

**HORRY COUNTY SCHOOLS
CONWAY, SOUTH CAROLINA
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

Prepared By:

Fiscal Services

**John K. Gardner
Chief Financial Officer**

INTRODUCTORY SECTION

Horry County Schools

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November 30, 2016

**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, 2016, 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 309,199 people.



The School 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 School 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 School 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 School District operates a total of 52 schools. All schools in the School District are fully accredited by the South Carolina Department of Education and the Southern Association of Colleges and Schools. The School 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 School District has a student population of 42,174.



The School 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 School District and exclusion of their financial information 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 as discretely presented component units.

FINANCIAL INFORMATION

Internal Controls

The administration of the School District is responsible for establishing and maintaining an internal control structure designed to protect the assets of the School 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 Decosimo LLC/PLLC, 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 School District for the year ended June 30, 2016, 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 School District's financial statements for the year ended June 30, 2016, 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 School 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 School 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 School 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 School District has complied with applicable laws and regulations.

Budgetary Control

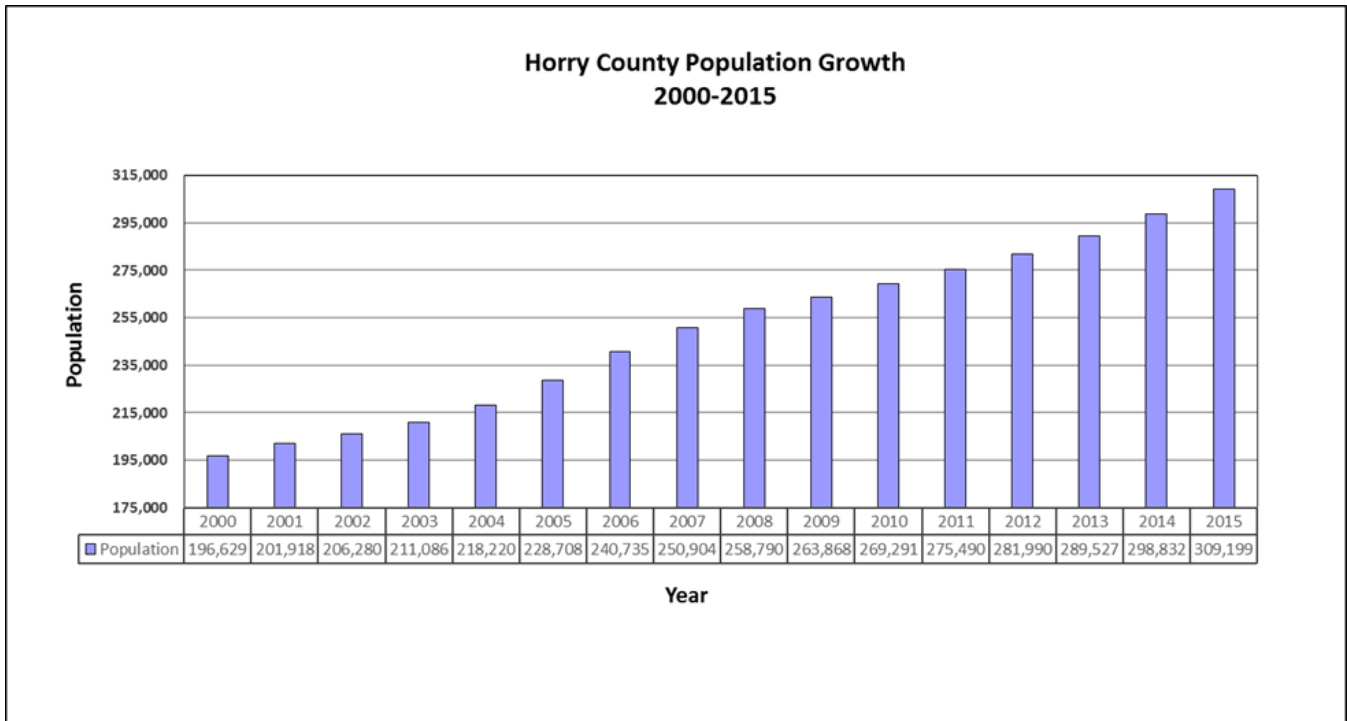
The School District approves an annual budget which acts as the financial operating plan for the entire fiscal year and provides budgetary controls for all components of the School District. The objective of these budgetary controls is to ensure compliance with the annual appropriated budget approved 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 School 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 319,000 by the year 2020. Since 2000, this represents a growth of 112,570 residents, or 52 percent. For years 2011-2015, population data is estimated.

