies and materials	31,341	8,117	23,224
500 Capital outlay	4,500	-	4,500
Total other exceptional programs	2,910,234	2,257,660	652,574
170 Summer school program			
171 Primary summer school			
200 Employee benefits	1,526	1,526	-
	1,526	1,526	-
172 Elementary summer school			
200 Employee benefits	1,714	1,709	5
	1,714	1,709	5
173 High school summer school			
200 Employee benefits	122	122	-
	122	122	-
174 Gifted and talented summer school			
100 Salaries	22,206	21,256	950
200 Employee benefits	6,232	5,507	725
300 Purchased services	71,191	67,744	3,447
400 Supplies and materials	64,177	63,960	217
	163,806	158,467	5,339
175 Instructional programs beyond regular school day			
100 Salaries	62,975	36,902	26,073
200 Employee benefits	20,042	13,765	6,277
400 Supplies and materials	700	669	31
	83,717	51,336	32,381
Total summer school program	250,885	213,160	37,725
180 Adult/continuing educational programs			
181 Adult basic education programs			
100 Salaries	295,419	293,772	1,647
200 Employee benefits	123,072	121,168	1,904
300 Purchased services	15,500	8,591	6,909
400 Supplies and materials	3,500	3,418	82
	437,491	426,949	10,542

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2017*

	Final Budget	Actual	Variance Favorable (Unfavorable)
182 Adult secondary education programs			
100 Salaries	157,221	156,503	718
200 Employee benefits	57,187	55,512	1,675
300 Purchased services	4,743	4,212	531
400 Supplies and materials	12,500	11,784	716
	<u>231,651</u>	<u>228,011</u>	<u>3,640</u>
183 Adult english literacy (esl)			
100 Salaries	209	-	209
200 Employee benefits	2,368	1,788	580
400 Supplies and materials	6,300	6,299	1
	<u>8,877</u>	<u>8,087</u>	<u>790</u>
184 Post secondary education programs			
200 Employee benefits	660	659	1
	<u>660</u>	<u>659</u>	<u>1</u>
187 Adult education remedial			
100 Salaries	14,700	14,610	90
200 Employee benefits	2,162	1,279	883
	<u>16,862</u>	<u>15,889</u>	<u>973</u>
188 Parenting/family literacy			
100 Salaries	142,827	139,229	3,598
200 Employee benefits	60,410	58,201	2,209
300 Purchased services	1,000	575	425
400 Supplies and materials	15,149	13,774	1,375
	<u>219,386</u>	<u>211,779</u>	<u>7,607</u>
Total adult/continuing educational programs	<u>914,927</u>	<u>891,374</u>	<u>23,553</u>
190 Instructional pupil activity			
100 Salaries (optional)	62,639	57,820	4,819
200 Employee benefits (optional)	16,990	14,676	2,314
300 Purchased services (optional)	20,000	20,000	-
400 Supplies and materials (optional)	298	297	1
600 Other objects	1,695	-	1,695
Total instructional pupil activity	<u>101,622</u>	<u>92,793</u>	<u>8,829</u>
Total instruction	<u>240,717,946</u>	<u>232,201,902</u>	<u>8,516,044</u>
200 Support services			
210 Pupil services			
211 Attendance and social work services			
100 Salaries	2,690,145	2,580,821	109,324
140 Terminal leave	-	43,917	(43,917)
200 Employee benefits	1,075,984	1,046,925	29,059
300 Purchased services	26,150	25,878	272
400 Supplies and materials	13,449	11,981	1,468
500 Capital outlay	9,733	6,908	2,825
	<u>3,815,461</u>	<u>3,716,430</u>	<u>99,031</u>
212 Guidance services			
100 Salaries	6,285,750	6,116,975	168,775
140 Terminal leave	-	1,463	(1,463)
200 Employee benefits	2,371,053	2,293,041	78,012
300 Purchased services	50,765	48,055	2,710
400 Supplies and materials	31,481	24,007	7,474
600 Other objects	200	189	11
	<u>8,739,249</u>	<u>8,483,730</u>	<u>255,519</u>

Horry County Schools*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**For the year ended June 30, 2017*

	Final Budget	Actual	Variance Favorable (Unfavorable)
213 Health services			
100 Salaries	2,262,949	2,262,214	735
200 Employee benefits	998,717	964,999	33,718
300 Purchased services	335,315	136,691	198,624
400 Supplies and materials	312,122	232,402	79,720
500 Capital outlay	2,300	-	2,300
600 Other objects	325	251	74
	<u>3,911,728</u>	<u>3,596,557</u>	<u>315,171</u>
214 Psychological services			
100 Salaries	1,866,916	1,822,570	44,346
200 Employee benefits	684,169	661,106	23,063
300 Purchased services	11,000	10,963	37
400 Supplies and materials	32,600	9,096	23,504
	<u>2,594,685</u>	<u>2,503,735</u>	<u>90,950</u>
215 Exceptional program services			
100 Salaries	97,648	97,429	219
200 Employee benefits	39,354	39,070	284
400 Supplies and materials	3,000	832	2,168
500 Capital outlay	4,400	3,291	1,109
600 Other objects	9,500	9,424	76
	<u>153,902</u>	<u>150,046</u>	<u>3,856</u>
217 Career specialist services			
100 Salaries	147,673	116,461	31,212
200 Employee benefits	41,534	41,453	81
300 Purchased services	50	29	21
	<u>189,257</u>	<u>157,943</u>	<u>31,314</u>
Total pupil services	<u>19,404,282</u>	<u>18,608,441</u>	<u>795,841</u>
220 Instructional staff services			
221 Improvement of instruction curriculum development			
100 Salaries	3,656,424	3,612,688	43,736
140 Terminal leave	-	16,441	(16,441)
200 Employee benefits	1,303,200	1,293,843	9,357
300 Purchased services	124,003	123,060	943
400 Supplies and materials	423,010	421,983	1,027
500 Capital outlay	24,800	24,778	22
600 Other objects	510	-	510
	<u>5,531,947</u>	<u>5,492,793</u>	<u>39,154</u>
222 Library and media services			
100 Salaries	4,048,431	4,047,052	1,379
140 Terminal leave	-	1,305	(1,305)
200 Employee benefits	1,673,549	1,655,507	18,042
300 Purchased services	22,377	16,838	5,539
400 Supplies and materials	629,121	620,104	9,017
500 Capital outlay	319	319	-
600 Other objects	60,000	58,440	1,560
	<u>6,433,797</u>	<u>6,399,565</u>	<u>34,232</u>
223 Supervision of special programs			
100 Salaries	1,152,866	1,005,090	147,776
140 Terminal leave	-	7,220	(7,220)
200 Employee benefits	418,009	354,404	63,605
300 Purchased services	34,801	17,046	17,755
400 Supplies and materials	22,700	6,284	16,416
600 Other objects	1,500	1,350	150
	<u>1,629,876</u>	<u>1,391,394</u>	<u>238,482</u>

Horry County Schools*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**For the year ended June 30, 2017*

	Final Budget	Actual	Variance Favorable (Unfavorable)
224 Improvement of instruction inserve and staff training			
100 Salaries	1,022,776	1,021,697	1,079
200 Employee benefits	319,602	301,409	18,193
300 Purchased services	2,350,220	2,349,992	228
400 Supplies and materials	151,668	150,843	825
500 Capital outlay	21,000	20,703	297
600 Other objects	13,400	9,799	3,601
	<u>3,878,666</u>	<u>3,854,443</u>	<u>24,223</u>
Total instructional staff services	<u>17,474,286</u>	<u>17,138,195</u>	<u>336,091</u>
230 General administration services			
231 Board of education			
100 Salaries	190,640	190,032	608
200 Employee benefits	49,774	47,587	2,187
300 Purchased services	208,900	108,011	100,889
318 Audit services	-	66,480	(66,480)
400 Supplies and materials	35,000	33,473	1,527
500 Capital outlay	15,000	1,523	13,477
600 Other objects	95,000	94,300	700
	<u>594,314</u>	<u>541,406</u>	<u>52,908</u>
232 Office of the superintendent			
100 Salaries	487,688	487,684	4
200 Employee benefits	162,115	161,901	214
300 Purchased services	36,224	24,296	11,928
400 Supplies and materials	22,586	6,924	15,662
500 Capital outlay	3,000	171	2,829
600 Other objects	22,392	16,197	6,195
	<u>734,005</u>	<u>697,173</u>	<u>36,832</u>
233 School administration			
100 Salaries	17,882,303	17,640,099	242,204
140 Terminal leave	-	91,470	(91,470)
200 Employee benefits	6,404,615	6,305,426	99,189
300 Purchased services	142,949	124,965	17,984
400 Supplies and materials	208,863	206,092	2,771
500 Capital outlay	5,898	2,883	3,015
600 Other objects	29,543	24,818	4,725
	<u>24,674,171</u>	<u>24,395,753</u>	<u>278,418</u>
Total general administrative services	<u>26,002,490</u>	<u>25,634,332</u>	<u>368,158</u>
250 Finance and operations services			
251 Student transportation (federal/district mandated)			
100 Salaries	4,700	4,630	70
200 Employee benefits	1,867	1,609	258
300 Purchased services	7,442	831	6,611
400 Supplies and materials	1,500	1,392	108
	<u>15,509</u>	<u>8,462</u>	<u>7,047</u>
252 Fiscal services			
100 Salaries	1,614,162	1,438,197	175,965
140 Terminal leave	-	18,610	(18,610)
200 Employee benefits	603,829	541,756	62,073
300 Purchased services	76,225	74,029	2,196
400 Supplies and materials	28,500	24,355	4,145
500 Capital outlay	6,500	6,238	262
600 Other objects	21,300	8,525	12,775
	<u>2,350,516</u>	<u>2,111,710</u>	<u>238,806</u>

Horry County Schools*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**For the year ended June 30, 2017*

	Final Budget	Actual	Variance Favorable (Unfavorable)
253 Facilities acquisition and construction			
200 Employee benefits	12,301	12,300	1
300 Purchased services	86,592	80,624	5,968
400 Supplies and materials	53,410	42,526	10,884
500 Capital outlay	-		
520 Construction services	400,318	392,332	7,986
	<u>552,621</u>	<u>527,782</u>	<u>24,839</u>
254 Operation and maintenance of plant			
100 Salaries	11,353,685	11,298,871	54,814
140 Terminal leave	-	32,450	(32,450)
200 Employee benefits	4,867,744	4,857,137	10,607
300 Purchased services	6,214,257	4,985,703	1,228,554
321 Public utilities (excludes gas, oil, elec. & other heating fuels)	-	1,223,400	(1,223,400)
400 Supplies and materials	13,950,553	3,126,392	10,824,161
470 Energy (include gas, oil, elec. & other heating fuels)	-	10,217,537	(10,217,537)
500 Capital outlay	1,150,239	1,127,813	22,426
600 Other objects	514,840	514,834	6
	<u>38,051,318</u>	<u>37,384,137</u>	<u>667,181</u>
255 Student transportation (state mandated)			
100 Salaries	11,229,689	10,676,160	553,529
140 Terminal leave	-	1,861	(1,861)
200 Employee benefits	5,413,920	4,902,677	511,243
300 Purchased services	469,862	295,999	173,863
400 Supplies and materials	299,480	220,398	79,082
500 Capital outlay	1,808,938	1,718,991	89,947
	<u>19,221,889</u>	<u>17,816,086</u>	<u>1,405,803</u>
256 Food service			
100 Salaries	34,128	33,532	596
200 Employee benefits	96,134	96,016	118
300 Purchased services	6,000	5,125	875
400 Supplies and materials	511	504	7
	<u>136,773</u>	<u>135,177</u>	<u>1,596</u>
257 Internal services			
100 Salaries	517,466	473,824	43,642
140 Terminal leave	-	3,921	(3,921)
200 Employee benefits	170,050	158,273	11,777
300 Purchased services	57,524	32,326	25,198
400 Supplies and materials	84,684	43,974	40,710
500 Capital outlay	48,728	41,216	7,512
600 Other objects	1,800	1,675	125
	<u>880,252</u>	<u>755,209</u>	<u>125,043</u>
258 Security			
100 Salaries	97,212	96,834	378
200 Employee benefits	27,856	27,747	109
300 Purchased services	1,910,861	1,754,490	156,371
400 Supplies and materials	47,768	41,997	5,771
500 Capital outlay	36,182	12,949	23,233
	<u>2,119,879</u>	<u>1,934,017</u>	<u>185,862</u>
Total finance and operations services	<u>63,328,757</u>	<u>60,672,580</u>	<u>2,656,177</u>
260 Central support services			
262 Planning			
100 Salaries	360,539	360,467	72
200 Employee benefits	125,409	124,038	1,371
300 Purchased services	99,721	69,127	30,594
400 Supplies and materials	29,300	8,205	21,095
500 Capital outlay	2,500	320	2,180
600 Other objects	47,200	41,250	5,950
	<u>664,669</u>	<u>603,407</u>	<u>61,262</u>

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2017*

	Final Budget	Actual	Variance Favorable (Unfavorable)
263 Information services			
100 Salaries	622,168	564,142	58,026
200 Employee benefits	218,278	195,630	22,648
300 Purchased services	83,601	24,677	58,924
400 Supplies and materials	138,882	128,046	10,836
500 Capital outlay	5,000	1,541	3,459
600 Other objects	556	556	-
	<u>1,068,485</u>	<u>914,592</u>	<u>153,893</u>
264 Staff services			
100 Salaries	1,657,813	1,538,848	118,965
200 Employee benefits	2,917,610	800,499	2,117,111
300 Purchased services	428,401	258,846	169,555
400 Supplies and materials	118,320	107,784	10,536
500 Capital outlay	27,500	2,856	24,644
600 Other objects	10,600	2,538	8,062
	<u>5,160,244</u>	<u>2,711,371</u>	<u>2,448,873</u>
266 Technology and data processing services			
100 Salaries	2,952,356	2,720,028	232,328
140 Terminal leave	-	13,974	(13,974)
200 Employee benefits	1,131,725	1,044,787	86,938
300 Purchased services	567,413	497,491	69,922
400 Supplies and materials	373,835	357,428	16,407
500 Capital outlay	834,178	833,618	560
	<u>5,859,507</u>	<u>5,467,326</u>	<u>392,181</u>
Total central support services	<u>12,752,905</u>	<u>9,696,696</u>	<u>3,056,209</u>
270 Support services pupil activity			
271 Pupil services activities			
100 Salaries	3,598,697	3,375,504	223,193
200 Employee benefits	1,094,604	956,572	138,032
300 Purchased services	920,302	858,120	62,182
400 Supplies and materials	62,217	53,113	9,104
500 Capital outlay	4,700	682	4,018
600 Other objects	-	1,057	(1,057)
660 Pupil activity	182,924	180,977	1,947
Total support services pupil activity	<u>5,863,444</u>	<u>5,426,025</u>	<u>437,419</u>
Total support services	<u>144,826,164</u>	<u>137,176,269</u>	<u>7,649,895</u>
300 Community services			
350 Custody and care of children services			
100 Salaries	14,089	10,910	3,179
200 Employee benefits	14,321	13,682	639
400 Supplies and materials	100	13	87
Total community services	<u>28,510</u>	<u>24,605</u>	<u>3,905</u>

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
400 Other charges			
410 Intergovernmental expenditures			
412 Payments to other governmental units			
720 Transits	119,000	101,489	17,511
414 Medicaid payments to SCDE			
720 Transits	1,173,656	485,902	687,754
416 Lea payments to public charter schools			
720 Transits	6,175,105	6,144,135	30,970
Total intergovernmental expenditures	<u>7,467,761</u>	<u>6,731,526</u>	<u>736,235</u>
Total expenditures	<u>393,040,381</u>	<u>376,134,302</u>	<u>16,906,079</u>
Other financing sources (uses)			
5300 Sale of capital assets	100,787	-	(100,787)
5999 Other financing sources	385,480	-	(385,480)
Interfund transfers, from (to) other funds			
5230 Transfer from special revenue EIA fund	8,690,126	8,903,812	213,686
5280 Transfer from other funds indirect costs	2,728,109	2,437,243	(290,866)
421-710 Transfer to special revenue fund	(128,250)	(45,902)	82,348
425-710 Transfer to food service fund	(684,162)	(713,671)	(29,509)
426-710 Transfer to pupil activity fund	(94,200)	(239,408)	(145,208)
Total other financing sources (uses)	<u>10,997,890</u>	<u>10,342,074</u>	<u>(655,816)</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	<u>\$ (12,259,607)</u>	9,866,460	<u>\$ 22,126,067</u>
Fund balance, beginning of year		<u>91,947,430</u>	
Fund balance, end of year		<u>\$ 101,813,890</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.