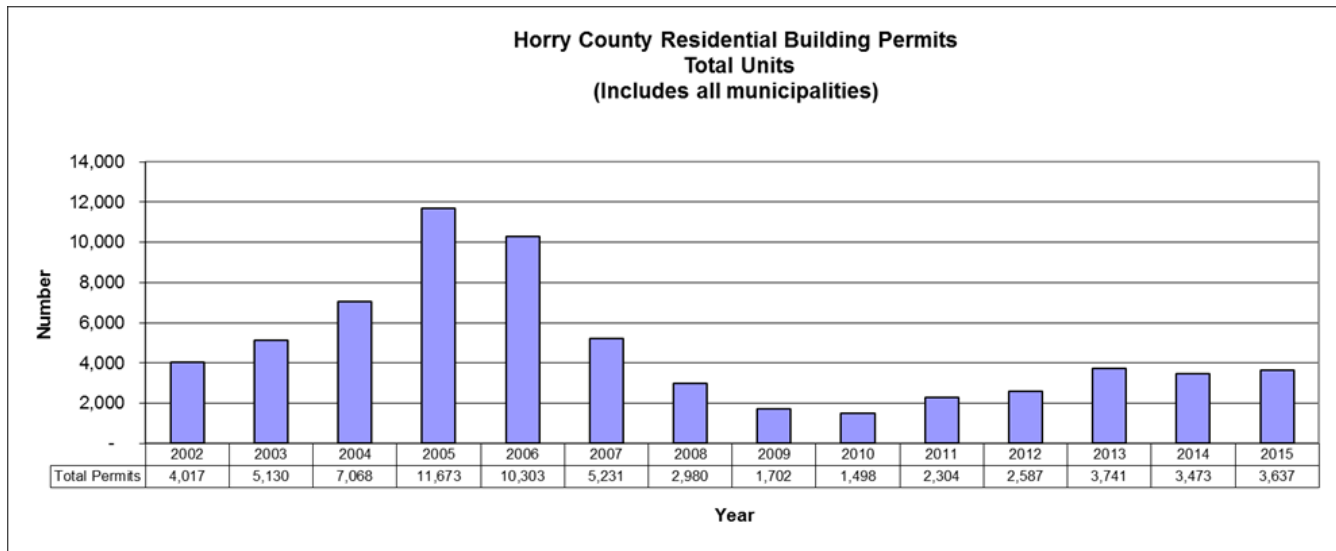


Source: US Census Bureau

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 2015, the HCS student population consisted of 63.7 percent White, 19.8 percent African-American, and 16.5 percent Other Race. In 2015, 9.4 percent of students were of Hispanic origin. According to the U.S. Census Bureau 2015 American Community Survey, the median household income estimate in Horry County was \$47,541, compared to the US median estimate of \$56,516. The estimate of per capita income in 2015 for Horry County was \$25,575, compared to the US per capita income estimate of \$29,979.

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 2013, Horry County issued 3,741 permits. In 2014, Horry County issued 3,473 permits – a 7.2 percent decrease from 2013. The number of residential permits authorized in 2015 increased by 4.7 percent to 3,637. 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 \$19.1 billion was spent on travel or on behalf of tourism in 2014, up 5.3 percent over 2013. In 2014, tourism supported approximately 2.2 billion in payroll income. Domestic traveler expenditures supported 123,800 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 \$1.4 billion, up 4.8 percent over 2013. In 2014, tourism supported one in ten South Carolina jobs. (Source: U.S. Travel Association, July, 2015)

Visitor estimates to Horry County totaled some 16.1 million in 2013. 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 2014. Domestic travel expenditures in Horry County were \$3.8 billion in 2014, more than 31 percent of the total spent on domestic travel in the State. Domestic travel expenditures generated over \$682 million in payroll and 39,000 jobs for County residents. In 2014, domestic travel in Horry County generated \$228 million in state sales tax receipts and over \$140 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; Travel Industry Association, 2015)



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. In 2015, there are plans to add two additional gates and spend an additional \$20 million to resurface the runway at Myrtle Beach International. 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).

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. Over 60 sports tourism events were scheduled to be held at the new complex in 2014 including the IQA Quidditch World Cup and the Dixie Softball World Series.

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 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.

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 School 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 School District’s needs caused by this growth.

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

The School 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 School 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 School District's planned improvements in education.