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Horry County Schools

Comparative Balance Sheets - Special Projects As of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ -	\$ 97,529
Due from state government, net	657,161	43,608
Due from federal government	7,634,211	4,823,637
Due from other governmental units, net	1,692	51,939
Other receivables	35,716	93,756
Prepaid expenses	404,007	761,532
Total assets	<u>\$ 8,732,787</u>	<u>\$ 5,872,001</u>
Liabilities		
Accounts payable	\$ 1,027,414	\$ 464,562
Accrued salaries	1,634,987	1,560,234
Accrued payroll related liabilities	649,303	615,114
Unearned revenue	3,631,734	1,793,610
Total liabilities	<u>6,943,438</u>	<u>4,433,520</u>
Fund balances		
Non-spendable	404,007	761,532
Restricted	1,385,342	676,949
Total fund balances	<u>1,789,349</u>	<u>1,438,481</u>
Total liabilities and fund balances	<u>\$ 8,732,787</u>	<u>\$ 5,872,001</u>

Horry County Schools

Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances - Special Projects Fund For the years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Local sources	\$ 3,691,900	\$ 3,120,941
State sources	3,043,400	5,873,128
Federal sources	29,094,067	26,076,410
Total revenues	<u>35,829,367</u>	<u>35,070,479</u>
Expenditures		
Instruction	24,297,942	22,251,280
Support services	7,803,609	8,001,149
Community services	1,290,443	1,217,617
Intergovernmental	703,998	595,688
Capital outlay	261,209	1,593,824
Total expenditures	<u>34,357,201</u>	<u>33,659,558</u>
Excess of revenues over expenditures	<u>1,472,166</u>	<u>1,410,921</u>
Other financing sources (uses)		
Transfers in	73,500	960,089
Transfers out	(1,194,798)	(932,529)
Total other financial sources (uses)	<u>(1,121,298)</u>	<u>27,560</u>
Net change in fund balance	350,868	1,438,481
Fund balance, beginning of year	<u>1,438,481</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,789,349</u>	<u>\$ 1,438,481</u>

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2017*

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,965	\$ 9,965
1700 Pupil activities								
1740 Student fees	-	-	-	-	-	-	744,602	744,602
1900 Other revenue from local sources								
1910 Rentals	-	-	-	-	-	-	18,462	18,462
1950 Refund of prior year's expenditures	-	-	-	-	-	-	300	300
1990 Miscellaneous local revenue	-	-	-	-	-	-	-	-
1999 Revenue from other local sources	-	-	-	-	-	-	2,918,571	2,918,571
Total local sources	-	-	-	-	-	-	3,691,900	3,691,900
3000 Revenue from state sources								
3100 Restricted state funding								
3110 Occupational education								
3118 EEDA career specialists	-	-	-	-	-	1,178,825	-	1,178,825
3120 General education								
3127 Student health and fitness - pe teachers	-	-	-	-	-	317,239	-	317,239
3130 Special programs								
3134 CDEP expansion	-	-	-	-	-	4,640	-	4,640
3136 Student health and fitness - nurses	-	-	-	-	-	300,317	-	300,317
3155 DSS snap & E&T program	-	-	-	-	-	22,931	-	22,931
3177 Summer reading camp	-	-	-	-	-	446,141	-	446,141
3187 State teacher supply	-	-	-	-	-	75,900	-	75,900
3190 Miscellaneous restricted state grants								
3193 Education license plates	-	-	-	-	-	6,792	-	6,792
3198 Technology professional development	-	-	-	-	-	-	-	-
3199 Other restricted state grants	-	-	-	-	-	-	32,940	32,940
3600 Education lottery act revenue								
3630 K-12 technology initiative	-	-	-	-	-	272,138	-	272,138
3900 Other state revenue								
3999 Revenue from other state sources	-	-	-	-	-	314,347	71,190	385,537
Total state sources	-	-	-	-	-	2,939,270	104,130	3,043,400

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2017*

	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
4000 Revenue from federal sources								
4200 Occupational education								
4210 Perkins aid, Title I - career and technical education - basic grants to states	-	-	-	581,439	-	-	-	581,439
4300 Elementary and secondary education act of 1965 (ESEA)								
4310 Title I, basic state grant programs	15,625,754	-	-	-	-	-	510,597	16,136,351
4325 Mathematics and science partnerships program, Title II	-	-	-	-	-	-	177,827	177,827
4341 Language instruction for limited english proficient and immigrant students, Title III	-	-	-	-	-	-	216,080	216,080
4351 Improving teacher quality	-	-	-	-	-	-	991,702	991,702
4400 Adult education								
4410 Basic, adult education	-	-	-	-	315,212	-	-	315,212
4430 State literacy resource	-	-	-	-	12,124	-	-	12,124
4500 Programs for children with disabilities								
4510 Individuals with disabilities education act (IDEA)	-	9,836,089	-	-	-	-	259,243	10,095,332
4520 Preschool grants for children with disabilities (IDEA)	-	-	398,691	-	-	-	-	398,691
4900 Other Federal Sources								
4924 21st century community learning centers program, (Title IV, 21st century schools)	-	-	-	-	-	-	107,864	107,864
4990 Other federal revenue								
4999 Revenue from other federal sources	-	-	-	-	-	-	61,445	61,445
Total federal sources	15,625,754	9,836,089	398,691	581,439	327,336	-	2,324,758	29,094,067
Total revenues all sources	\$ 15,625,754	\$ 9,836,089	\$ 398,691	\$ 581,439	\$ 327,336	\$ 2,939,270	\$ 6,120,788	\$ 35,829,367
Expenditures								
100 Instruction								
110 General instruction								
111 Kindergarten programs								
100 Salaries	\$ 16,977	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150	\$ 17,127
200 Employee benefits	10,884	-	-	-	-	-	24	10,908
400 Supplies and materials	-	-	-	-	-	-	593	593
112 Primary programs								
100 Salaries	1,538,689	-	-	-	-	239,863	42,278	1,820,830
200 Employee benefits	587,741	-	-	-	-	58,502	14,472	660,715
300 Purchased services	2,820	-	-	-	-	-	10,920	13,740
400 Supplies and materials	186,354	-	-	-	-	-	4,219	190,573
600 Other objects	-	-	-	-	-	-	89	89
113 Elementary programs								
100 Salaries	1,464,839	-	-	-	-	18,466	47,610	1,530,915
200 Employee benefits	505,739	-	-	-	-	4,533	16,577	526,849
300 Purchased services	23,611	-	-	-	-	-	643,245	666,856
400 Supplies and materials	467,102	-	-	-	-	-	55,189	522,291
500 Capital outlay	-	-	-	-	-	6,792	9,616	16,408
114 High school programs								
100 Salaries	192,421	-	-	-	-	-	15,471	207,892
200 Employee benefits	62,702	-	-	-	-	-	6,300	69,002
300 Purchased services	3,220	-	-	-	-	-	3,132	6,352
400 Supplies and materials	105,568	-	-	-	-	315,100	507,759	928,427
500 Capital outlay	-	-	-	-	-	-	16,723	16,723

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2017*

	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
115 Career and technology education programs								
100 Salaries	-	-	-	6,300	-	-	42,765	49,065
200 Employee benefits	-	-	-	1,530	-	-	10,495	12,025
300 Purchased services - other than tuition	-	-	-	481	-	-	-	481
400 Supplies and materials	-	-	-	63,938	-	-	40,958	104,896
500 Capital outlay	-	-	-	162,258	-	-	48,622	210,880
600 Other objects	-	-	-	-	-	-	13,328	13,328
116 Career and technology education (vocational) programs - middle school								
400 Supplies and materials	-	-	-	30,518	-	-	-	30,518
120 Exceptional programs								
122 Trainable mentally handicapped								
100 Salaries	-	808,080	-	-	-	-	2,870	810,950
200 Employee benefits	-	326,196	580	-	-	-	704	327,480
400 Supplies and materials	-	22,275	-	-	-	-	-	22,275
123 Orthopedically handicapped								
100 Salaries	-	3,138	-	-	-	-	-	3,138
200 Employee benefits	-	767	-	-	-	-	-	767
300 Purchased services	-	6,429	-	-	-	-	671	7,100
400 Supplies and materials	-	117,686	-	-	-	-	-	117,686
124 Visually handicapped								
100 Salaries	-	196,685	-	-	-	-	-	196,685
200 Employee benefits	-	67,005	-	-	-	-	-	67,005
300 Purchased services	-	3,961	-	-	-	-	-	3,961
400 Supplies and materials	-	5,437	-	-	-	-	-	5,437
125 Hearing handicapped								
100 Salaries	-	362,018	-	-	-	-	-	362,018
200 Employee benefits	-	142,956	-	-	-	-	-	142,956
300 Purchased services	-	166,027	-	-	-	-	-	166,027
400 Supplies and materials	-	28,953	-	-	-	-	-	28,953
126 Speech handicapped								
100 Salaries	-	464,167	-	-	-	-	-	464,167
200 Employee benefits	-	154,080	-	-	-	-	-	154,080
300 Purchased services	-	8,788	-	-	-	-	-	8,788
400 Supplies and materials	-	4,602	-	-	-	-	-	4,602
127 Learning disabilities								
100 Salaries	18,298	2,006,412	1,509	-	-	-	35,623	2,061,842
200 Employee benefits	10,358	841,858	985	-	-	-	8,639	861,840
300 Purchased services	-	24,429	-	-	-	-	6,463	30,892
400 Supplies and materials	-	297,398	-	-	-	-	13,638	311,036
600 Other objects	-	-	-	-	-	-	189	189
128 Emotionally handicapped								
100 Salaries	-	224,199	-	-	-	-	-	224,199
200 Employee benefits	-	82,160	-	-	-	-	-	82,160
400 Supplies and materials	-	8,666	-	-	-	-	-	8,666

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2017*

	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
130 Preschool programs								
132 Preschool handicapped itinerant (5 yr. olds)								
400 Supplies and materials	-	986	-	-	-	-	-	986
137 Preschool handicapped-self-contained (3 & 4 year olds)								
100 Salaries	-	240,870	237,252	-	-	-	-	478,122
200 Employee benefits	-	79,979	105,857	-	-	-	-	185,836
300 Purchased services	-	797	9,873	-	-	-	-	10,670
400 Supplies and materials	-	24,729	28,298	-	-	-	-	53,027
139 Early childhood programs								
100 Salaries	3,975,327	-	-	-	-	-	-	3,975,327
200 Employee benefits	1,688,332	-	-	-	-	-	-	1,688,332
400 Supplies and materials	-	-	-	-	-	-	139	139
140 Special programs								
141 Gifted and talented - academic								
100 Salaries	-	-	-	-	-	-	3,959	3,959
200 Employee benefits	-	-	-	-	-	-	1,738	1,738
149 Other special programs								
100 Salaries	1,370,785	-	-	-	-	-	290	1,371,075
200 Employee benefits	509,101	-	-	-	-	-	58	509,159
400 Supplies and materials	-	1,301	-	-	-	-	-	1,301
160 Other exceptional programs								
161 Autism								
100 Salaries	-	171,688	-	-	-	-	-	171,688
200 Employee benefits	-	86,300	-	-	-	-	-	86,300
300 Purchased services	-	7,566	-	-	-	-	207,847	215,413
170 Summer school program								
171 Primary summer school								
100 Salaries	-	-	-	-	-	137,949	-	137,949
200 Employee benefits	-	-	-	-	-	36,260	-	36,260
300 Purchased services	-	-	-	-	-	5,982	-	5,982
400 Supplies and materials	-	-	-	-	-	134,465	-	134,465
172 Elementary summer school								
100 Salaries	-	-	-	-	-	-	1,887	1,887
200 Employee benefits	-	-	-	-	-	-	458	458
173 High school summer school								
100 Salaries	-	-	-	-	-	-	5,292	5,292
200 Employee benefits	-	-	-	-	-	-	1,289	1,289
175 Instructional programs beyond regular school day								
100 Salaries	61,445	-	-	-	-	-	93,217	154,662
200 Employee benefits	14,839	-	-	-	-	-	22,103	36,942
300 Purchased services	-	-	-	-	-	-	3,200	3,200
400 Supplies and materials	-	-	-	-	-	-	16,410	16,410
180 Adult/continuing educational programs								
181 Adult basic education programs								
100 Salaries	-	-	-	-	78,079	3,236	-	81,315
200 Employee benefits	-	-	-	-	15,707	662	-	16,369
300 Purchased services	-	-	-	-	4,463	-	-	4,463
400 Supplies and materials	-	-	-	-	22,474	-	-	22,474
182 Adult secondary education programs								
100 Salaries	-	-	-	-	-	921	-	921
200 Employee benefits	-	-	-	-	-	225	-	225
300 Purchased services	-	-	-	-	-	229	-	229
400 Supplies and materials	-	-	-	-	-	16,096	-	16,096
183 Adult english literacy (esl)								
100 Salaries	-	-	-	-	161,688	-	-	161,688
200 Employee benefits	-	-	-	-	27,557	-	-	27,557
400 Supplies and materials	-	-	-	-	3,482	-	-	3,482

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2017*

	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
188 Parenting/family literacy								
100 Salaries	459,128	-	-	-	-	-	28	459,156
200 Employee benefits	209,366	-	-	-	-	-	7	209,373
300 Purchased services	27,166	-	-	-	-	-	-	27,166
400 Supplies and materials	119,083	-	-	-	-	-	1,806	120,889
600 Other objects	300	-	-	-	-	-	-	300
190 Instructional pupil activity								
500 Capital outlay	-	-	-	-	-	-	4,694	4,694
Total instruction	13,632,195	6,988,588	384,354	265,025	313,450	979,281	1,983,754	24,546,647
200 Support services								
210 Pupil services								
212 Guidance services								
100 Salaries	53,730	-	-	-	-	731,507	-	785,237
200 Employee benefits	17,498	-	-	-	-	258,706	-	276,204
400 Supplies and materials	128	-	-	-	-	-	-	128
213 Health services								
100 Salaries	-	-	-	-	-	207,041	-	207,041
200 Employee benefits	-	-	-	-	-	89,989	-	89,989
400 Supplies and materials	-	-	-	-	-	-	44,334	44,334
214 Psychological services								
100 Salaries	-	160,020	-	-	-	-	-	160,020
200 Employee benefits	-	53,606	-	-	-	-	-	53,606
300 Purchased services	-	6,108	-	-	-	-	-	6,108
400 Supplies and materials	-	42,228	-	-	-	-	-	42,228
215 Exceptional program services								
100 Salaries	-	65,578	-	-	-	-	-	65,578
200 Employee benefits	-	30,579	-	-	-	-	-	30,579
400 Supplies and materials	-	1,772	-	-	-	-	-	1,772
217 Career specialist services								
100 Salaries	-	-	-	-	-	141,899	45,000	186,899
200 Employee benefits	-	-	-	-	-	46,713	14,840	61,553
300 Purchased services	-	-	-	-	-	-	398	398
220 Instructional staff services								
221 Improvement of instruction curriculum development								
100 Salaries	-	890,578	-	-	-	-	-	890,578
200 Employee benefits	-	292,036	-	-	-	-	-	292,036
300 Purchased services	-	12,664	-	-	-	-	-	12,664
400 Supplies and materials	-	5,934	-	-	-	-	-	5,934
222 Library and media services								
400 Supplies and materials	-	-	-	-	-	-	8,192	8,192
223 Supervision of special programs								
100 Salaries	305,651	332,970	-	31,635	-	220,473	12,647	903,376
200 Employee benefits	96,281	123,642	-	9,974	-	82,041	3,055	314,993
300 Purchased services	6,621	8,380	-	2,088	-	573	-	17,662
400 Supplies and materials	9,386	5,571	-	-	-	-	-	14,957

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2017*

	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
224 Improvement of instruction inservice and staff training								
100 Salaries	65,374	9,058	-	-	-	20,766	308,007	403,205
200 Employee benefits	15,949	1,946	-	-	-	4,866	95,592	118,353
300 Purchased services	168,167	213,607	-	21,158	-	1,212	916,952	1,321,096
400 Supplies and materials	16,822	7,959	-	-	-	2,420	121,410	148,611
600 Other objects	-	-	-	-	-	-	382	382
230 General administration services								
233 School administration								
100 Salaries	-	-	-	-	-	1,475	12,198	13,673
200 Employee benefits	-	-	-	-	-	370	6,993	7,363
400 Supplies and materials	-	-	-	-	-	-	6,353	6,353
600 Other objects	-	-	-	-	-	-	791	791
250 Finance and operations services								
251 Student transportation (federal/district mandated)								
100 Salaries	11,951	37,994	-	945	-	-	17,397	68,287
200 Employee benefits	2,861	9,336	-	226	-	-	4,168	16,591
300 Purchased services	1,972	-	-	336	-	-	13,615	15,923
254 Operation and maintenance of plant								
100 Salaries	-	-	-	-	-	-	27,793	27,793
200 Employee benefits	-	-	-	-	-	-	6,558	6,558
300 Purchased services	-	-	-	-	-	-	2,738	2,738
400 Supplies and materials	-	-	-	-	-	-	5,570	5,570
255 Student transportation (state mandated)								
100 Salaries	-	-	-	-	-	63,449	237	63,686
200 Employee benefits	-	-	-	-	-	16,269	56	16,325
400 Supplies and materials	-	-	-	-	-	-	92,852	92,852
258 Security								
300 Purchased services	-	-	-	-	-	-	4,787	4,787
260 Central support services								
264 Staff services								
200 Employee benefits	-	-	-	-	-	711	-	711
266 Technology and data processing services								
100 Salaries	64,609	-	-	-	-	-	-	64,609
200 Employee benefits	26,442	-	-	-	-	-	-	26,442
400 Supplies and materials	-	-	-	-	-	-	12	12
500 Capital outlay	-	-	-	-	-	-	7,525	7,525
270 Support services pupil activity								
271 Pupil services activities								
100 Salaries (optional)	-	-	-	-	-	-	172,584	172,584
200 Employee benefits (optional)	-	-	-	-	-	-	41,304	41,304
300 Purchased services (optional)	-	-	-	-	-	-	32,145	32,145
400 Supplies and materials (optional)	-	-	-	-	-	-	271,529	271,529
500 Capital outlay	-	-	-	-	-	-	4,979	4,979
660 Pupil activity	18,469	27,081	-	223,504	-	-	112,216	381,270
Total support services	881,911	2,338,647	-	289,866	-	1,890,480	2,415,209	7,816,113
300 Community services								
350 Custody and care of children services								
100 Salaries	-	-	-	-	-	-	983,445	983,445
200 Employee benefits	-	-	-	-	-	-	206,108	206,108
300 Purchased services	-	-	-	-	-	-	6,888	6,888
400 Supplies and materials	-	-	-	-	-	-	68,466	68,466
600 Other objects	-	-	-	-	-	-	4,236	4,236

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2017*

	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
360 Welfare services								
400 Supplies and materials	4,164	-	-	-	-	-	-	4,164
370 Non-public school services								
300 Purchased services	6,720	-	-	-	-	-	9,831	16,551
400 Supplies and materials	585	-	-	-	-	-	-	585
Total community services	11,469	-	-	-	-	-	1,278,974	1,290,443
400 Other charges								
410 Intergovernmental expenditures								
416 LEA payments to public charter schools								
720 Transits	437,323	131,492	-	8,978	-	58,385	67,820	703,998
Total intergovernmental expenditures	437,323	131,492	-	8,978	-	58,385	67,820	703,998
Total expenditures	14,962,898	9,458,727	384,354	563,869	313,450	2,928,146	5,745,757	34,357,201
Other financing sources (uses)								
Interfund transfers, from (to) other funds								
5210 Transfer from General Fund	-	-	-	-	-	-	45,902	45,902
5270 Transfer from Pupil Activity Fund	-	-	-	-	-	-	27,598	27,598
426-710 Transfer to Pupil Activity Fund	-	-	-	-	-	-	(30,258)	(30,258)
431-791 Special revenue fund indirect costs	(662,856)	(377,362)	(14,337)	(17,570)	(13,886)	(11,124)	(67,405)	(1,164,540)
Total other financing sources (uses)	(662,856)	(377,362)	(14,337)	(17,570)	(13,886)	(11,124)	(24,163)	(1,121,298)
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	350,868	350,868
Fund balance - July 1, 2016	-	-	-	-	-	-	1,438,481	1,438,481
Fund balance - June 30, 2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,789,349	\$ 1,789,349

* Restricted State Grants

917 Teacher Supply
919 Education License Plates
924 CDEP Expansion
926 Summer Reading Camps
928 EEDA Career Specialists
936 Student Health and Fitness - Nurses
937 Student Health and Fitness - PE Teachers
955 SNAP
963 K-12 Technology Initiative
982 First Steps - Director Salary

* Other Special Revenue Programs

212 Extended School Year Handicapped Services
221 Title I, Part D (Neglected & Delinquent)
222 Title I, (Neglected & Delinquent)
224 21st Century Community Learning Centers
225 Mathematics and Science Partnership Program
228 21st Century Community Learning Centers Carryover
230 Mathematics and Science Partnership Carryover
237 Title I, Section 1003(A), School Improvement Focus Schools
241 Improving Teacher Quality Carryover
264 Language Instruction for Limited English Proficient and Immigrant Students, Title III
265 ESOL Title III Carryover
267 Improving Teacher Quality
401 ESOL Afterschool Program
410 PDL Device Repair Fund
416 Nursing Program
432 After School Childcare
433 After School Childcare Summer
434 After School Childcare Carryover
453 Exxon Mobile Grant
457 Bright Ideas Grant
469 Toomey's Kids
470 Miscellaneous Grants
471 Knights of Columbus
472 Santee Cooper
480 Waves of the Future Grant
488 Sanders Tech-Ed Fund
490 HCS Activity Bus
497 Myrtle Beach Auditorium
498 Middle School Summer Program
499 High School Summer Program
507 DSS ABC Quality Mini Grant
508 Leveled Data Reimbursement
528 12 Month Agriculture Program
551 Recycling Grants - DHEC
561 Profound Mentally Disabled
571 Winthrop Pro Team Grant
583 Palmetto Pride Litter Initiative
599 Other State Funds
602 NIFA - Ag Ed & Occ Prep Project
603 IDEA Private Placement
610 Gear Up

Horry County Schools

Summary Schedule for Designated State Restricted Grants - Special Projects Fund
For the year ended June 30, 2017

Subfund	Revenue Code	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
917	3187	Teacher Supply	\$ 75,900	\$ 75,900	\$ -	\$ -	\$ -
919	3193	Education License Plates	6,792	6,792	-	-	-
924	3134	CDEP Expansion	4,640	4,640	-	-	-
926	3177	Summer Reading Camps	446,141	446,141	-	-	215,900
928	3118	EEDA - Career Specialists	1,178,825	1,178,825	-	-	188,612
936	3136	Student Health and Fitness - Nurses	300,317	300,317	-	-	-
937	3127	Student and Health Fitness - PE Teachers	317,239	317,239	-	-	-
955	3155	Adult Ed Supplemental Nutrition Assistance Program	22,931	22,931	-	-	10,111
963	3630	K-12 Technology Initiative	272,138	272,138	-	-	1,690,506
982	3999	First Steps - Director Salary	314,347	314,347	-	-	-
			<u>\$ 2,939,270</u>	<u>\$ 2,939,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,105,129</u>

Horry County Schools

Summary Schedule of Other Special Revenue Programs - Special Projects Fund
 For the year ended June 30, 2017

Subfund	Revenue Code	Program	Revenues				Expenditures	Transfers In (Out)	Unearned Revenue
			Local	State	Federal	Total			
212	4510	Extended School Year Handicapped Services	\$ -	\$ -	\$ 51,396	\$ 51,396	\$ 51,396	\$ -	\$ 59,999
221	4310	Title I, Part D (Neglected and Delinquent)	-	-	164,833	164,833	157,847	(6,986)	-
222	4310	Title I, (Neglected and Delinquent)	-	-	61,094	61,094	59,100	(1,994)	-
224	4924	21st Century Community Learning Centers Program	-	-	100,157	100,157	95,908	(4,249)	-
225	4325	Mathematics and Science Partnerships Program	-	-	132,270	132,270	126,659	(5,611)	-
228	4924	21st Century Community Learning Centers Program Carryover	-	-	7,707	7,707	7,380	(327)	-
230	4325	Mathematics and Science Partnerships Program Carryover	-	-	45,557	45,557	43,624	(1,933)	-
237	4310	Title I, Section 1003(A), School Improvement Focus Schools	-	-	284,670	284,670	284,670	-	-
241	4351	Improving Teacher Quality Carryover	-	-	186,261	186,261	178,360	(7,901)	-
264	4341	ESOL Title III	-	-	42,203	42,203	41,375	(828)	-
265	4341	ESOL Title III Carryover	-	-	173,878	173,878	170,469	(3,409)	-
267	4351	Improving Teacher Quality	-	-	805,440	805,440	771,273	(34,167)	-
401	1999	ESOL Afterschool Program	9,496	-	-	9,496	9,496	-	504
410	1740/1950/1999	PDL Device Repair Fund	959,015	-	-	959,015	1,002,257	43,242	372,403
416	1999	Nursing Program	7,176	-	-	7,176	7,176	-	16,827
432	1999	After School Childcare	2,025,448	-	-	2,025,448	1,212,136	(813,312)	450
433	1999	After School Childcare Summer	29,173	-	-	29,173	21,477	(7,696)	6,528
434	N/A	After School Childcare Carryover	-	-	-	-	470,140	821,008	-
453	1999	Exxon Mobile Grant	4,999	-	-	4,999	4,999	-	3,226
457	1999	Bright Ideas Grant	3,055	-	-	3,055	3,055	-	-
463	N/A	Lesley College	-	-	-	-	-	-	4,069
469	1999	Toomey's Kids	16,253	-	-	16,253	16,253	-	3,953
470	1999	Miscellaneous Grants	59,196	-	-	59,196	59,196	-	42,622
471	1999	Knights of Columbus	11,047	-	-	11,047	11,047	-	7,717
472	1999	Santee Cooper	102,710	-	-	102,710	102,710	-	41,532
480	1999	Waves of the Future Grant	7,538	-	-	7,538	7,538	-	10,000
488	1999	Sanders Tech-ED Fund	259	-	-	259	259	-	-
490	1999	HCS Activity Bus	388,728	-	-	388,728	388,728	-	891,534
497	1710/1910/1999	Myrtle Beach Auditorium	57,842	-	-	57,842	57,842	-	62,258
498	1350	Middle School Summer Program	2,345	-	-	2,345	2,345	-	-
499	1350	High School Summer Program	7,620	-	-	7,620	7,620	-	-
507	3999	DSS ABC Quality Mini Grant	-	1,639	-	1,639	1,639	-	-
508	3199	Leveled Data Reimbursement	-	7,525	-	7,525	7,525	-	-
528	3113	12 Month Agriculture Program	-	-	-	-	-	-	-
551	3999	Recycling Grants - DHEC	-	9,769	-	9,769	9,769	-	2,307
561	3199	Profound Mentally Disabled	-	3,575	-	3,575	3,575	-	676
571	3999	Winthrop Pro Team Grant	-	1,274	-	1,274	1,274	-	-
583	3999	Palmetto Pride Litter Initiative	-	5,248	-	5,248	5,248	-	-
599	3199	Other State Funds	-	21,840	-	21,840	21,840	-	-
602	4999	NIFA - Ag Ed & Occ Prep Project	-	-	1,195	1,195	1,195	-	-
603	4510	IDEA Private Placement	-	-	207,847	207,847	207,847	-	-
610	4999	Gear Up	-	-	60,250	60,250	60,250	-	-
			<u>\$ 3,691,900</u>	<u>\$ 50,870</u>	<u>\$ 2,324,758</u>	<u>\$ 6,067,528</u>	<u>\$ 5,692,497</u>	<u>\$ (24,163)</u>	<u>\$ 1,526,605</u>

Horry County Schools

Comparative Balance Sheets - Special Revenue Fund - Education Improvement Act Fund As of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 12,182,283	\$ 7,254,253
Due from state government, net	59,703	-
Other receivables	779	-
Other assets	6,480	-
Total assets	<u>\$ 12,249,245</u>	<u>\$ 7,254,253</u>
Liabilities		
Accounts payable	\$ 451,966	\$ 162,304
Accrued salaries	1,171,105	1,333,640
Accrued payroll related liabilities	503,343	445,689
Due to state government, net	-	100,415
Unearned revenue	10,122,831	5,212,205
Total liabilities	<u>12,249,245</u>	<u>7,254,253</u>
Fund balances		
Restricted	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 12,249,245</u>	<u>\$ 7,254,253</u>

Horry County Schools

Comparative Schedule of Revenues, Expenditures, and Changes in Fund Net Position

- Education Improvement Act Fund

For the years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
State sources	\$ 22,750,417	\$ 23,655,743
Total revenues	<u>22,750,417</u>	<u>23,655,743</u>
Expenditures		
Instruction	9,162,261	12,809,927
Support services	3,922,366	2,974,805
Payment to public charter schools	489,161	365,308
Capital outlay	272,817	189,885
Total expenditures	<u>13,846,605</u>	<u>16,339,925</u>
Excess (deficiency) of revenues over expenditures	<u>8,903,812</u>	<u>7,315,818</u>
Other financing sources (uses)		
Transfers out	(8,903,812)	(7,315,818)
Total other financial sources (uses)	<u>(8,903,812)</u>	<u>(7,315,818)</u>
Net change in fund balance	-	-
Fund Balance, beginning of year	-	-
Fund Balance, end of year	<u><u>\$ -</u></u>	<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, 2017

Revenues

3000	Revenue from state sources		
3500	Education improvement act		
3502	ADEPT	\$	44,029
3509	Arts in education		15,234
3511	Professional development		82,873
3512	Technology professional development		403,850
3518	Formative assessment		212,375
3519	Grade 10 assessments		25,905
3525	Career and technology education equipment		615,123
3526	Refurbishment of k-8 science kits		137,742
3528	Industry certificates		9,041
3532	National board salary supplement		3,049,493
3533	Teacher of the year awards		1,077
3535	Reading coaches		1,701,279
3538	Students at risk of school failure		2,970,385
3540	Early childhood programs (4k programs serving four-year-old children)		1,433,505
3541	Child development education program (CDEP)		80,168
3550	Teacher salary increase		8,230,222
3555	Teacher salary fringe		1,199,220
3556	Adult education		594,300
3558	Reading		208,117
3577	Teacher supplies		763,950
3578	High schools that work/making middle grades work		52,264
3581	Student health & fitness - nurses		570,697
3587	IDEA MOE tier 1		134,935
3592	Work-based learning		95,225
3594	EEDA supplemental programs		60,830
3595	EEDA - supplies and materials		44,685
3597	Aid to districts		13,893
	Total revenues		<u>22,750,417</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, 2017

Expenditures

100	Instruction		
110	General instruction		
111	Kindergarten programs		
100	Salaries		65,160
200	Employee benefits		15,977
400	Supplies and materials		33,550
			<u>114,687</u>
112	Primary programs		
100	Salaries		632,647
200	Employee benefits		161,994
300	Purchased services		5,893
400	Supplies and materials		194,561
			<u>995,095</u>
113	Elementary programs		
100	Salaries		582,499
200	Employee benefits		143,295
300	Purchased services		208,827
400	Supplies and materials		457,716
600	Other objects		1,200
			<u>1,393,537</u>
114	High school programs		
100	Salaries		962,162
200	Employee benefits		261,347
300	Purchased services		1,800
400	Supplies and materials		140,039
600	Other objects		1,600
			<u>1,366,948</u>
115	Career and technology education programs		
100	Salaries		44,728
200	Employee benefits		11,083
300	Purchased services		2,261
400	Supplies and materials		330,626
500	Capital outlay		267,810
600	Other objects		200
			<u>656,708</u>
116	Career and technology education (vocational) programs - Middle School		
400	Supplies and materials		25,487
			<u>25,487</u>
	Total general instruction		<u>4,552,462</u>
120	Exceptional programs		
122	Trainable mentally handicapped		
100	Salaries		45,000
200	Employee benefits		11,079
400	Supplies and materials		11,000
			<u>67,079</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, 2017

Expenditures, Continued

100	Instruction, continued		
124	Visually handicapped		
100	Salaries		15,000
200	Employee benefits		3,729
400	Supplies and materials		825
			<u>19,554</u>
125	Hearing handicapped		
400	Supplies and materials		1,925
			<u>1,925</u>
126	Speech handicapped		
100	Salaries		35,353
200	Employee benefits		8,901
400	Supplies and materials		14,300
			<u>58,554</u>
127	Learning disabilities		
100	Salaries		130,829
200	Employee benefits		32,759
400	Supplies and materials		89,026
			<u>252,614</u>
128	Emotionally handicapped		
100	Salaries		7,500
200	Employee benefits		1,841
400	Supplies and materials		5,775
			<u>15,116</u>
129	Coordinated early intervening services (CEIS)		
100	Salaries		31,867
200	Employee benefits		7,857
400	Supplies and materials		15,400
			<u>55,124</u>
	Total exceptional programs		<u>469,966</u>
130	Preschool programs		
137	Pre-School handicapped-self-contained (3 & 4 year olds)		
100	Salaries		22,500
200	Employee benefits		5,522
400	Supplies and materials		7,150
			<u>35,172</u>
139	Early childhood programs		
100	Salaries		165,947
200	Employee benefits		59,627
300	Purchased services		53,321
400	Supplies and materials		193,739
			<u>472,634</u>
	Total preschool programs		<u>507,806</u>
140	Special programs		
141	Gifted and Talented Academic		
100	Salaries		93,750
200	Employee benefits		23,019
400	Supplies and materials		21,703
			<u>138,472</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, 2017****Expenditures, Continued**

100	Instruction, continued		
149	Other special programs		
100	Salaries		2,001,854
200	Employee benefits		773,918
400	Supplies and materials		21,965
			<u>2,797,737</u>
	Total specific programs		<u>2,936,209</u>
170	Summer school programs		
171	Primary summer school		
400	Supplies and materials		12,361
			<u>12,361</u>
172	Elementary summer school		
100	Salaries		147,652
200	Employee benefits		38,160
300	Purchased services		1,125
400	Supplies and materials		1,963
			<u>188,900</u>
173	High school summer school		
100	Salaries		5,696
200	Employee benefits		1,486
400	Supplies and materials		390
			<u>7,572</u>
175	Instructional programs beyond regular school day		
100	Salaries		251,063
200	Employee benefits		60,474
			<u>311,537</u>
	Total summer school programs		<u>520,370</u>
180	Adult/continuing education programs		
181	Adult basic education programs		
100	Salaries		104,244
200	Employee benefits		19,247
400	Supplies and materials		4,640
			<u>128,131</u>
182	Adult secondary education programs		
100	Salaries		102,207
200	Employee benefits		29,976
300	Purchased services		24,555
400	Supplies and materials		79,156
500	Capital outlay		5,007
			<u>240,901</u>
184	Post secondary education programs		
100	Salaries		59,559
200	Employee benefits		19,203
400	Supplies and materials		275
			<u>79,037</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, 2017

Expenditures, Continued

100	Instruction, continued		
188	Parenting/family literacy		
200	Employee benefits		127
400	Supplies and materials		69
			<u>196</u>
	Total adult/continuing education programs		<u>448,265</u>
	Total instruction		<u>9,435,078</u>
200	Support Services		
210	Pupil services		
212	Guidance services		
100	Salaries		113,609
200	Employee benefits		27,880
300	Purchased services		24,300
400	Supplies and materials		51,754
			<u>217,543</u>
213	Health services		
100	Salaries		414,195
200	Employee benefits		176,041
			<u>590,236</u>
216	Career and technical education placement services		
300	Purchased services		9,041
			<u>9,041</u>
	Total pupil services		<u>816,820</u>
220	Instructional staff services		
221	Improvement of instruction curriculum development		
100	Salaries		1,235,751
200	Employee benefits		404,256
400	Supplies and materials		470
			<u>1,640,477</u>
222	Library and media services		
100	Salaries		78,072
200	Employee benefits		19,159
400	Supplies and materials		13,475
			<u>110,706</u>
223	Supervision of special programs		
100	Salaries		275,635
200	Employee benefits		86,592
300	Purchased services		16,736
400	Supplies and materials		885
			<u>379,848</u>
224	Improvement of instruction inservice and staff training		
100	Salaries		211,645
200	Employee benefits		53,067
300	Purchased services		280,076
400	Supplies and materials		29,342
			<u>574,130</u>
	Total instructional staff services		<u>2,705,161</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, 2017

Expenditures, Continued

200	Support services, continued		
230	General administrative services		
233	School administration		
100	Salaries		28,963
200	Employee benefits		7,479
			<u>36,442</u>
	Total general administrative services		<u>36,442</u>
250	Finance and operations services		
254	Operation and maintenance of plant		
200	Employee benefits		9
			<u>9</u>
255	Student transportation (state mandated)		
100	Salaries		120,915
200	Employee benefits		30,379
300	Purchased services		16,408
			<u>167,702</u>
	Total finance and operations services		<u>167,711</u>
260	Central support services		
266	Technology and data processing services		
400	Supplies and materials		158,265
			<u>158,265</u>
	Total central support services		<u>158,265</u>
270	Support services - pupil activity		
271	Pupil service activities		
100	Salaries		-
200	Employee benefits		-
300	Purchased services		-
400	Supplies and materials		278
600	Other objects		37,689
			<u>37,967</u>
	Total support services - pupil activity		<u>37,967</u>
	Total support services		<u>3,922,366</u>
400	Other charges		
410	Intergovernmental expenditures		
416	LEA payments to public charter schools		
720	Transits		489,161
	Total intergovernmental expenditures		<u>489,161</u>
	Total expenditures		<u>13,846,605</u>
	Excess of revenues over expenditures		<u>8,903,812</u>
	Other financing uses		
420-710	Transfer to general fund		(8,903,812)
	Total other financing uses		<u>(8,903,812)</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, 2017**

Program		Revenues	Expenditures	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500	Education improvement act				
3502	ADEPT	\$ 44,029	\$ 44,029	\$ -	\$ 4,537
3509	Arts in education	15,234	15,234	-	-
3511	Professional development	82,873	82,873	-	245,725
3512	Technology professional development	403,850	403,850	-	42,076
3518	Adoption list of formative assessment	212,375	212,375	-	207,653
3519	Grade 10 assessments	25,905	25,905	-	-
3525	Career and technology education equipment	615,123	615,123	-	30,085
3526	Refurbishment of k-8 science kits	137,742	137,742	-	1,234
3528	Industry certificates	9,041	9,041	-	104,922
3532	National board salary supplement	3,049,493	3,049,493	-	-
3533	Teacher of the year awards	1,077	1,077	-	-
3535	Reading coaches	1,701,279	1,701,279	-	-
3538	Students at risk of school failure	2,970,385	2,970,385	-	5,706,147
3540	Early childhood programs (4k programs serving four-year-old children)	1,433,505	1,433,505	-	483,986
3541	Child development education program (CDEP) - full day 4K	80,168	80,168	-	-
3550	Teacher salary increase	8,230,222	422,058	7,808,164	-
3555	Teacher salary fringe	1,199,220	103,572	1,095,648	-
3556	Adult education	594,300	594,300	-	84,763
3558	Reading	208,117	208,117	-	160,859
3577	Teacher supplies	763,950	763,950	-	-
3578	High schools that work/making middle grades work	52,264	52,264	-	66,880
3581	Student health & fitness - nurses	570,697	570,697	-	-
3587	IDEA MOE tier 1	134,935	134,935	-	2,026,060
3592	Work-based learning	95,225	95,225	-	31,179
3594	EEDA supplemental programs	60,830	60,830	-	-
3595	EEDA - supplies and materials	44,685	44,685	-	141,843
3597	Aid to districts	13,893	13,893	-	784,882
		<u>\$ 22,750,417</u>	<u>\$ 13,846,605</u>	<u>\$ 8,903,812</u>	<u>\$ 10,122,831</u>

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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 31,738,244	\$ 34,461,601
Property tax receivable, net	2,257,920	2,327,587
Due from other governmental units	72,274	50,580
Total assets	<u>\$ 34,068,438</u>	<u>\$ 36,839,768</u>
Liabilities		
Accounts payable	\$ -	\$ 7,432
Total liabilities	<u>-</u>	<u>7,432</u>
Deferred inflows of resources		
Unavailable revenue - property taxes	2,142,598	2,241,869
Total deferred inflows of resources	<u>2,142,598</u>	<u>2,241,869</u>
Fund balances		
Restricted for debt service	31,925,840	34,590,467
Total fund balances	<u>31,925,840</u>	<u>34,590,467</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,068,438</u>	<u>\$ 36,839,768</u>