In the last ten years, Horry County Schools' enrollment has grown over 10,000 students. Of the School District's 52 schools, 17 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 School District anticipates the enrollment to increase from 42,174 students in fiscal year 2015-16 to over 45,161 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 School 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 School 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 School 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	December 2016
Addition & Renovation - Midland Elementary	16,191,887	October 2017
Replace HCEC	47,363	Project Delayed
New Intermediate (St. James)	48,387,172	August 2017
New Middle (Carolina Forest)	46,638,970	August 2017
Replace Socastee Elementary	38,529,283	August 2017
New Middle (Myrtle Beach)	47,211,892	August 2017
Addition & Renovation - Aynor Middle	-	Project Delayed
New Middle (Socastee)	45,390,766	August 2017
Renovation - NMBH	21,086,340	August 2017
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	2,401,351	August 2017
Off-Site Development Contingency for Five Design-Build Projects	11,790,335	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

[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, AdvanceED 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.

For the first time in history, three schools from a single school district were presented National Blue Ribbon Schools awards during the same year. [Lakewood Elementary](#), [Myrtle Beach Intermediate](#) and [Forestbrook Middle](#) earned three of the five awards presented to South Carolina schools and were recognized at a ceremony in Washington, D.C.

[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.

Newsweek listed [HCS' Early College High School](#) among its *America's Top High Schools* rankings, coming in at #20 in the nation among schools "Beating the Odds."

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. [HCS' Early College High School and North Myrtle Beach High](#) earned Bronze awards for high performance on state exams.

[The Academy for Arts, Science and Technology](#) was among 15 schools in the nation to earn the *High Schools That Work's* Platinum High Achievement award.

[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.

[Forestbrook Middle School's](#) Mock Trial won the 12th annual South Carolina Bar Conway Regional Middle School Mock Trial Competition. [North Myrtle Beach Middle School's](#) Mock Trial Team was named first runner-up.

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

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

[St. James High's](#) School Improvement Council was one of ten named to South Carolina School Improvement Council's 2016 Honor Roll.

[Myrtle Beach High Girls Tennis team](#) won the AAA SC State Title.

Results from the College Board showed an impressive eight-point gain on the SAT for college-bound [Horry County Schools'](#) students. The School District's 2015 composite score on the three-part test rose to 1,489 and is only one point below the national average of 1,490. HCS students surpassed the state average of 1,442 by 47 points.

[Ben Hardee](#), HCS' Director of Career and Technology Education (CATE), was named the Administrator of the Year by the SC Association of Career and Technology Education.

[Aaron Williams of the Academy for Arts, Science and Technology](#) was recognized as the 2015 CATE Technology Champion for the Waccamaw Region at the SC Education & Business Summit.

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

[Myrtle Beach High's Kennedy Drew](#) won two gold medals at the Class AAA State girls swim meet and was named Toast of the Coast Girls Swimmer of the Year.

[Horry County Schools](#) were awarded 43 Palmetto Gold and Silver Awards for having attained high levels of performance or substantial progress in closing achievement gaps between groups of students. The 43 awards represent 33 Horry County schools, some of which earned honors in both categories. The awards are determined by the South Carolina Department of Education and South Carolina Education Oversight Committee.

[St. James High Girls Golf team](#) won the 2015 Class AAA SC State Title

A record-breaking number of [Horry County Schools' students](#) were listed as Semifinalists in the 61st annual National Merit Scholarship Program. Twenty HCS students were among approximately 16,000 academically talented semifinalists in competition for some 7,400 National Merit Scholarships worth more than \$32 million.

[Colonel Stephen Cellucci \(Ret.\) of St. James High School](#) was presented the Senior Army Instructor of the Year.

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

2015 HCS Teacher of the Year, [Joey Trail](#), was named as a SC Teacher of the Year top 5 finalist.

[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.

[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.

[Lauren Schexnayder, a senior at Horry County Schools' Scholars Academy and Myrtle Beach High School](#), was a winner of the 2015 Edna and Leon Trilling Award presented by the Massachusetts Institute of Technology (MIT) and was one of ten SC students named US Presidential Scholar semifinalist.

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

[HCS awarded Budget Awards](#)

The School 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 fourteen 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 fourteen 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 2016 Comprehensive Annual Financial Report would not have been possible.