Horry County Schools**Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Debt Service Fund
For the years ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Revenues		
Local sources	\$ 82,716,536	\$ 79,161,561
State sources	853,692	833,763
Total revenues	<u>83,570,228</u>	<u>79,995,324</u>
Expenditures		
Debt service	42,634,855	36,022,896
Total expenditures	<u>42,634,855</u>	<u>36,022,896</u>
Excess of revenues over expenditures	<u>40,935,373</u>	<u>43,972,428</u>
Other financing sources (uses)		
Interfund transfers from (to) other funds:		
Transfers out	(43,600,000)	(33,700,000)
Total other financial sources (uses)	<u>(43,600,000)</u>	<u>(33,700,000)</u>
Net change in fund balance	(2,664,627)	10,272,428
Fund balance, beginning of year	<u>34,590,467</u>	<u>24,318,039</u>
Fund balance, end of year	<u>\$ 31,925,840</u>	<u>\$ 34,590,467</u>

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund
For the year ended June 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Local sources	\$ 74,810,669	\$ 74,810,669	\$ 82,716,536	\$ 7,905,867
State sources	802,588	802,588	853,692	51,104
Total revenues	<u>75,613,257</u>	<u>75,613,257</u>	<u>83,570,228</u>	<u>7,956,971</u>
Expenditures				
Debt service	43,290,910	43,290,910	42,634,855	656,055
Total expenditures	<u>43,290,910</u>	<u>43,290,910</u>	<u>42,634,855</u>	<u>656,055</u>
Excess (deficiency) of revenues over expenditures	<u>32,322,347</u>	<u>32,322,347</u>	<u>40,935,373</u>	<u>8,613,026</u>
Other financing sources (uses)				
Interfund transfers from (to) other funds:				
Transfers out	(31,900,000)	(31,900,000)	(43,600,000)	(11,700,000)
Total other financial sources (uses)	<u>(31,900,000)</u>	<u>(31,900,000)</u>	<u>(43,600,000)</u>	<u>(11,700,000)</u>
Net change in fund balance	<u>\$ 422,347</u>	<u>\$ 422,347</u>	(2,664,627)	<u>\$ (3,086,974)</u>
Fund balance, beginning of year			<u>34,590,467</u>	
Fund balance, end of year			<u>\$ 31,925,840</u>	

Horry County Schools*Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund**For the year ended June 30, 2017*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
1000 Revenue from local sources			
1100 Taxes levied/assessed by the LEA			
1110 Ad valorem taxes - including delinquent	\$ 19,987,500	\$ 20,272,334	\$ 284,834
1140 Penalties & interest on taxes	190,806	181,011	(9,795)
1190 Other taxes (independent)	54,069,312	61,116,597	7,047,285
1200 Revenue from local governmental units other than LEAs			
1280 Revenue in lieu of taxes	444,365	1,012,466	568,101
1500 Earnings on investments			
1510 Interest on investments	118,686	134,128	15,442
Total local sources	<u>74,810,669</u>	<u>82,716,536</u>	<u>7,905,867</u>
3000 Revenue from state sources			
3800 State revenue in lieu of taxes			
3820 Homestead Exemption	531,720	598,698	66,978
3830 Merchant's Inventory Tax	201,985	201,985	-
3840 Manufacturers Depreciation Reimbursement	36,303	20,832	(15,471)
3890 Other State Property Tax Revenues	32,580	32,177	(403)
Total state sources	<u>802,588</u>	<u>853,692</u>	<u>51,104</u>
Total revenue all sources	<u>75,613,257</u>	<u>83,570,228</u>	<u>7,956,971</u>
Expenditures			
500 Debt services			
610 Redemption of principal	25,588,375	22,945,000	2,643,375
620 Interest	17,554,398	19,671,086	(2,116,688)
690 Other objects	148,137	18,769	129,368
Total debt services	<u>43,290,910</u>	<u>42,634,855</u>	<u>656,055</u>
Total expenditures	<u>43,290,910</u>	<u>42,634,855</u>	<u>656,055</u>
Other financing uses			
Interfund transfers to other funds			
424-710 Transfer to capital projects fund	(31,900,000)	(43,600,000)	(11,700,000)
Total other financing uses	<u>(31,900,000)</u>	<u>(43,600,000)</u>	<u>(11,700,000)</u>
Excess of revenues over expenditures and other financing uses	<u>\$ 422,347</u>	(2,664,627)	<u>\$ (3,086,974)</u>
Fund balance, beginning of year		34,590,467	
Fund balance, end of year		<u>\$ 31,925,840</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 141,034,137	\$ 276,240,795
Accounts receivable	3,542	-
Total assets	<u>\$ 141,037,679</u>	<u>\$ 276,240,795</u>
Liabilities		
Accounts payable	\$ 16,744,742	\$ 9,195,657
Retainage payable	7,509,967	1,817,885
Total liabilities	<u>24,254,709</u>	<u>11,013,542</u>
Fund balances		
Restricted for capital projects	<u>116,782,970</u>	<u>265,227,253</u>
Total fund balances	<u>116,782,970</u>	<u>265,227,253</u>
Total liabilities and fund balances	<u>\$ 141,037,679</u>	<u>\$ 276,240,795</u>

Horry County Schools

Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Capital Projects Fund For the years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Local sources	\$ 1,278,556	\$ 326,680
Intergovernmental revenue	1,564,188	1,209,627
State sources	-	500,000
Total revenues	<u>2,842,744</u>	<u>2,036,307</u>
Expenditures		
Instruction	279,699	3,333
Support services	5,606,676	3,790,490
Capital outlay	189,000,652	66,996,475
Total expenditures	<u>194,887,027</u>	<u>70,790,298</u>
Deficiency of revenues under expenditures	<u>(192,044,283)</u>	<u>(68,753,991)</u>
Other financing sources (uses)		
Sale of capital assets	-	-
Sale of bonds	-	238,893,039
Interfund transfers from (to) other funds:		
Transfer in	43,600,000	33,700,000
Transfer out	-	(107,955)
Total other financial sources (uses)	<u>43,600,000</u>	<u>272,485,084</u>
Net change in fund balance	(148,444,283)	203,731,093
Fund balance, beginning of year	<u>265,227,253</u>	<u>61,496,160</u>
Fund balance, end of year	<u><u>\$ 116,782,970</u></u>	<u><u>\$ 265,227,253</u></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, 2017*

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 90,621	\$ 1,278,556	\$ 1,278,556	\$ -
Intergovernmental revenue	-	1,564,188	1,564,188	-
Total revenues	<u>90,621</u>	<u>2,842,744</u>	<u>2,842,744</u>	<u>-</u>
Expenditures				
Instruction	1,401,315	5,647,245	279,699	5,367,546
Support services	26,374,003	20,605,886	5,606,676	14,999,210
Capital outlay	225,093,940	226,616,127	189,000,652	37,615,475
Total expenditures	<u>252,869,258</u>	<u>252,869,258</u>	<u>194,887,027</u>	<u>57,982,231</u>
Deficiency of revenues under expenditures	<u>(252,778,637)</u>	<u>(250,026,514)</u>	<u>(192,044,283)</u>	<u>57,982,231</u>
Other financing sources (uses)				
Sale of bonds	50,000,000	50,000,000	-	(50,000,000)
Transfer from Debt Service Fund	31,900,000	31,900,000	43,600,000	11,700,000
Total other financial sources (uses)	<u>81,900,000</u>	<u>81,900,000</u>	<u>43,600,000</u>	<u>(38,300,000)</u>
Net change in fund balance	<u>\$ (170,878,637)</u>	<u>\$ (168,126,514)</u>	<u>(148,444,283)</u>	<u>\$ 19,682,231</u>
Fund balance, beginning of year			<u>265,227,253</u>	
Fund balance, end of year			<u>\$ 116,782,970</u>	

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Fund
For the year ended June 30, 2017**

	<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	\$ 1,278,556	\$ 1,278,556	\$ -
Total local sources	<u>1,278,556</u>	<u>1,278,556</u>	<u>-</u>
2000 Intergovernmental revenue			
2100 Payments from other governmental units	1,564,188	1,564,188	-
Total intergovernmental revenue	<u>1,564,188</u>	<u>1,564,188</u>	<u>-</u>
Total revenue all sources	<u>2,842,744</u>	<u>2,842,744</u>	<u>-</u>
Expenditures			
100 Instruction			
110 General instruction			
112 Primary programs			
400 Supplies and materials	175,000	-	175,000
500 Capital outlay	1,000,000	-	1,000,000
113 Elementary programs			
400 Supplies and materials	754,545	279,699	474,846
500 Capital outlay	9,100,000	4,415,038	4,684,962
114 High school programs			
400 Supplies and materials	4,717,700	-	4,717,700
500 Capital outlay	4,172,616	-	4,172,616
Total instruction	<u>19,919,861</u>	<u>4,694,737</u>	<u>15,225,124</u>
200 Support services			
210 Attendance and social work services			
213 Health services			
500 Capital outlay	6,914	6,914	-
220 Instructional staff services			
222 Library and media services			
400 Supplies and materials	450	450	-
230 General administrative services			
233 School administration			
400 Supplies and materials	28,203	28,203	-
600 Other objects	100	100	-
250 Finance and operations services			
252 Fiscal services			
300 Purchased services	4,625	4,625	-
253 Facilities acquisition and construction			
100 Salaries	1,544,420	1,112,158	432,262
200 Employee benefits	5,039,866	351,971	4,687,895
300 Purchased services	1,594,999	51,308	1,543,691
400 Supplies and materials	2,000,000	544,788	1,455,212
500 Capital outlay			
510 Land	770	770	-
520 Construction services	189,599,238	171,012,064	18,587,174
525 Buildings	2,040,870	2,040,870	-
530 Improvements other than buildings	3,000,000	2,206,020	793,980
545 Technology, equipment and software	35,000	20,609	14,391
600 Other objects	6,479,060	930	6,478,130
254 Operation and maintenance of plant			
100 Salaries	446	446	-
200 Employee benefits	108	75	33
300 Purchased services	2,500,000	978,071	1,521,929
400 Supplies and materials	200,000	1,537,808	(1,337,808)
500 Capital outlay	7,500,000	6,899,704	600,296
257 Internal services			
100 Salaries	52,012	47,563	4,449
200 Employee benefits	17,295	14,800	2,495
258 Security			
400 Supplies and materials	150,000	-	150,000
500 Capital outlay	1,614,667	243,064	1,371,603

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Fund
For the year ended June 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
260 Central support services			
262 Planning			
100 Salaries	95,212	93,346	1,866
200 Employee benefits	34,361	29,340	5,021
266 Technology and data processing services			
300 Purchased services	63,970	63,970	-
400 Supplies and materials	800,000	745,965	54,035
500 Capital outlay	8,310,040	2,155,599	6,154,441
270 Support services pupil activity			
271 Pupil services activities			
400 Supplies and materials	759	759	-
500 Capital outlay	236,012	-	236,012
Total support services	<u>232,949,397</u>	<u>190,192,290</u>	<u>42,757,107</u>
Total expenditures	<u>252,869,258</u>	<u>194,887,027</u>	<u>57,982,231</u>
Other financing sources (uses)			
5100 Sale of bonds			
5120 Proceeds of general obligation bonds	50,000,000	-	(50,000,000)
Interfund transfers, from (to) other funds			
5240 Transfer from debt service fund	31,900,000	43,600,000	11,700,000
Total other financing sources (uses)	<u>81,900,000</u>	<u>43,600,000</u>	<u>(38,300,000)</u>
Excess/deficiency of revenues over expenditures	<u>\$ (168,126,514)</u>	<u>(148,444,283)</u>	<u>\$ 19,682,231</u>
Fund balance, beginning of year		<u>265,227,253</u>	
Fund balance, end of year		<u>\$ 116,782,970</u>	

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PROPRIETARY FUND TYPE

The Proprietary Fund is used to account for operations that are financed and operated in a manner similar to private businesses. The Food Service Fund is the School District's only Proprietary Fund and is used to account for the USDA's approved school breakfast and lunch programs.

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Horry County Schools**Comparative Schedule of Net Position - Proprietary Fund - School Food Service****As of June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 6,353,318	\$ 6,521,972
Due from federal government	131,135	47,594
Inventories	312,707	281,271
Other receivables	44,587	55,186
Total current assets	<u>6,841,747</u>	<u>6,906,023</u>
Property and equipment, net	<u>1,805,947</u>	<u>2,038,474</u>
Total assets	<u>8,647,694</u>	<u>8,944,497</u>
Deferred outflows of resources		
Deferred outflows related to pensions	1,764,987	608,603
Total assets and deferred outflows of resources	<u>\$ 10,412,681</u>	<u>\$ 9,553,100</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 53,284	\$ 241,217
Accrued salaries	772,957	776,981
Accrued payroll related liabilities	405,392	396,666
Unearned revenue	189,156	339,939
Compensated absences payable	22,027	37,195
Total current liabilities	<u>1,442,816</u>	<u>1,791,998</u>
Non-current liabilities		
Compensated absences payable	25,540	18,746
Net pension liability	9,598,365	7,912,463
Total non-current liabilities	<u>9,623,905</u>	<u>7,931,209</u>
Total liabilities	<u>11,066,721</u>	<u>9,723,207</u>
Deferred inflows of resources		
Deferred inflows related to pensions	(349,394)	(288,121)
Net position		
Investment in capital assets	1,805,947	2,038,474
Unrestricted	(2,110,593)	(1,920,460)
Total net position	<u>(304,646)</u>	<u>118,014</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 10,412,681</u>	<u>\$ 9,553,100</u>

Horry County Schools**Comparative Schedule of Revenues, Expenses and Changes in Net Position - Proprietary Fund****- School Food Service****For the years ended June 30, 2017 and 2016**

	2017	2016
Operating revenues		
Meal sales	\$ 4,567,715	\$ 4,380,561
Other operating revenue	193,008	235,391
Total operating revenues	<u>4,760,723</u>	<u>4,615,952</u>
Operating Expenses		
Food Costs	8,349,651	8,664,888
Salaries	7,246,448	7,407,945
Employee Benefits	4,024,969	3,768,559
Purchased Services	92,789	109,765
Supplies and Materials	618,996	657,889
Other Objects	23,591	24,227
Intergovernmental	166,607	157,662
Depreciation	237,754	235,380
Total operating expenses	<u>20,760,805</u>	<u>21,026,315</u>
Operating loss	<u>(16,000,082)</u>	<u>(16,410,363)</u>
Non-operating revenues		
USDA reimbursements	14,716,800	15,114,038
USDA commodities	1,418,527	1,339,783
Other state aid	1,127	1,145
Total non-operating revenues	<u>16,136,454</u>	<u>16,454,966</u>
Gain (loss) before transfers	136,372	44,603
Transfers from (to) other funds		
Transfers in	713,671	1,381,967
Transfers out	(1,272,703)	(1,461,340)
Total transfers from (to) other funds	<u>(559,032)</u>	<u>(79,373)</u>
Change in net position	(422,660)	(34,770)
Net position, beginning	<u>118,014</u>	<u>152,784</u>
Net position - end of year	<u>\$ (304,646)</u>	<u>\$ 118,014</u>

Horry County Schools

Schedule of Revenues, Expenses and Changes in Net Position - Proprietary Fund - School Food Service
For the year ended June 30, 2017

		Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
1000	Revenue from local sources			
1500	Earnings on investments			
1510	Interest on investments	\$ 10,000	\$ 13,951	\$ 3,951
1600	Food services			
1610	Lunch sales to pupils	3,627,652	3,439,687	(187,965)
1620	Breakfast sales to pupils	21,300	6,841	(14,459)
1630	Special sales to pupils	1,051,468	656,462	(395,006)
1640	Lunch sales to adults	478,900	422,336	(56,564)
1650	Breakfast sales to adults	4,085	2,373	(1,712)
1660	Special sales to adults	59,600	40,016	(19,584)
1900	Other revenue from local sources			
1950	Refund of prior year's expenditures	-	717	717
1990	Miscellaneous local revenue			
1999	Revenue from other local sources	175,125	178,340	3,215
	Total revenue from local sources	<u>5,428,130</u>	<u>4,760,723</u>	<u>(667,407)</u>
3000	Revenue from state sources			
3100	Restricted state funding			
3140	School lunch			
3142	Program aid	16,845	1,127	(15,718)
	Total revenue from state sources	<u>16,845</u>	<u>1,127</u>	<u>(15,718)</u>
4000	Revenue from federal sources			
4800	USDA reimbursement			
4810	School lunch and after school snacks program	11,126,318	10,493,313	(633,005)
4830	School breakfast program	4,745,928	4,115,637	(630,291)
4870	School Food Service (Equipment)	8,602	8,602	-
4880	Summer feeding programs (SFSP)	-	99,248	99,248
4900	Other federal sources			
4991	USDA commodities (food distribution program)	1,418,527	1,418,527	-
	Total revenue from federal sources	<u>17,299,375</u>	<u>16,135,327</u>	<u>(1,164,048)</u>
	Total revenues	<u>22,744,350</u>	<u>20,897,177</u>	<u>(1,847,173)</u>
Expenses				
250	Finance and operations services			
256	Food Services			
100	Salaries	7,724,127	7,242,573	481,554
140	Terminal leave	-	3,875	(3,875)
200	Employee benefits	3,905,483	4,024,969	(119,486)
300	Purchased services	141,341	92,789	48,552
400	Supplies and materials	9,707,104	8,968,647	738,457
500	Capital outlay	418,538	237,754	180,784
600	Other objects	32,000	23,591	8,409
	Total support services	<u>21,928,593</u>	<u>20,594,198</u>	<u>1,334,395</u>
400	Other Charges			
410	Intergovernmental expenditures			
416	LEA payments to public charter schools			
720	Transits	-	166,607	(166,607)
	Total intergovernmental expenditures	<u>-</u>	<u>166,607</u>	<u>(166,607)</u>
	Total expenses	<u>21,928,593</u>	<u>20,760,805</u>	<u>1,167,788</u>
Other financing sources (uses)				
Interfund transfers, from (to) other funds				
5210	Transfer from general fund	684,162	713,671	29,509
432-791	Food service fund indirect costs	(1,630,631)	(1,272,703)	357,928
	Total other financing sources (uses)	<u>(946,469)</u>	<u>(559,032)</u>	<u>387,437</u>
	Decrease in net position	<u>\$ (130,712)</u>	<u>(422,660)</u>	<u>\$ (291,948)</u>
	Net position, beginning of year		<u>118,014</u>	
	Net position, end of year		<u>\$ (304,646)</u>	

Note: This schedule is presented in the format prescribed by the South Carolina Department of Education, which varies in presentation from Exhibit H.