Respectfully Submitted,



John K. Gardner
Chief Financial Officer

HORRY COUNTY SCHOOLS
CONWAY, SOUTH CAROLINA

BOARD OF EDUCATION AND ADMINISTRATION

BOARD OF EDUCATION

- Joe J. Defeo Chairperson
- Holly HenifordDistrict 1
- Sherrie Todd.....District 2
- Ray H. WintersDistrict 3
- Kay Loftus.....District 4
- Janice Morreale.....District 5
- Pamela C. Timms.....District 6
- Janet P. GrahamDistrict 7
- John R. Poston.....District 8
- David CoxDistrict 9
- Neil JamesDistrict 10
- Jeffrey Garland.....District 11

ADMINISTRATION OFFICIALS

- Dr. Rick MaxeySuperintendent
- Boone MyrickChief Academics Officer
- John K. Gardner.....Chief Financial Officer
- Mary AndersonChief Human Resources Officer
- Edward Boyd.....Chief Information & Accountability Officer
- Carolyn J. ChestnutChief Instructional Support Officer
- Daryl BrownChief Support Services Officer



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 at Conway High School for five years and at 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 was elected as a member of the Board of Education in November 2006. 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 34 years ago and currently owns Beach Aircraft Maintenance and is a Commercial Helicopter/Fixed Wing Pilot – Aircraft Mechanic. 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 of Atlanta and Brenau Women’s College in Gainesville, 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 is now a college freshman.



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.



Kathy Richardson, District 4 – Ms. Richardson was appointed by the School Board to represent District 4, fulfilling the remaining term of office for deceased member, Kay Loftus. She is the Executive Assistant to the CEO of the Myrtle Beach Area Chamber of Commerce and serves as the liaison for the Chamber's Board of Directors and legislative and executive committees. Through her career, she has worked with local, state, and national organizations, lawmakers, and area business and community leaders on initiatives for sustained growth, economic viability, and enhancements that improve the quality of life for area residents. She is a graduate of the College of Charleston where she earned a Bachelor of Science degree in elementary education and is certified in Nonprofit Organizational Management by the U.S. Chamber of Commerce. She and her husband, Brad, have two sons who attend Ocean Bay Middle and River Oaks Elementary schools.

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.



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 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 two children.



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.

David Cox, Vice-Chair, District 9 – 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.