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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, 2017*

	Education Endowment Fund	Scholarship Endowment Fund	Total
Assets			
Cash and investments	\$ 69	\$ 66,010	\$ 66,079
Investments	100,000	-	100,000
Total assets	<u>\$ 100,069</u>	<u>\$ 66,010</u>	<u>\$ 166,079</u>
Liabilities			
Accounts payable	\$ -	\$ 2,000	\$ 2,000
Total liabilities	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Net position			
Restricted net position	100,069	64,010	164,079
Total net position	<u>\$ 100,069</u>	<u>\$ 64,010</u>	<u>\$ 164,079</u>

Horry County Schools**Combining Statements of Changes in Fiduciary Net Position - Private Purpose Trust Funds****For the year ended June 30, 2017**

	Education Endowment Fund	Scholarship Endowment Fund	Total
Additions			
Revenue from local sources			
Earnings on investments	\$ 375	\$ 896	\$ 1,271
Other pupil activity income	-	13,669	13,669
Contributions and donations from private sources	-	41,736	41,736
Refund of prior year expenditures	1,000	-	1,000
Total additions	<u>1,375</u>	<u>56,301</u>	<u>57,676</u>
Deductions			
Scholarships Awarded	2,000	56,451	58,451
Total deductions	<u>2,000</u>	<u>56,451</u>	<u>58,451</u>
Change in net position	<u>(625)</u>	<u>(150)</u>	<u>(775)</u>
Total net position, beginning of year	<u>100,694</u>	<u>64,160</u>	<u>164,854</u>
Total net position, end of year	<u>\$ 100,069</u>	<u>\$ 64,010</u>	<u>\$ 164,079</u>

Horry County Schools

Statement of Changes in Fiduciary Assets, Liabilities, and Net Position - Private Purpose Trust Funds For the year ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Assets				
Cash and cash equivalents	\$ 171,854	\$ 59,676	\$ 165,451	\$ 66,079
Accounts receivable	2,000	-	2,000	-
Investments	-	100,000	-	100,000
Total assets	<u>\$ 173,854</u>	<u>\$ 159,676</u>	<u>\$ 167,451</u>	<u>\$ 166,079</u>
Liabilities				
Accounts payable	\$ 9,000	\$ 58,451	\$ 65,451	\$ 2,000
Total liabilities	<u>9,000</u>	<u>58,451</u>	<u>65,451</u>	<u>2,000</u>
Net position				
Restricted net position	164,854	57,676	58,451	164,079
Total net position	<u>\$ 164,854</u>	<u>\$ 57,676</u>	<u>\$ 58,451</u>	<u>\$ 164,079</u>

Horry County Schools

***Comparative Schedule of Fiduciary Net Position - Education Endowment Fund - Private Purpose Trust Funds
As of June 30, 2017 and 2016***

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 69	\$ 109,694
Investments	100,000	-
Total assets	<u>100,069</u>	<u>109,694</u>
Liabilities		
Accounts payable	-	9,000
Total liabilities	<u>-</u>	<u>9,000</u>
Restricted net position		
Held in Trust for Individuals and Organizations	<u>\$ 100,069</u>	<u>\$ 100,694</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Additions		
1000 Revenue from local sources		
1500 Earnings on investments		
1510 Interest on investments	\$ 375	\$ 1,258
1900 Other revenue from local sources		
1950 Refund of prior year expenditures	1,000	1,500
Total additions	<u>1,375</u>	<u>2,758</u>
Deductions		
200 Support Services		
270 Support services - pupil activity		
273 Trust and agency activities		
600 Other objects	2,000	9,000
Total deductions	<u>2,000</u>	<u>9,000</u>
Change in net position	<u>(625)</u>	<u>(6,242)</u>
Total net position, beginning of year	<u>100,694</u>	<u>106,936</u>
Total net position, end of year	<u>\$ 100,069</u>	<u>\$ 100,694</u>

Horry County Schools

Comparative Schedule of Fiduciary Net Position - Scholarship Endowment Fund - Private Purpose Trust Funds As of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 66,010	\$ 62,160
Accounts receivable	-	2,000
Total assets	<u>66,010</u>	<u>64,160</u>
Liabilities		
Accounts payable	<u>2,000</u>	-
Total liabilities	<u>2,000</u>	-
Restricted net position		
Held in trust for individuals and organizations	<u>\$ 64,010</u>	<u>\$ 64,160</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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Additions		
1000 Revenue from local sources		
1500 Earnings on investments		
1510 Interest on investments	\$ 896	\$ 528
1700 Pupil activities		
1790 Other pupil activity income	13,669	8,059
1900 Other revenue from local sources		
1920 Contributions and donations from private sources	41,736	42,878
Total additions	<u>56,301</u>	<u>51,465</u>
Deductions		
200 Support Services		
270 Support services - pupil activity		
271 Pupil service activities		
300 Purchased services	-	498
400 Supplies and materials	101	1,606
600 Other objects	56,350	50,269
Total deductions	<u>56,451</u>	<u>52,373</u>
Change in net position	<u>(150)</u>	<u>(908)</u>
Total net position, beginning of year	<u>64,160</u>	<u>65,068</u>
Total net position, end of year	<u>\$ 64,010</u>	<u>\$ 64,160</u>

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Horry County Schools***Combining Statements of Fiduciary Assets and Liabilities - Agency Funds******As of June 30, 2017***

	<u>Pupil Activity</u>	<u>Federal Program</u>	<u>Total</u>
<i>Assets</i>			
Cash and cash equivalents	\$ 4,610,862	\$ 1,050,688	\$ 5,661,550
Other assets	78,187	-	78,187
Total assets	<u>\$ 4,689,049</u>	<u>\$ 1,050,688</u>	<u>\$ 5,739,737</u>
<i>Liabilities</i>			
Accounts payable	\$ 299,545	\$ -	\$ 299,545
Accrued liabilities	40,127	-	40,127
Due to other governments	-	1,050,688	1,050,688
Due to student organizations	4,349,377	-	4,349,377
Total liabilities	<u>\$ 4,689,049</u>	<u>\$ 1,050,688</u>	<u>\$ 5,739,737</u>

Horry County Schools**Combined Statement of Changes in Assets and Liabilities - Agency Funds
For the year ended June 30, 2017**

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
Assets				
Cash and cash equivalents	\$ 5,381,209	\$ 8,654,097	\$ 8,373,756	\$ 5,661,550
Other assets	117,772	78,187	117,772	78,187
Total assets	<u>\$ 5,498,981</u>	<u>\$ 8,732,284</u>	<u>\$ 8,491,528</u>	<u>\$ 5,739,737</u>
Liabilities				
Accounts payable	\$ 295,176	\$ 8,408,325	\$ 8,403,956	\$ 299,545
Accrued liabilities	44,624	40,127	44,624	40,127
Due to other governments	1,055,576	-	4,888	1,050,688
Due to student organizations	4,103,605	8,654,097	8,408,325	4,349,377
Total liabilities	<u>\$ 5,498,981</u>	<u>\$ 17,102,549</u>	<u>\$ 16,861,793</u>	<u>\$ 5,739,737</u>

Horry County Schools

Comparative Balance Sheets - Pupil Activity Fund - Agency Fund

As of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 4,610,862	\$ 4,325,633
Other assets	78,187	117,772
Total assets	<u>\$ 4,689,049</u>	<u>\$ 4,443,405</u>
Liabilities		
Accounts payable	\$ 299,545	\$ 295,176
Accrued liabilities	40,127	44,624
Due to student organizations	4,349,377	4,103,605
Total liabilities	<u>\$ 4,689,049</u>	<u>\$ 4,443,405</u>

Horry County Schools*Schedule of Changes in Assets and Liabilities - Pupil Activity Fund - Agency Fund**As of June 30, 2017*

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
Assets				
Cash and cash equivalents	\$ 4,325,633	\$ 8,654,097	\$ 8,368,868	\$ 4,610,862
Other assets	117,772	78,187	117,772	78,187
Total assets	<u>\$ 4,443,405</u>	<u>\$ 8,732,284</u>	<u>\$ 8,486,640</u>	<u>\$ 4,689,049</u>
Liabilities				
Accounts payable	\$ 295,176	\$ 8,408,325	\$ 8,403,956	\$ 299,545
Accrued liabilities	44,624	40,127	44,624	40,127
Due to student organizations	4,103,605	8,654,097	8,408,325	4,349,377
Total liabilities	<u>\$ 4,443,405</u>	<u>\$ 17,102,549</u>	<u>\$ 16,856,905</u>	<u>\$ 4,689,049</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, 2017**

		<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Receipts				
1000	Revenue from local sources			
1500	Earnings on investments			
1510	Interest on investments	\$ 11,987	\$ 11,811	\$ (176)
1700	Pupil activities			
1710	Admissions	806,973	888,633	81,660
1720	Bookstore sales	263,743	279,559	15,816
1730	Pupil organization membership dues and fees	27,275	33,208	5,933
1740	Student fees	20	160	140
1790	Other pupil activity income	6,845,058	6,837,601	(7,457)
1900	Other revenue from local sources			
1910	Rentals	99,606	58,751	(40,855)
1920	Contributions and donations from private sources	179,394	157,716	(21,678)
1930	Special needs transportation - Medicaid	-	1,883	1,883
1990	Miscellaneous local revenue			
1994	Receipt of legal settlements	-	1,200	1,200
1999	Revenue from other local sources	6,603	141,507	134,904
	Total receipts	<u>8,240,659</u>	<u>8,412,029</u>	<u>171,370</u>
Disbursements				
100	Instruction			
190	Instructional pupil activity			
100	Salaries	55,826	48,370	7,456
200	Employee benefits	18,233	7,762	10,471
300	Purchased services	-	14,077	(14,077)
400	Supplies and materials	23,139	2,059	21,080
600	Other objects	5,000	-	5,000
	Total instruction	<u>102,198</u>	<u>72,268</u>	<u>29,930</u>
200	Support services			
270	Support services - pupil activity			
271	Pupil service activities			
100	Salaries	257,973	256,823	1,150
200	Employee benefits	67,218	66,161	1,057
300	Purchased services	771,918	769,813	2,105
400	Supplies and materials	2,965,090	2,949,856	15,234
500	Capital outlay	60,993	52,692	8,301
600	Other objects	4,256,779	4,240,712	16,067
	Total support services	<u>8,379,971</u>	<u>8,336,057</u>	<u>43,914</u>
	Total disbursements	<u>8,482,169</u>	<u>8,408,325</u>	<u>73,844</u>
Other financing sources (uses)				
5210	Transfer from general fund	128,250	239,408	111,158
5220	Transfer from special revenue fund	-	2,650	2,650
5270	Transfer from private purpose trust fund	-	10	10
	Total other financing sources (uses)	<u>128,250</u>	<u>242,068</u>	<u>113,818</u>
Excess of disbursements and other financing uses over receipts		<u>\$ (113,260)</u>	245,772	<u>\$ 359,032</u>
Due to Student Organizations, beginning of year			<u>4,103,605</u>	
Due to Student Organizations, end of year			<u>\$ 4,349,377</u>	

Horry County Schools**Comparative Balance Sheets - Federal Program - Agency Fund
As of June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 1,050,688	\$ 1,055,576
Total assets	<u>\$ 1,050,688</u>	<u>\$ 1,055,576</u>
Liabilities		
Due to other governments	\$ 1,050,688	\$ 1,055,576
Total liabilities	<u>\$ 1,050,688</u>	<u>\$ 1,055,576</u>

Horry County Schools

Schedule of Changes in Assets and Liabilities - Federal Program - Agency Fund *For the year ended June 30, 2017*

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
Assets				
Cash and cash equivalents	\$ 1,055,576	\$ -	\$ 4,888	\$ 1,050,688
Total assets	<u>\$ 1,055,576</u>	<u>\$ -</u>	<u>\$ 4,888</u>	<u>\$ 1,050,688</u>
Liabilities				
Due to other governments	\$ 1,055,576	\$ -	\$ 4,888	\$ 1,050,688
Total liabilities	<u>\$ 1,055,576</u>	<u>\$ -</u>	<u>\$ 4,888</u>	<u>\$ 1,050,688</u>

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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, 2017*

	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	\$ 160,557	\$ 921,301	\$ 112,868	\$ 181,060	\$ 1,375,786
Restricted cash	-	-	4,948	-	4,948
Other receivables	23,904	-	-	-	23,904
Prepaid and other	18,097	51,081	7,932	2,152	79,262
Due from other governmental units	10,716	-	164,331	8,874	183,921
Non-current assets, net	1,708,020	6,607,275	143,851	105,683	8,564,829
Total assets	1,921,294	7,579,657	433,930	297,769	10,232,650
Deferred outflows of resources					
Deferred outflows related to pensions	371,024	358,962	895,363	-	1,625,349
Total deferred outflows of resources	371,024	358,962	895,363	-	1,625,349
Liabilities					
Accounts payable and other liabilities	283,727	91,526	15,379	7,948	398,580
Revenue received in advance	110,222	-	68,466	100,183	278,871
Non-current liabilities:					
Due within one year	75,461	17,645	133,091	37,115	263,312
Due in more than one year	1,468,466	6,813,455	74,668	223,435	8,580,024
Net pension liability	1,292,698	2,186,396	1,599,639	-	5,078,733
Total liabilities	3,230,574	9,109,022	1,891,243	368,681	14,599,520
Deferred inflows of resources					
Deferred inflows related to pensions	196,899	16,253	171,055	-	384,207
Total deferred inflows of resources	196,899	16,253	171,055	-	384,207
Net position					
Net investment in capital assets	164,093	(223,825)	50,616	105,683	96,567
Restricted	-	-	4,948	-	4,948
Unrestricted	(1,299,248)	(962,831)	(788,569)	(176,595)	(3,227,243)
Total net position	\$ (1,135,155)	\$ (1,186,656)	\$ (733,005)	\$ (70,912)	\$ (3,125,728)

Horry County Schools**Combining Statement of Activities - Charter Schools****For the year ended June 30, 2017**

	<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	\$ (903,036)	\$ (1,489,173)	\$ (1,201,796)	\$ (818,460)	\$ (4,412,465)
Revenues:					
Operating grants and contributions	1,677,173	2,670,832	1,667,156	1,450,619	7,465,780
Support services:					
Expenses	(687,010)	(1,376,609)	(871,419)	(718,507)	(3,653,545)
Interest and other charges	(92,218)	(498,971)	(927)	(14,849)	(606,965)
Total government activities	(5,091)	(693,921)	(406,986)	(101,197)	(1,207,195)
General revenues					
Miscellaneous revenues	92,323	235,541	19,543	77,981	425,388
Total general revenues	92,323	235,541	19,543	77,981	425,388
Change in Net Position	87,232	(458,380)	(387,443)	(23,216)	(781,807)
Net Position - Beginning	(1,222,387)	(728,276)	(345,562)	(47,696)	(2,343,921)
Net Position - Ending	<u>\$ (1,135,155)</u>	<u>\$ (1,186,656)</u>	<u>\$ (733,005)</u>	<u>\$ (70,912)</u>	<u>\$ (3,125,728)</u>

Horry County Schools**Combining Balance Sheets - Charter Schools - Governmental Fund****As of June 30, 2017**

	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	\$ 160,557	\$ 921,301	\$ 112,868	\$ 181,060	\$ 1,375,786
Restricted cash	-	-	4,948	-	4,948
Other receivables	23,904	-	-	-	23,904
Prepaid and other	18,097	51,081	7,932	2,152	79,262
Due from other funds	10,716	-	183,541	8,874	203,131
Due from other governmental units	10,716	-	164,331	8,874	183,921
Total assets	<u>\$ 223,990</u>	<u>\$ 972,382</u>	<u>\$ 473,620</u>	<u>\$ 200,960</u>	<u>\$ 1,870,952</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable and accrued liabilities	283,727	91,526	15,379	7,948	398,580
Accrued payroll related liabilities	-	-	114,524	290	114,814
Due to other funds	10,716	-	183,541	8,874	203,131
Due to other governmental units	-	-	-	-	-
Unearned revenue	110,222	-	68,466	100,183	278,871
Total liabilities	<u>404,665</u>	<u>91,526</u>	<u>381,910</u>	<u>117,295</u>	<u>995,396</u>
Fund balances					
Nonspendable	18,097	51,081	7,932	2,152	79,262
Restricted	-	-	4,948	-	4,948
Unassigned	(198,772)	829,775	78,830	81,513	791,346
Total fund balances	<u>(180,675)</u>	<u>880,856</u>	<u>91,710</u>	<u>83,665</u>	<u>875,556</u>
Total liabilities and fund balances	<u>\$ 223,990</u>	<u>\$ 972,382</u>	<u>\$ 473,620</u>	<u>\$ 200,960</u>	<u>\$ 1,870,952</u>
Total governmental fund balances	\$ (180,675)	\$ 880,856	\$ 91,710	\$ 83,665	\$ 875,556
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.					
	1,708,020	6,607,275	143,851	105,683	8,564,829
Some liabilities are not due and payable in the current period and are therefore not reported in the funds.					
Long-Term Debt	-	-	-	(236,622)	(236,622)
Notes Payable	(1,543,927)	-	(86,367)	-	(1,630,294)
Capital Leases	-	(6,831,100)	(6,868)	-	(6,837,968)
Accrued Interest	-	-	-	(23,638)	(23,638)
Net deferred in(out)flows related to pensions	97,215	225,766	632,108	-	955,089
Contributions to the pension plan in the current fiscal year	76,910	116,943	92,200	-	286,053
Pension Obligation	<u>(1,292,698)</u>	<u>(2,186,396)</u>	<u>(1,599,639)</u>	<u>-</u>	<u>(5,078,733)</u>
Net Position (Deficit) - Governmental Activities	<u>\$ (1,135,155)</u>	<u>\$ (1,186,656)</u>	<u>\$ (733,005)</u>	<u>\$ (70,912)</u>	<u>\$ (3,125,728)</u>

Horry County Schools

*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Governmental Fund
For the year ended June 30, 2017*

	<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>
Revenues					
Local Sources	\$ 92,323	\$ 235,541	\$ 19,543	\$ 77,981	\$ 425,388
State Sources	1,394,885	2,649,927	1,367,869	1,247,548	6,660,229
Federal	282,288	20,905	299,287	203,071	805,551
Total Revenues	<u>1,769,496</u>	<u>2,906,373</u>	<u>1,686,699</u>	<u>1,528,600</u>	<u>7,891,168</u>
Expenditures					
Instruction	892,839	1,404,096	999,971	745,732	4,042,638
Support Services	555,072	1,004,884	737,785	688,449	2,986,190
Capital Outlay	11,736	6,886,947	477	78,535	6,977,695
Debt Service	135,072	498,971	3,835	49,605	687,483
Total Expenditures	<u>1,594,719</u>	<u>9,794,898</u>	<u>1,742,068</u>	<u>1,562,321</u>	<u>14,694,006</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	174,777	(6,888,525)	(55,369)	(33,721)	(6,802,838)
Other Financing Sources (Uses)					
Payments on Capital Lease	-	6,794,946	-	-	6,794,946
Total Other Financing Sources (Uses)	<u>-</u>	<u>6,794,946</u>	<u>-</u>	<u>-</u>	<u>6,794,946</u>
Net Change in Fund Balance	174,777	(93,579)	(55,369)	(33,721)	(7,892)
Fund Balance - Beginning	(355,452)	974,435	147,079	117,386	883,448
Fund Balance - Ending	<u>\$ (180,675)</u>	<u>\$ 880,856</u>	<u>\$ 91,710</u>	<u>\$ 83,665</u>	<u>\$ 875,556</u>
Net Change in Fund Balance - Governmental Funds	\$ 174,777	\$ (93,579)	\$ (55,369)	\$ (33,721)	\$ (7,892)
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.					
	(121,013)	6,521,291	57,737	(22,913)	6,435,102
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.					
	-	(750)	305	-	(445)
Proceeds from the issuance of notes payable are treated as revenue in the governmental funds but the proceeds increase long-term liabilities in the Statement of Activities. These proceeds have been reduced by principal payments made against the outstanding debt.					
	-	(6,794,946)	-	-	(6,794,946)
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.					
	-	-	-	(1,338)	(1,338)
Payments on debt is treated as an expenditure in the governmental funds but the proceeds increase long-term liabilities in the Statement of Activities.					
	42,854	-	-	34,756	77,610
Principal payments made against outstanding capital leases are treated as expenditures in the governmental funds, but payments decrease long-term liabilities in the Statement of Activities.					
	-	-	(92,940)	-	(92,940)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities					
	76,910	116,943	92,200	-	286,053
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	(86,296)	(207,339)	(389,376)	-	(683,011)
Change in Net Position of Governmental Activities	<u>\$ 87,232</u>	<u>\$ (458,380)</u>	<u>\$ (387,443)</u>	<u>\$ (23,216)</u>	<u>\$ (781,807)</u>

Horry County Schools

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund
For the year ended June 30, 2017

	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	\$ 18	\$ 511	\$ -	\$ 344	\$ 873
1700 Student Activities:					
1730 Pupil Organization Membership Dues and Fees	641	-	-	-	641
1740 Student Fees	-	9,280	1,109	-	10,389
1790 Other	33,061	95,912	6,077	11,104	146,154
1900 Other Revenue from Local Sources:					
1910 Rentals	-	87,381	300	-	87,681
1920 Contributions & Donations from Private Sources	18,608	5,356	3,692	46,288	73,944
1993 Receipt of Insurance Proceeds	23,904	-	-	-	23,904
1999 Revenue from Other Local Sources	10,264	15,708	7,006	10,532	43,510
Total Revenue from Local Sources	<u>86,496</u>	<u>214,148</u>	<u>18,184</u>	<u>68,268</u>	<u>387,096</u>
Revenues from State Sources:					
3300 Education Finance Act:					
3310 Full-Time Programs					
3311 Kindergarten	117,320	230,223	90,694	-	438,237
3312 Primary	299,859	650,346	301,844	-	1,252,049
3313 Elementary	412,379	1,081,030	308,500	-	1,801,909
3314 High School	-	-	-	256	256
3316 Speech Handicapped (Part-time)	161,009	72,965	99,597	-	333,571
3320 Part-Time Programs					
3321 Emotionally Handicapped	-	-	-	1,045	1,045
3322 Educable Mentally Handicapped	-	-	11,137	16,037	27,174
3323 Learning Disabilities	82,523	77,957	135,423	379,762	675,665
3327 Vocational	-	-	-	618,167	618,167
3330 Miscellaneous EFA Programs					
3331 Autism	14,311	16,449	-	16,449	47,209
3332 High Achieving	8,036	69,912	5,962	355	84,265
3334 Limited English Proficiency	13,287	8,333	1,280	448	23,348
3351 Academic Assistance	40,860	69,182	45,392	47,033	202,467
3352 Pupils in Poverty	165,630	214,401	145,571	113,172	638,774
Total Revenue from State Sources	<u>1,315,214</u>	<u>2,490,798</u>	<u>1,145,400</u>	<u>1,192,724</u>	<u>6,144,136</u>
Total Revenue from All Sources	<u>1,401,710</u>	<u>2,704,946</u>	<u>1,163,584</u>	<u>1,260,992</u>	<u>6,531,232</u>
Expenditures					
100 Instruction:					
110 General Instruction:					
111 Kindergarten Programs:					
100 Salaries	-	-	66,476	-	66,476
200 Employee Benefits	-	-	29,377	-	29,377
400 Supplies and Materials	-	-	734	-	734
112 Primary Programs:					
100 Salaries	-	-	184,881	-	184,881
200 Employee Benefits	-	-	70,705	-	70,705
400 Supplies and Materials	-	-	1,183	-	1,183
113 Elementary Programs:					
100 Salaries	443,410	874,629	124,023	-	1,442,062
200 Employee Benefits	141,339	381,142	83,231	-	605,712
300 Purchased Services	-	3,880	-	-	3,880
400 Supplies and Materials	-	3,844	1,424	-	5,268
500 Capital Outlay	-	4,543	-	-	4,543
114 High School Programs:					
100 Salaries	-	-	-	405,078	405,078
200 Employee Benefits	-	-	-	111,194	111,194
300 Purchased Services	-	-	-	950	950
400 Supplies and Materials	-	-	4	51,758	51,762
500 Capital Outlay	-	-	-	61,142	61,142
120 Exceptional Programs:					
126 Speech Handicapped:					
300 Purchased Services	-	-	11,302	-	11,302
127 Learning Disabilities:					
100 Salaries	19,938	-	35,005	20,320	75,263
200 Employee Benefits	19,120	-	14,378	7,034	40,532
300 Purchased Services	178	-	-	-	178
400 Supplies and Materials	2,496	-	-	3,287	5,783
140 Special Programs:					
141 Gifted and Talented Academic:					
100 Salaries	1,493	-	-	-	1,493

Horry County Schools

*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund
For the year ended June 30, 2017*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
147 Full Day 4K:					
100 Salaries	-	-	-	-	-
200 Employee Benefits	-	-	22,495	-	22,495
170 Summer School Programs:					
175 Instructional Programs Beyond Regular School Day:					
100 Salaries	6,832	-	-	1,904	8,736
200 Employee Benefits	-	-	-	229	229
400 Supplies and Materials	-	-	-	800	800
180 Adult/Continuing Education Programs:					
188 Parenting/Family Literacy:					
300 Purchased Services	-	-	-	369	369
190 Instructional Pupil Activity					
100 Salaries	-	-	6,695	-	6,695
200 Employee Benefits	-	-	1,407	-	1,407
400 Supplies and Materials	-	-	6,116	-	6,116
Total Instruction	<u>634,806</u>	<u>1,268,038</u>	<u>659,436</u>	<u>664,065</u>	<u>3,226,345</u>
200 Supporting Services:					
210 Pupil Services:					
212 Guidance Services:					
100 Salaries	-	-	47,091	13,000	60,091
200 Employee Benefits	-	-	18,556	1,454	20,010
213 Health Services:					
100 Salaries	-	-	-	17,235	17,235
200 Employee Benefits	-	-	-	5,624	5,624
400 Supplies and Materials	-	-	-	1,948	1,948
214 Psychological Services:					
300 Purchased Services	250	-	-	246	496
215 Exceptional Program Services:					
300 Purchased Services	-	23,548	-	-	23,548
220 Instructional Staff Services:					
221 Improvement of Instruction Curriculum Development					
100 Salaries	-	66,950	-	12,000	78,950
200 Employee Benefits	-	23,474	-	918	24,392
224 Improvement of Instruction - In-Service and Staff Training:					
300 Purchased Services	609	-	-	7,582	8,191
230 General Administrative Services:					
231 Board of Education:					
300 Purchased Services	-	-	-	825	825
318 Audit Services	19,540	14,451	14,500	15,050	63,541
319 Legal Services	-	-	-	-	-
400 Supplies and Materials	3,900	3,304	1,544	3,386	12,134
600 Other Objects	-	20,419	2,782	11,257	34,458
233 School Administration:					
100 Salaries	132,890	158,878	100,871	146,993	539,632
200 Employee Benefits	59,352	52,787	30,830	25,502	168,471
300 Purchased Services	47,485	4,259	6,046	210	58,000
400 Supplies and Materials	5,559	11,049	5,672	14,669	36,949
500 Capital Outlay	11,736	15,086	-	512	27,334
600 Other Objects	16,708	49	-	-	16,757
250 Finance and Operations Services:					
252 Fiscal Services:					
300 Purchased Services	639	43,268	41,370	15,057	100,334
600 Other Objects	93	2,105	1,288	256	3,742
254 Operation and Maintenance of Plant:					
100 Salaries	883	21,705	12,807	-	35,395
200 Employee Benefits	5,849	9,314	1,886	-	17,049
300 Purchased Services	29,741	198,803	121,543	152,549	502,636
321 Public Utilities	-	-	2,053	391	2,444
400 Supplies and Materials	9,015	41,141	18,575	8,389	77,120
470 Energy	44,299	67,138	31,701	35,438	178,576
500 Capital Outlay	-	6,813,455	-	-	6,813,455
255 Student Transportation (State Mandated):					
100 Salaries	-	3,600	32,247	-	35,847
200 Employee Benefits	-	287	3,744	-	4,031
300 Purchased Services	-	3,980	32,872	2,633	39,485
400 Supplies and Materials	-	-	9,200	-	9,200
500 Capital Outlay	-	-	477	444	921
600 Other Objects	-	243	-	-	243
256 Food Services:					
100 Salaries	2,650	-	-	-	2,650
200 Employee Benefits	227	-	-	-	227

Horry County Schools

*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund
For the year ended June 30, 2017*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
258 Security:					
300 Purchased Services	768	1,223	-	2,983	4,974
260 Central Support Services:					
263 Information Services:					
100 Salaries	-	-	-	10,315	10,315
200 Employee Benefits	-	-	-	1,672	1,672
300 Purchased Services	-	-	335	18,975	19,310
264 Staff Services:					
300 Purchased Services	-	-	140	-	140
266 Technology and Data Processing Services:					
300 Purchased Services	1,135	-	-	16,482	17,617
400 Supplies and Materials	-	-	-	346	346
270 Support Services Pupil Activity:					
271 Pupil Services Activities:					
200 Employee Benefits	52,975	-	-	-	52,975
300 Purchased Services	2,837	-	380	-	3,217
400 Supplies and Materials	15,069	710	-	-	15,779
600 Other Objects	13,137	90,494	3,723	2,064	109,418
272 Enterprise Activities:					
400 Supplies and Materials	-	-	1,131	-	1,131
Total - Supporting Services	<u>477,346</u>	<u>7,691,720</u>	<u>543,364</u>	<u>546,405</u>	<u>9,258,835</u>
500 Debt Service:					
610 Redemption of Principal	42,854	-	2,908	34,756	80,518
620 Interest	92,218	497,833	927	14,849	605,827
Total Debt Service	<u>135,072</u>	<u>497,833</u>	<u>3,835</u>	<u>49,605</u>	<u>686,345</u>
Total Expenditures	<u>1,247,224</u>	<u>9,457,591</u>	<u>1,206,635</u>	<u>1,260,075</u>	<u>13,171,525</u>
Other Financing Sources (Uses)					
5500 Capital Leases	-	6,813,455	-	-	6,813,455
5220 Transfer from Special Revenue Fund	20,291	-	-	-	20,291
421-710 Transfer to Special Revenue Fund	-	(154,389)	(12,318)	(34,638)	(201,345)
Total Other Financing Sources (Uses)	<u>20,291</u>	<u>6,659,066</u>	<u>(12,318)</u>	<u>(34,638)</u>	<u>6,632,401</u>
Changes in Fund Balance	174,777	(93,579)	(55,369)	(33,721)	(7,892)
Fund Balance (Deficit) - July 1, 2016	(355,452)	974,435	147,079	117,386	883,448
Fund Balance (Deficit) - June 30, 2017	<u>\$ (180,675)</u>	<u>\$ 880,856</u>	<u>\$ 91,710</u>	<u>\$ 83,665</u>	<u>\$ 875,556</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, 2017*

	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	\$ 5,827	\$ 21,393	\$ 1,359	\$ 9,713	\$ 38,292
Total Local Sources	<u>5,827</u>	<u>21,393</u>	<u>1,359</u>	<u>9,713</u>	<u>38,292</u>
Revenues from State Sources:					
3100 Restricted State Funding:					
3120 General Education					
3127 Student Health and Fitness - PE Teachers	1,724	3,386	1,645	-	6,755
3130 Special Programs					
3134 CDEP Expansion	-	-	4,640	-	4,640
3136 Student Health and Fitness - Nurses	-	-	10,726	-	10,726
3177 Summer Reading Camps	1,235	2,092	-	-	3,327
3600 Education Lottery Act Revenue					
3630 K-12 Technology Initiative	6,971	29,438	-	5,145	41,554
Total State Sources	<u>9,930</u>	<u>34,916</u>	<u>17,011</u>	<u>5,145</u>	<u>67,002</u>
Revenues from Federal Sources:					
4300 Elementary & Secondary Education Act of 1965 (ESEA):					
4310 Title 1, Basic State Grant Programs	191,289	-	167,480	149,913	508,682
4351 Improving Teacher Quality	-	-	4,320	-	4,320
4500 Programs for Children with Disabilities:					
4510 Individuals with Disabilities Act (IDEA)	25,332	20,905	27,072	53,158	126,467
4800 USDA Reimbursement:					
4810 School Lunch and After School Snacks Program	48,774	-	67,182	-	115,956
4830 School Breakfast Program	16,893	-	33,233	-	50,126
Total Federal Sources	<u>282,288</u>	<u>20,905</u>	<u>299,287</u>	<u>203,071</u>	<u>805,551</u>
Total Revenue - All Sources	<u>298,045</u>	<u>77,214</u>	<u>317,657</u>	<u>217,929</u>	<u>910,845</u>
Expenditures					
100 Instruction:					
110 General Instruction:					
112 Primary Programs:					
100 Salaries	-	-	48,668	-	48,668
200 Employee Benefits	-	-	11,442	-	11,442
400 Supplies and Materials	75	-	-	-	75
113 Elementary Programs:					
100 Salaries	170,375	3,385	74,369	-	248,129
200 Employee Benefits	-	-	18,588	-	18,588
400 Supplies and Materials	1,967	2,211	16,058	-	20,236
500 Capital Outlay	-	29,320	-	-	29,320
114 High School Programs:					
100 Salaries	-	-	-	42,579	42,579
200 Employee Benefits	-	-	-	3,650	3,650
400 Supplies and Materials	-	-	-	1,425	1,425
500 Capital Outlay	-	-	-	16,437	16,437
120 Exceptional Programs:					
126 Speech Handicapped:					
300 Purchased Services	-	-	2,993	-	2,993
127 Learning Disabilities:					
100 Salaries	23,562	20,905	24,079	45,000	113,546
200 Employee Benefits	-	-	-	2,233	2,233
400 Supplies and Materials	3,783	-	-	-	3,783
140 Special Programs:					
147 Full Day 4K:					
100 Salaries	-	-	4,640	-	4,640
Total - Instruction	<u>199,762</u>	<u>55,821</u>	<u>200,837</u>	<u>111,324</u>	<u>567,744</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, 2017*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
200 Supporting Services:					
210 Pupil Services:					
212 Guidance Services:					
100 Salaries	-	-	-	25,000	25,000
200 Employee Benefits	-	-	-	2,116	2,116
213 Health Services:					
100 Salaries	-	-	10,726	-	10,726
217 Career Specialist Services:					
100 Salaries	-	-	-	5,000	5,000
220 Instructional Staff Services:					
224 Improvement of Instruction - In-Service and Staff Training:					
300 Purchased Services	-	-	4,000	-	4,000
230 General Administrative Services:					
233 School Administration:					
100 Salaries	-	-	-	48,872	48,872
200 Employee Benefits	-	-	-	13,718	13,718
300 Purchased Services	4,944	-	-	-	4,944
400 Supplies and Materials	2,746	-	-	-	2,746
250 Finance and Operations Services:					
254 Operation and Maintenance of Plant:					
100 Salaries	-	-	320	-	320
256 Food Service:					
100 Salaries	14,806	28,033	38,591	-	81,430
200 Employee Benefits	-	7,571	12,287	-	19,858
300 Purchased Services	1,216	-	-	44,351	45,567
400 Supplies and Materials	33,300	95,988	63,214	-	192,502
500 Capital Outlay	-	24,543	-	-	24,543
260 Central Support Services:					
266 Technology and Data Processing Services:					
300 Purchased Services	516	-	-	551	1,067
400 Supplies and Materials	-	-	-	1,635	1,635
270 Support Services - Pupil Activity:					
271 Pupil Service Activity:					
200 Employee Benefits	20,446	-	-	-	20,446
400 Supplies and Materials	18	-	-	-	18
Total - Supporting Services	<u>77,992</u>	<u>156,135</u>	<u>129,138</u>	<u>141,243</u>	<u>504,508</u>
500 Debt Service:					
620 Interest	-	1,138	-	-	1,138
Total - Debt Service	<u>-</u>	<u>1,138</u>	<u>-</u>	<u>-</u>	<u>1,138</u>
Total Expenditures	<u>277,754</u>	<u>213,094</u>	<u>329,975</u>	<u>252,567</u>	<u>1,073,390</u>
Other Financing Sources (Uses)					
5500 Payments on Capital Lease	-	(18,509)	-	-	(18,509)
5210 Transfer from General Fund	-	154,389	12,318	34,638	201,345
420-710 Transfer to General Fund	(20,291)	-	-	-	(20,291)
Total Other Financing Sources (Uses)	<u>(20,291)</u>	<u>135,880</u>	<u>12,318</u>	<u>34,638</u>	<u>162,545</u>
Excess/(Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balance, July 1, 2016	-	-	-	-	-
Fund Balance, June 30, 2017	<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, 2017

	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:					
3511 Professional Development	\$ 834	\$ 1,768	\$ 609	\$ 615	\$ 3,826
3512 Technology Professional Development	805	1,707	-	594	3,106
3518 Formative Assessment	751	1,592	1,380	554	4,277
3526 Refurbishment of K-8 Science Kits	667	1,414	-	-	2,081
3532 National Board Certification (NBC) Salary Supplement	9,341	9,341	-	-	18,682
3535 Reading Coaches	-	-	61,665	-	61,665
3538 Students at Risk of School Failure	16,037	27,153	17,815	18,460	79,465
3541 Child Development Education Program	-	-	64,130	-	64,130
3550 Teacher Salary Increase	26,587	53,912	39,154	19,637	139,290
3555 School Employer Contributions	6,524	13,230	9,608	4,819	34,181
3558 Reading	665	1,409	575	490	3,139
3577 Teacher Supplies	4,400	6,050	4,675	2,200	17,325
3581 Student Health and Fitness - Nurses	-	-	3,486	-	3,486
3595 EEDA - Supplies and Materials - Career Awareness	403	855	-	298	1,556
3597 Aid to Districts	2,727	5,782	2,361	2,012	12,882
Total State Sources	<u>69,741</u>	<u>124,213</u>	<u>205,458</u>	<u>49,679</u>	<u>449,091</u>
Total Revenue - All Sources	<u>69,741</u>	<u>124,213</u>	<u>205,458</u>	<u>49,679</u>	<u>449,091</u>
Expenditures:					
100 Instruction:					
110 General Instruction:					
113 Elementary Programs:					
100 Salaries	30,770	89,339	59,794	-	179,903
200 Employee Benefits	7,822	14,296	9,720	-	31,838
400 Supplies and Materials	5,142	10,465	6,055	-	21,662
114 High School Programs:					
100 Salaries	-	-	-	38,097	38,097
200 Employee Benefits	-	-	-	4,819	4,819
400 Supplies and Materials	-	-	-	4,986	4,986
120 Exceptional Programs:					
127 Learning Disabilities:					
300 Purchased Services	14,537	-	-	-	14,537
400 Supplies and Materials	-	-	-	20	20
140 Special Programs:					
147 Full Day 4K:					
100 Salaries	-	-	49,619	-	49,619
200 Employee Benefits	-	-	13,297	-	13,297
300 Purchased Services	-	-	50	-	50
400 Supplies and Materials	-	-	1,163	-	1,163
Total - Instruction	<u>58,271</u>	<u>114,100</u>	<u>139,698</u>	<u>47,922</u>	<u>359,991</u>
200 Supporting Services:					
210 Pupil Services:					
212 Guidance Services:					
400 Supplies and Materials	-	855	-	-	855
213 Health Services:					
100 Salaries	-	-	2,137	-	2,137
200 Employee Benefits	-	-	1,349	-	1,349
400 Supplies and Materials	-	-	-	250	250
214 Psychological Services:					
300 Purchased Services	1,500	-	-	-	1,500
220 Instructional Staff Services:					
221 Improvement of Instruction Curriculum and Development:					
100 Salaries	-	-	49,440	-	49,440
200 Employee Benefits	-	-	12,225	-	12,225
224 Improvement of Instruction - In-Service and Staff Training:					
300 Purchased Services	1,563	3,476	609	1,507	7,155
230 General Administrative Services:					
233 School Administration:					
300 Purchased Services	536	-	-	-	536
600 Other Objects	804	-	-	-	804
260 Central Support Services:					
266 Technology and Data Processing Services:					
300 Purchased Services	77	-	-	-	77
270 Central Support Services:					
271 Pupil Service Activities					
200 Employee Benefits	6,990	-	-	-	6,990
600 Other Objects	-	5,782	-	-	5,782
Total - Supporting Services	<u>11,470</u>	<u>10,113</u>	<u>65,760</u>	<u>1,757</u>	<u>89,100</u>
Total Expenditures	<u>69,741</u>	<u>124,213</u>	<u>205,458</u>	<u>49,679</u>	<u>449,091</u>
Excess/(Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balance, July 1, 2016	-	-	-	-	-
Fund Balance, June 30, 2017	<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**As of June 30, 2017*

Program	Revenue/ Subfund Code	Description	Total Due	Status of Amount Due to Grantors
National Board Salary Supplement	2332	Unspent allocation	\$ 12,868	Repaid 8/15/17
EEDA Supplemental Programs	2394	Unspent allocation	7,671	Repaid 8/18/17
EEDA Supplies and Materials	2395	Unspent allocation	21,938	Repaid 8/18/17
Leveled Data Reimbursement	2508	Unspent allocation	51,442	Repaid 8/18/17
			<u>\$ 93,919</u>	

Horry County Schools**Location Reconciliation Schedule****For the year ended June 30, 2017**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
0001	Aynor High	High School	School	9,539,838
0002	North Myrtle Beach High	High School	School	26,232,566
0004	Conway High	High School	School	15,255,732
0006	Green Sea Floyds High	Middle-High School	School	8,710,028
0008	Loris High	High School	School	10,045,430
0010	Myrtle Beach High	High School	School	13,196,746
0011	Socastee High	High School	School	15,177,667
0013	Whittemore Park Middle	Middle School	School	8,214,505
0014	Aynor Elementary	Elementary School	School	8,892,128
0016	Myrtle Beach Middle	Middle School	School	38,139,466
0017	Conway Middle	Middle School	School	5,570,561
0021	Daisy Elementary	Elementary School	School	6,774,436
0023	Green Sea Floyds Elem	Elementary School	School	6,507,679
0025	Homewood Elementary	Elementary School	School	6,499,223
0027	Loris Middle	Middle School	School	7,245,418
0028	Kingston Elementary	Elementary School	School	5,834,701
0029	Lakewood Elementary	Elementary School	School	8,911,530
0030	St. James Elementary	Elementary School	School	8,637,646
0032	Loris Elementary	Elementary School	School	8,142,977
0033	Midland Elementary	Elementary School	School	15,284,265
0034	Myrtle Beach Elementary	Elementary School	School	7,046,607
0035	Myrtle Beach Primary	Primary School	School	10,275,291
0036	Conway Elementary	Elementary School	School	6,302,063
0037	North Myrtle Beach Middle	Middle School	School	17,824,130
0039	Pee Dee Elementary	Elementary School	School	8,060,987
0042	Waccamaw Elementary	Elementary School	School	8,126,192
0045	South Conway Elem	Elementary School	School	8,787,978
0046	Forestbrook Elementary	Elementary School	School	10,186,428
0047	St James Middle	Middle School	School	11,119,544
0049	Carolina Forest Elem	Elementary School	School	9,387,049
0050	Seaside Elementary School	Elementary School	School	6,405,947
0051	Forestbrook Middle	Middle School	School	9,924,793
0052	Carolina Forest High	High School	School	19,402,389
0053	Myrtle Beach Intermediate	Elementary School	School	6,196,151
0054	Socastee Elementary	Elementary School	School	31,514,136
0056	Palmetto Bays Elementary	Elementary School	School	6,849,233
0057	Aynor Middle School	Middle School	School	6,786,732
0058	St. James High School	High School	School	15,253,812
0060	Ocean Bay Elementary School	Elementary School	School	6,825,183
0061	Ocean Bay Middle School	Middle School	School	9,553,157
0062	Black Water Middle School	Middle School	School	6,985,660
0063	Burgess Elementary School	Elementary School	School	7,287,273
0064	Early College High School	High School	School	3,923,222
0065	River Oaks Elementary School	Elementary School	School	9,189,413
0066	Ocean Drive Elementary	Elementary School	School	8,922,273
0067	Waterway Elementary	Elementary School	School	6,550,729
0068	Riverside Elementary	Elementary School	School	7,045,109
0069	Socastee Middle	Elementary School	School	19,883,687

Horry County Schools

Location Reconciliation Schedule

For the year ended June 30, 2017

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
0070	Ten Oaks Middle	Middle School	School	29,966,819
0071	St. James Intermediate	Middle School	School	36,797,167
0096	Acad Arts Sci And Tech	High School	School	6,503,047
0098	Academy of Tech & Academics	High School	School	7,057,568
0172	Conway Education Center	Various	School	229,405
0173	Myrtle Beach Education Center	Various	School	96,841
0174	Saint Andrews	Various	School	3,350
0175	Chabad Academy	Various	Central	8,521
0176	Conway Alternative School	Various	School	3,927,855
0177	Loris Alternative School	Various	School	3,915
0178	CCU Scholars Academy	High School	School	1,916,155
0179	Bridgewater Academy	Charter School	Central	1,682,198
0180	Playcard Environmental	Various	School	158,097
0181	PALS	Charter School	Central	2,656,180
0182	Therapeutic Learning Center	Various	School	1,101,438
0183	Palmetto Acad for Learning MS	Charter School	Central	1,451,738
0184	Academy of Hope	Charter School	Central	1,713,787
0185	Saint Micheals	Various	School	3,561
0186	Holy Trinity Catholic School	Various	School	1,706
0187	Light House	Various	School	34,222
0189	Seacoast Youth Academy	Various	School	161,043
0190	Waccamaw Youth Center	Various	Central	15,405
0192	Sea Haven, Inc.	Various	Central	6,750
0193	NMB Christian	Various	Central	-
1100	Office Of Superintendent	Various	Central	428,965
1200	Board Of Education	Various	Central	546,821
1300	Policy & Legal	Various	Central	421,659
2100	Academics	Various	Central	4,661,563
3100	Support Services	Various	Central	7,666,621
4100	Fiscal Services	Various	Central	3,286,860
4600	Human Resources	Various	Central	2,888,536
4900	Debt Service	Various	Central	42,634,855
5100	Facilities Management	Various	Central	7,044,300
8100	Information & Accountability Services	Various	Central	4,673,530
9100	Instructional Support Services	Various	Central	2,914,271
Total expenditures for all funds				\$ 691,092,459

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

General Fund	\$ 376,134,302
Special Projects Fund	34,357,201
Education Improvement Act Fund	13,846,605
Debt Service	42,634,855
Capital Projects Fund	194,887,027
Proprietary Fund	20,760,805
Agency Funds	8,413,213
Trust and Other Private Purpose Funds	58,451
Total expenditures for all funds	\$ 691,092,459

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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.	162-166
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the School District's ability to generate its property taxes.	167-170
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.	171-175
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.	176-178
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.	179-182

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 93,916	\$ 126,186	\$ 165,674	\$ 195,460	\$ 233,111	\$ 268,586	\$ 286,007	\$ 308,891	\$ 140,200	\$ 315,403
Restricted	100,048	94,786	101,572	102,769	89,869	82,185	83,606	87,927	302,736	176,491
Unrestricted	64,759	63,460	60,803	72,512	82,353	86,608	90,920	(335,482) *	(328,140) *	(340,033) *
Total governmental activities net position	\$ 258,723	\$ 284,432	\$ 328,049	\$ 370,741	\$ 405,333	\$ 437,379	\$ 460,533	\$ 61,336	\$ 114,796	\$ 151,861
Business-type activities										
Net investment in capital assets	\$ 1,283	\$ 2,711	\$ 2,525	\$ 2,341	\$ 2,347	\$ 2,286	\$ 2,310	\$ 2,162	\$ 2,038	\$ 1,806
Unrestricted	2,208	2,457	3,228	3,684	4,162	4,302	4,251	(2,009) *	(1,920) *	(2,111) *
Total business-type activities net position	\$ 3,491	\$ 5,168	\$ 5,753	\$ 6,025	\$ 6,509	\$ 6,588	\$ 6,561	\$ 153	\$ 118	\$ (305)
Total primary government net position	\$ 262,214	\$ 289,600	\$ 333,802	\$ 376,766	\$ 411,842	\$ 443,967	\$ 467,094	\$ 61,489	\$ 114,914	\$ 151,556
Component units										
Net investment in capital assets	\$ 181	\$ 172	\$ 181	\$ 413	\$ 505	\$ 411	\$ 465	\$ 604	\$ 507	\$ 97
Restricted	-	-	-	-	-	-	8	9	7	5
Unrestricted	297	409	435	268	552	641	533	(2,391) *	(2,858) *	(3,228) *
Total component units net position (deficit)	\$ 478	\$ 581	\$ 616	\$ 681	\$ 1,057	\$ 1,052	\$ 1,006	\$ (1,778)	\$ (2,344)	\$ (3,126)

* The change in unrestricted net position beginning in 2015 is due to the implementation of GASB Statement No. 68.

Table 2

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities										
Instructional services	\$ 223,015	\$ 234,511	\$ 236,394	\$ 236,524	\$ 251,284	\$ 256,028	\$ 267,754	\$ 273,224	\$ 276,465	\$ 299,279
Supporting services	126,447	130,780	127,351	128,715	133,424	140,253	152,291	155,900	157,822	168,860
Community services	1,123	1,087	1,218	961	943	956	1,000	1,285	1,344	1,491
Interest and other charges	20,084	21,042	19,980	17,516	14,182	13,646	15,908	13,707	9,406	14,272
Pupil activities	470	133	341	457	529	656	646	716	-	242
Total governmental activities expenses	<u>371,139</u>	<u>387,553</u>	<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>
Business-type activities:										
Food service	17,668	18,831	19,092	20,088	20,857	21,315	21,189	21,376	21,026	20,761
Total business-type activities expenses	<u>17,668</u>	<u>18,831</u>	<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>
Total primary government expenses	<u>\$ 388,807</u>	<u>\$ 406,384</u>	<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>
Program revenues:										
Governmental activities										
Charges for services:										
Instruction	\$ 116	\$ 86	\$ 94	\$ 117	\$ 114	\$ 116	\$ 43	\$ 36	\$ 611	\$ 827
Supporting services	4,079	3,696	3,530	3,567	3,627	3,547	3,862	3,389	-	-
Community services	-	-	-	-	-	-	-	-	151	75
Operating grants and contributions	139,410	123,701	112,481	121,586	132,408	137,520	147,407	156,393	171,374	186,359
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>143,605</u>	<u>127,483</u>	<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>
Business-type activities										
Charges for services	5,956	5,933	5,357	5,259	5,272	5,068	5,033	4,824	4,381	4,568
Operating grants and contributions	11,263	12,425	14,023	15,056	15,726	16,044	15,559	16,422	16,455	16,136
Total business-type activities program revenues	<u>17,219</u>	<u>18,358</u>	<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>
Total primary government program revenues	<u>\$ 160,824</u>	<u>\$ 145,841</u>	<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>

Table 2

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (expense) revenue										
Governmental activities net (expense) revenue	\$ (227,534)	\$ (260,070)	\$ (269,179)	\$ (258,903)	\$ (264,213)	\$ (270,356)	\$ (286,287)	\$ (285,014)	\$ (272,901)	\$ (296,883)
Business-type activities net (expense) revenue	(449)	(473)	288	227	141	(203)	(597)	(130)	(190)	(57)
Total primary government (net expense)	(227,983)	(260,543)	(268,891)	(258,676)	(264,072)	(270,559)	(286,884)	(285,144)	(273,091)	(296,940)
General revenues and other:										
Governmental activities:										
Property taxes	208,069	237,110	265,424	254,328	251,240	253,568	259,884	262,613	272,056	278,248
State aid	43,941	45,150	46,155	46,367	47,045	48,496	49,642	51,292	52,369	52,829
Other	14,020	5,557	1,504	941	860	614	481	680	1,122	2,312
Transfers	(1,039)	(2,039)	(287)	(41)	(340)	(276)	(566)	(485)	813	559
Total governmental activities general revenues and other	264,991	285,778	312,796	301,595	298,805	302,402	309,441	314,100	326,360	333,948
Business-type activities:										
Other	\$ 2	\$ 111	\$ 11	\$ 3	\$ 3	\$ 6	\$ 3	\$ 9	\$ 235	\$ 193
Transfers	1,039	2,039	287	41	340	276	566	485	(79)	(559)
Total business-type activities general revenues and other	1,041	2,150	298	44	343	282	569	494	156	(366)
Total Primary Government change in net position	\$ 266,032	\$ 287,928	\$ 313,094	\$ 301,639	\$ 299,148	\$ 302,684	\$ 310,010	\$ 314,594	\$ 326,516	\$ 333,582
Total Component Units										
Total Expenses	\$ 1,157	\$ 1,280	\$ 1,340	\$ 2,620	\$ 4,068	\$ 5,194	\$ 6,912	\$ 7,076	\$ 8,054	\$ 8,673
Program Revenues:										
Charges for Services	54	70	73	55	54	58	-	-	-	-
Operating Grants and Contributions	29	15	13	2,548	4,067	5,126	6,473	7,015	6,987	7,466
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total program revenues	83	85	86	2,603	4,121	5,184	6,473	7,015	6,987	7,466
Net (expense) revenue	(1,074)	(1,195)	(1,254)	(17)	53	(10)	(439)	(61)	(1,067)	(1,207)
General revenues - state aid/grants (unrestricted)	1,230	1,298	1,289	77	294	126	394	442	501	425
Change in net position - component units	\$ 156	\$ 103	\$ 35	\$ 60	\$ 347	\$ 116	\$ (45)	\$ 381	\$ (566)	\$ (782)

Source: Horry County Schools' Audit Reports

Table 3

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved	\$ 2,021	\$ 2,158	\$ 2,181	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved	58,290	53,610	49,529	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total general fund	<u>60,311</u>	<u>55,768</u>	<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>
General fund**										
Non-spendable:										
Inventories	N/A	N/A	N/A	475	614	534	580	570	518	641
Prepaid Expenditures	N/A	N/A	N/A	1,941	2,154	5,491	1,946	1,896	1,987	2,454
Committed:										
10-15% Reserve	N/A	N/A	N/A	-	-	-	-	-	-	-
Assigned:										
Carryover School Budgets	N/A	N/A	N/A	433	502	420	552	495	497	525
Subsequent Year Expenditures	N/A	N/A	N/A	2,473	2,726	2,925	4,698	14,134	11,345	17,683
Unencumbered Operating Expenditures	N/A	N/A	N/A	54	59	59	-	-	-	-
Unassigned	N/A	N/A	N/A	56,676	64,112	65,377	75,919	71,806	77,600	80,511
Total general fund	<u>-</u>	<u>-</u>	<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>
All other governmental funds										
Reserved	100,047	94,785	101,572	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total all other governmental funds	<u>100,047</u>	<u>94,785</u>	<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>
All other governmental funds**										
Non-spendable	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 761,532	\$ 404
Restricted:										
Special Projects	N/A	N/A	N/A	1,496	-	-	-	-	677	1,385
Debt Service	N/A	N/A	N/A	48,212	32,355	27,229	25,080	24,318	34,590	31,926
Capital Projects	N/A	N/A	N/A	53,060	57,514	54,957	56,408	61,496	265,227	116,783
Total all other governmental funds	<u>N/A</u>	<u>N/A</u>	<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>

Notes: Modified accrual basis of accounting.

** 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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Local sources	\$ 221,810,847	\$ 241,909,038	\$ 271,599,226	\$ 260,378,440	\$ 257,295,873	\$ 261,628,826	\$ 269,272,250	\$ 268,240,809	\$ 279,013,531	\$ 288,560,731
Intergovernmental	1,562	20,745	66,970	101,110,000	284,647	225,530	98,407,000	36,536	1,651,625	1,688,098
State sources	157,815,711	141,094,942	120,888,530	126,255,717	146,966,230	158,030,653	169,692,055	178,626,061	187,206,318	200,571,651
Federal sources	23,001,551	25,922,814	35,353,050	39,757,221	29,463,176	24,212,242	23,696,383	25,912,165	26,800,598	29,830,964
Total revenue	402,629,671	408,947,539	427,907,776	426,492,488	434,009,926	444,097,251	462,759,095	472,815,571	494,672,072	520,651,444
Expenditures:										
Current:										
Instructional services	207,905,105	220,283,094	222,148,334	219,841,958	232,174,633	236,650,368	240,683,778	245,518,875	252,922,172	265,897,095
Supporting services	117,800,850	122,837,788	119,883,821	119,687,739	123,756,733	130,039,982	136,916,619	139,944,831	144,215,511	150,309,788
Community services	1,055,713	1,028,109	1,144,979	891,076	871,428	883,415	885,554	1,138,889	1,219,662	1,315,048
Pupil activities	-	-	-	456,962	528,974	656,605	646,784	715,943	-	242,068
Intergovernmental	2,671,295	2,511,608	1,951,639	3,365,840	4,659,258	5,625,885	7,137,197	7,874,729	8,221,998	7,924,685
Capital outlay	55,625,422	49,538,316	23,922,155	28,923,022	40,660,605	37,343,051	31,972,154	31,870,449	73,318,123	193,778,519
Debt Service:										
Principal	39,120,000	16,895,000	34,590,000	22,210,000	18,250,000	19,390,000	19,935,000	20,845,000	21,860,000	22,945,000
Interest and Legal Fees	20,873,849	21,678,643	21,153,094	19,976,914	17,768,555	16,419,252	16,064,806	15,708,756	14,162,896	19,689,855
Total expenditures	445,052,234	434,772,558	424,794,022	415,353,511	438,670,186	447,008,558	454,241,892	463,617,472	515,920,362	662,102,058
Excess (deficiency) of revenues over expenditures	(42,422,563)	(25,825,019)	3,113,754	11,138,977	(4,660,260)	(2,911,307)	8,517,203	9,198,099	(21,248,290)	(141,450,614)
Other financing sources (uses):										
Premium on bonds sold	2,037,605	3,080,032	6,492,467	9,867,454	7,559,556	1,399,317	-	23,080,290	41,113,039	-
General obligation bonds issued	90,000,000	15,100,000	-	-	-	-	-	-	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	6,920,373	11,832	66,980	269,318	18,874	25,376	240,239	150,850	29,883	-
Other financing sources	-	-	-	-	-	-	-	160,926	-	-
Transfers in	5,947,100	6,147,921	8,726,301	63,987,288	54,215,836	46,983,030	47,761,342	48,187,711	44,351,867	54,986,957
Transfers out	(7,455,269)	(8,319,839)	(9,354,198)	(64,028,004)	(54,555,763)	(47,258,901)	(48,327,433)	(48,672,830)	(43,538,901)	(54,427,925)
Total other financing sources (uses)	97,449,809	16,019,946	(384,828)	398,879	(123,716)	(132,751)	(325,852)	334,564	239,735,888	559,032
Change in fund balances	\$ 55,027,246	\$ (9,805,073)	\$ 2,728,926	\$ 11,537,856	\$ (4,783,976)	\$ (3,044,058)	\$ 8,191,351	\$ 9,532,663	\$ 218,487,598	\$ (140,891,582)
Debt service as a percentage of non capital expenditures	15.4%	10.0%	13.9%	10.9%	9.0%	8.7%	8.5%	8.5%	7.8%	8.9%

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 Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2008	1,466,803	25,839,954	302,173	5,323,235	1,768,976	31,163,189	143.3	5.68%
2009	1,663,986	29,383,533	306,600	5,414,103	1,970,586	34,797,636	143.3	5.66%
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%

Source(s): Horry County Auditor and Assessor
 ** 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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<i>Direct Rates:</i>										
Horry County Schools										
General Fund	115.3	115.3	119.3	118.2	120.2	120.2	120.2	123.1	123.1	123.1
Debt Service	28.0	28.0	20.0	14.0	10.0	10.0	10.0	10.0	10.0	10.0
Total	<u>143.3</u>	<u>143.3</u>	<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>
<i>Overlapping Rates:</i>										
Horry County	47.3	47.3	47.3	44.9	45.2	45.2	45.2	45.2	52.4	52.4
Town of Atlantic Beach	94.5	94.5	94.5	94.5	84.5	84.5	84.5	84.5	84.5	84.5
Town of Aynor	72.2	72.2	72.2	60.8	60.8	60.8	60.8	60.8	60.8	60.8
Town of Briarcliffe Acres	52.8	55.6	55.6	50.8	50.8	50.8	50.8	50.8	50.8	50.8
City of Conway	86.6	86.6	86.6	79.3	79.3	79.3	79.3	82.4	82.4	82.4
City of Loris	105.0	105.0	105.0	103.7	103.7	103.7	103.2	111.7	115.0	115.0
City of Myrtle Beach	61.4	64.4	64.4	66.1	66.1	66.1	66.1	74.5	74.5	77.5
City of North Myrtle Beach	30.5	32.2	32.2	32.0	38.0	38.0	38.0	39.3	39.3	41.3
Town of Surfside Beach	44.0	44.0	44.0	40.0	40.0	40.0	40.0	46.2	46.2	46.2

Source: Horry County Auditor

Table 7

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

Taxpayer	Fiscal Year Ended June 30, 2017			Fiscal Year Ended June 30, 2008		
	Taxable Assessed Value	Rank	Percent of Assessed Value to Total Assessed Value	Taxable Assessed Value	Rank	Percent of Assessed Value to Total Assessed Value
Burroughs & Chapin Inc & Subsidiaries	\$ 19,506,880	1	0.95%			
Horry Electric Coop. Inc.	18,835,060	2	0.92%	\$ 14,953,495	2	0.85%
HRP Myrtle Beach Operations LLC	7,051,530	3	0.34%			
Lawyers Title Insurance Corp.	5,260,390	4	0.26%	4,587,252	5	0.26%
Bluegreen Vacations Unlimited, Inc.	5,225,960	5	0.26%	3,889,483	7	0.22%
South Carolina Electric & Gas	4,294,370	6	0.21%			
Marriott Ownership Resorts Inc.	4,068,990	7	0.20%			
Time Warner Cable Southeast LI	3,789,400	8	0.19%			
Ocean Lakes Family Campground	3,412,220	9	0.17%			
AVX Corporation	3,377,753	10	0.16%	3,675,874	9	0.21%
Myrtle Beach Farms/Burroughs & Chapin				28,702,489	1	1.62%
Horry Telephone Coop.				7,422,940	3	0.42%
Verizon				6,705,700	4	0.37%
Broadway at the Beach				4,489,506	6	0.25%
SC Coastal Development				3,676,884	8	0.21%
Walmart Real Estate Business Trust/Sam's				3,629,676	10	0.21%
Totals	\$ 74,822,553		3.65%	\$ 81,733,299		4.62%

Source: Horry County Treasurer

Horry County Schools
Property Tax Levies and Collections
Last Ten Fiscal Years

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
2008	205,633	196,868	95.74%	6,746	203,614	99.02%
2009	224,010	213,578	95.34%	8,722	222,300	99.24%
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%	-	213,523	98.08%

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>Assessed Value</u>	<u>Population</u>	<u>Ratio Bonded Debt to Assessed Value</u>	<u>Bonded Debt Per Capita in Actual Dollars</u>
2008	462,235	24,393	437,842	1,768,976	250	26.13%	1,849
2009	459,914	42,680	417,234	1,970,586	257	23.34%	1,790
2010	424,455	73,876	350,579	2,006,179	264	21.16%	1,608
2011	401,208	44,130	357,078	2,028,990	269	19.77%	1,491
2012	379,873	27,574	352,299	2,044,718	276	18.58%	1,376
2013	357,575	27,036	330,539	2,053,870	282	17.41%	1,268
2014	346,986	20,466	326,520	2,084,482	290	16.65%	1,197
2015	330,620	19,612	311,008	2,097,002	299	15.77%	1,106
2016	543,301	34,462	508,839	2,107,936	309	25.77%	1,758
2017	512,157	31,738	480,419	2,175,654	322	23.54%	1,591

Source(s): Assessed Value - Horry County Auditor and Assessor.

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Personal Income</u>	<u>Population</u>	<u>Ratio of O/S Debt to Personal Income</u>	<u>Bonded Debt per Capita In Actual Dollars</u>
2008	462,235	7,343,546	250	6.29%	1,849
2009	459,914	7,678,701	257	5.99%	1,790
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	Unavailable	309	Unavailable	1,758
2017	512,157	Unavailable	322	Unavailable	1,591

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 - Coastal Carolina University (2006-2009). Beginning 2010, US Census Bureau

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Expenditures</u>
2008	39,120,000	20,873,849	59,993,849	445,052,234	13.48%
2009	16,895,000	21,678,643	38,573,643	434,772,558	8.87%
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%

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, 2017 (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	\$ 512,157	100%	\$ 512,157
Direct Debt	<u>512,157</u>		<u>512,157</u>
Horry County Government	208,681	100%	208,681
City of Myrtle Beach	178,229	100%	178,229
City of Conway	7,205	100%	7,205
City of North Myrtle Beach	5,255	100%	5,255
City of Loris	535	100%	535
Town of Surfside Beach	<u>311</u>	100%	<u>311</u>
Total Overlapping Debt	<u>400,216</u>		<u>400,216</u>
Total Direct and Overlapping Debt			<u><u>\$ 912,373</u></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)

	2008	2009	2010	2011	Fiscal Year Ended June 30,		2014	2015	2016	2017
					2012	2013				
Debt Limit	\$ 142,677	\$ 158,990	\$ 160,862	\$ 164,213	\$ 166,459	\$ 166,313	\$ 164,364	\$ 167,760	\$ 168,635	\$ 174,052
Total net debt applicable to limit	36,547	42,265	20,200	13,435	9,160	5,620	4,355	3,035	125,000	125,000
Legal debt margin	<u>\$ 106,130</u>	<u>\$ 116,725</u>	<u>\$ 140,662</u>	<u>\$ 150,778</u>	<u>\$ 157,299</u>	<u>\$ 160,693</u>	<u>\$ 160,009</u>	<u>\$ 164,725</u>	<u>\$ 43,635</u>	<u>\$ 49,052</u>
Total net debt applicable to limit as a percentage of debt limit	25.62%	26.58%	12.56%	8.18%	5.50%	3.38%	2.65%	1.81%	74.12%	71.82%
<u>Legal debt margin calculation for fiscal year 2017</u>										
Assessed value	\$ 2,175,654									
Debt limit (8% of assessed value)	174,052									
Debt applicable to limit	(125,000)									
Legal debt margin	<u>\$ 49,052</u>									

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>
2008	249,925	29,383	7,343,546	5.6%	36,779
2009	257,380	29,834	7,678,675	11.2%	37,392
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	N/A	N/A	5.6%	42,174
2017	322,342	N/A	N/A	4.3%	42,912

- Source(s):
- (1) Coastal Carolina University (2006 to 2009). Beginning 2010, 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, 2017			Fiscal Year Ended June 30, 2008		
	Approximate Numbers of Employees	Rank	Percentage of Total District Employment	Approximate Numbers of Employees	Rank	Percentage of Total District Employment
Horry County School District	5,720	1		4,853	1	3.44%
Wal-Mart Associates, Inc.	2,234	2	1.49%	2,100	3	1.49%
Horry County Government	2,109	3	1.41%	1,927	4	1.37%
Conway Medical Center	1,540	4	1.03%	1,050	6	0.74%
Grand Strand Regional Medical Center	1,427	5	0.95%	975	7	0.69%
Coastal Carolina University	1,198	6	0.80%			
McLeod Health (Loris & Seacoast)	1,197	7	0.80%			
City of Myrtle Beach	899	8	0.60%	927	8	0.66%
Lowes Home Centers	720	9	0.48%			
Horry Telephone Cooperative	673	10	0.45%	700	9	0.50%
Burroughs and Chapin				3,000	2	2.13%
AVX Corporation				1,200	5	0.85%
Conbraco				400	10	0.28%
Totals	17,717		8.01%	17,132		12.15%

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

Source: Horry County Government

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

Budgeted Positions	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Teachers (1)	2,558	2,658	2,577	2,514	2,537	2,690	2,667	2,726	2,829	2,888
Classified Instructional Aides	726	762	756	730	733	730	774	769	783	793
Principals and Assistant Principals	134	137	128	130	133	137	137	137	144	146
Supervisors and Directors	39	37	34	32	32	33	33	39	40	39
Coordinators and Learning Specialists	111	112	106	99	101	114	114	115	116	115
Counselors and Guidance	96	100	87	87	87	88	89	99	108	112
Librarians and Media Specialists	54	54	48	47	47	48	48	48	49	49
Nurses	57	67	61	59	57	59	60	59	60	67
Psychologists	33	32	30	29	29	31	31	31	31	31
Special Education Therapists	62	69	67	66	66	66	66	65	65	65
Technology	22	23	23	24	23	23	23	25	20	25
Transportation	358	386	386	384	401	411	423	429	452	465
Cafeteria	339	345	342	349	351	355	355	341	331	330
Custodians	163	195	208	214	223	238	241	247	277	279
Clerical	274	274	271	266	268	270	271	270	281	282
Maintenance	74	75	73	72	74	75	72	77	48	48
Miscellaneous (2)	92	95	93	91	95	99	107	114	139	155
Totals	5,192	5,421	5,290	5,193	5,257	5,467	5,511	5,591	5,773	5,887

Budgeted Staffing Ratios	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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 to 1	25 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 to 1	21 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 to 1	21 to 1	21.5 to 1	21.5 to 1	21.5 to 1
Elementary - Grades 4-5	22 to 1	22 to 1	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
Middle - Grade 6	22 to 1	19 to 1	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
Middle - Grades 7-8	22 to 1	19 to 1	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
High - Grades 9-12 (Smallest Schools)	20 to 1	20 to 1	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
High - Grades 9-12 (Largest Schools)	23 to 1	23 to 1	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

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
2008	36,779	371,139	\$ 10,091	9.12%	2,558	14.38	56.43%
2009	37,392	387,553	\$ 10,365	2.71%	2,658	14.07	59.19%
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%

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

Note: Enrollment reflects grades CD through 12.

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Buildings:										
Primary Schools										
Number	2	2	2	2	2	2	1	1	1	1
Square feet	224,185	224,185	224,185	224,185	224,185	224,185	113,650	113,650	113,650	113,650
Capacity	1,834	1,994	1,994	1,994	1,994	1,994	850	850	826	826
Enrollment	1,666	1,600	1,600	1,712	1,726	1,760	910	884	830	825
Elementary Schools										
Number	22	22	22	22	22	23	25	25	25	25
Square feet	2,034,256	2,187,848	2,187,848	2,220,648	2,220,707	2,323,790	2,533,500	2,533,500	2,533,500	2,533,500
Capacity	14,680	18,249	18,249	18,249	18,249	18,249	20,347	20,347	20,290	20,646
Enrollment	15,192	15,571	15,571	14,747	15,863	16,234	18,621	19,130	19,301	19,392
Intermediate Schools										
Number	2	2	2	2	2	2	1	1	1	1
Square feet	177,465	177,465	177,465	177,465	177,465	177,465	78,290	78,290	78,290	78,290
Capacity	1,658	1,968	1,968	1,968	1,968	1,968	735	735	735	735
Enrollment	1,176	1,207	1,207	1,812	1,375	1,327	648	692	720	726
Middle Schools										
Number	10	10	10	10	10	10	10	10	10	10
Square feet	1,382,274	1,382,274	1,382,274	1,382,274	1,393,714	1,393,714	1,393,714	1,393,714	1,393,714	1,393,714
Capacity	8,837	10,436	10,436	10,436	10,436	10,436	8,912	8,912	8,610	9,216
Enrollment	1,809	7,961	7,961	8,850	8,427	9,107	9,115	9,127	9,338	9,348
High Schools										
Number	9	9	9	9	9	9	9	9	10	10
Square feet	2,284,279	2,254,304	2,254,304	2,254,304	2,254,304	2,254,304	2,254,304	2,254,304	2,313,304	2,313,304
Capacity	12,202	14,702	14,702	14,702	14,702	14,702	14,457	14,457	15,075	15,075
Enrollment	11,003	11,292	10,806	10,806	11,274	10,893	12,196	12,632	12,999	12,803
Other										
Buildings	8	8	10	9	10	10	14	14	12	48
Square Feet	435,269	520,559	653,002	609,149	689,002	727,002	786,002	786,002	679,825	711,813
Capacity	1,610	1,752	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*

Fiscal Year Ended June 30,	Child Development	Kindergarten	Elementary Grades 1-8	High School Grades 9-12	Total
2008	1,429	2,822	22,069	10,459	36,779
2009	1,379	2,795	22,444	10,774	37,392
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

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>
2008	33,001	72,394	43,644	45,758
2009	34,270	75,181	50,964	47,421
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

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, 2017

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	\$ -	\$ 4,115,637
600	School Lunch - cash assistance	10.555	N/A	-	10,493,313
600	School Lunch - non-cash assistance (commodities)	10.555	N/A	-	1,418,527
600	Summer Food Service Program for Children	10.559	N/A	-	99,248
	Total Child Nutrition Cluster			-	16,126,725
600	School Meals Equipment	10.579	H63010013516	-	8,602
	Total U.S. Department of Agriculture			-	16,135,327
U.S. Department of Education					
Passed through S.C. Department of Education					
201	Title I Grants to LEAs	84.010A	H63010100117	-	12,662,555
201	Title I Grants to LEAs - Prior Year Carryover	84.010	N/A	-	2,963,199
				-	15,625,754
203	IDEA	84.027	H63010100917	-	3,662,672
204	IDEA - Prior Year Carryover	84.027A	H63010100916	-	6,173,417
				-	9,836,089
205	IDEA - Pre-school Handicapped	84.173	H63010100817	-	319,749
206	IDEA - Pre-school Handicapped - Prior Year Carryover	84.173A	H63010100816	-	78,942
				-	398,691
207	CATE Federal Perkins	84.048	N/A	-	562,817
207	SC Robotics National Competition	84.048A	H63010107117	-	5,000
208	Vocational Education	84.048	N/A	-	6,918
208	CATE Federal Carryover	84.048A	H63010107115	-	6,704
				-	581,439
243	Adult Education - Current Year	84.002A	H63010101017	-	317,145
243	Adult Education - Prior Year	84.002A	H63010101015	-	7,839
243	Adult Education - Prior Year	84.002A	H63010101016	-	2,352
				-	327,336
212	Extended School Year	84.027A	H6304510E	-	51,396
221	Title I N&D	84.010A	H63010100117	-	164,833
222	Title I N&D - Prior Year	84.010A	H63010100116	-	61,094
224	21st Century Community Learning Centers Program - Current Year	84.287C	H63010006916	-	100,157
225	Math and Science Partnership Year 2	84.366B	H63010008217	-	132,270
230	Math and Science Partnership Year 1 - Prior Year	84.366B	H63010008216	-	45,557
228	21st Century Community Learning Centers Program - Prior Year	84.287C	H63010006916	-	7,707
237	Title I - Focus	84.010A	H63010100116	-	284,670
267	Title II Improving Teacher Quality	84.367A	H630100006817	-	805,441
241	Title II Improving Teacher Quality - Prior Year	84.367A	H630100006816	-	186,261
264	Title III - English Language Acquisition	84.365A	H63010006717	-	42,202
265	Title III - English Language Acquisition - Prior Year	84.365A	H63010006716	-	173,878
602	Agricultural Education and Occupational Preparation Project	10.226	2014-38414-22582	-	1,195
603	Private Placement	84.027A	H63010100916	-	207,847
610	Gear Up	84.334S	P334S110019	-	60,250
				-	2,324,758
	Total of U.S. Department of Education			-	29,094,067
U.S. Department of Defense					
Direct Program					
100	ROTC	N/A	N/A	-	627,431
100	FEMA - Flood Damage	N/A	N/A	-	109,466
	Total U.S. Department of Defense			-	736,897
	Total expenditures of federal awards			\$ -	\$ 45,966,291

Horry County Schools

Notes to Schedule of Expenditures of Federal Awards

June 30, 2017

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, 2017. 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, except for the expenditure of programs under CFDA Numbers 10.553, 10.555, 10.559, and 10.579, which are reported under the full accrual basis of accounting as applicable to enterprise 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 business-type 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, 2017, 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 30, 2017. Our report includes a reference to other auditors who audited the financial statements of discretely presented component units as described in our report on the School District's financial statements. This report does not include the results of other auditors' 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 entity'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 entity'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 entity'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 30, 2017



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance

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, 2017. 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 discretely presented component units, which received, in total, \$805,551 in federal awards which are not included in the School District's schedule of expenditures of federal awards for the year ended June 30, 2017. Our audit, described below, did not include the operations of the discretely presented component units, as these discretely presented component units 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, 2017.

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 30, 2017

Horry County Schools
Schedule of Findings and Questioned Costs
June 30, 2017

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):

CFDA Number(s)	Name of Federal Program or Cluster
84.027, 84.027A, 84.173, and 84.173A	IDEA Cluster

- (e.) Dollar threshold used to distinguish between type A and type B Programs: \$1,378,989
- (f.) Auditee qualified as low risk auditee? Yes

II. Financial Statement Findings None noted

III. Findings and Questioned Costs for Federal Awards None noted

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