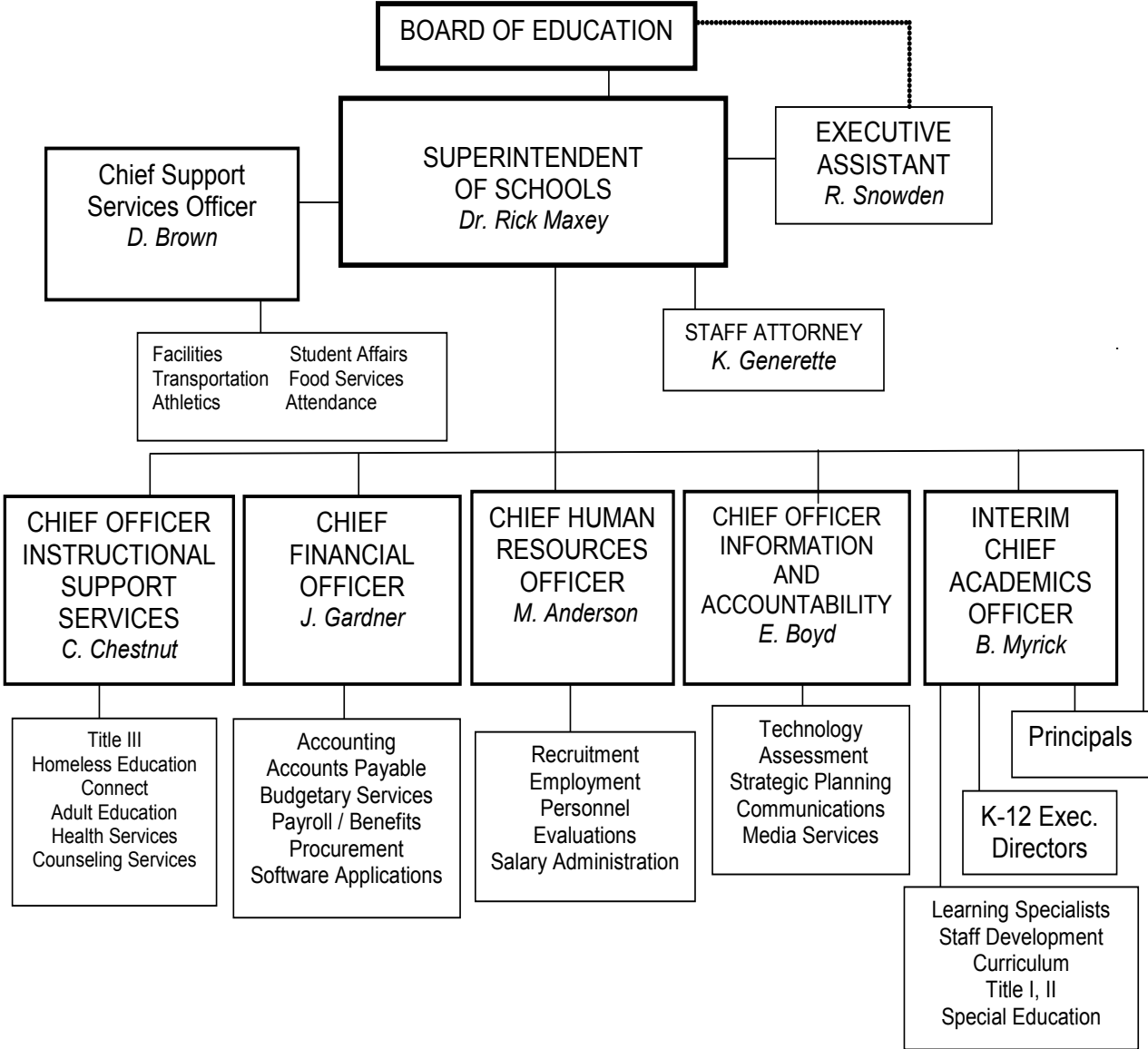


Neil James, District 10 – Mr. James was appointed to the Board of Education in November 2009 and elected in 2010 and again in 2014. He is a professional engineer (PE) and holds a BS in Agricultural Engineering and a BS in Electrical Engineering from Clemson University, and an MBA from Webster University.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

Jeffrey Garland, District 11 – Mr. Garland was elected to the Board of Education in November 2012. He completed 20+ years of service for the State of South Carolina and the Town of Aynor. Jeffrey retired in June 2012 from the State of South Carolina. He received his Bachelor's degree in Accounting from Coastal Carolina University in 1992 and a Master's degree in Business Administration from Winthrop University in 1993. Mr. Garland has two children, Alex and Brooke.



Horry County Schools





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Horry County School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

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, 2015

Executive Director/CEO

FINANCIAL SECTION

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, 2016, 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 position 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, 2016, 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, 2016, 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 Decosimo, LLC". The signature is written in a cursive style with a large, sweeping initial 'E'.

Charleston, South Carolina
November 30, 2016

**HORRY COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

The discussion and analysis of Horry County School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. We encourage readers to consider this information in conjunction with the additional information in the School District's financial statements, and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- Although the School District's total net position for 2015-16 increased by \$53.4 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 School 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 School District's net position by \$445.9 million. The School District's total net position (as reported on the Government-wide Statement of Net Position) as of June 30, 2016, was \$114.9 million.

- Our principal operating fund, the General Fund, had \$353.9 million in fiscal year 2016 revenues, which primarily consisted of state aid and property taxes. In addition, the General Fund had \$9.7 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 \$359.1 million in expenditures, as well as \$1.5 million in other financing uses.
- The General Fund's fund balance increased from \$88.9 million as of June 30, 2015, to \$91.9 million as of June 30, 2016. In the 2015-16 funding plan, the School District planned to utilize \$8.8 from fund balance. This significant change in fund balance was the result of several events. The School District received \$1.9 million less in total revenues than was budgeted. This was most notably the result of a \$3.2 million decrease in Ad Valorem taxes and a \$1.3 million increase in the Medicaid reimbursement. The County Auditor rebated over \$2.1 million in July and August for real and personal property taxes applicable to FY 2016.

Analysis of the positive budget variances related to expenditures indicate \$11.5 million in salaries and employee benefits and \$2 million in operating expenditures contributed to the surplus. While it is not uncommon for the School District to have unspent funds in salaries and employee benefits, this amount increased due to additional funds received after the movement of the Rehabilitative Behavioral Health Services (RBHS) program to the Special Revenue Fund. This restructuring provided a net benefit of \$1.8 million to the General Fund.

- The School District's total general obligation debt increased by \$175.9 million during fiscal year 2016. The key factors in this change were the issuances of \$125 million in General obligation bonds, the issuance of \$72.8 million in Special obligation bonds, and principal payments of \$21.9 million.
- The School District currently has a Standard & Poor's underlying rating of AA and a Moody's Investor Services underlying rating of Aa2.

- The School District's only Proprietary Fund is the Food Service Fund. The fund ended the year with expenses and transfers exceeding revenues by \$34,770 and total net position equaling \$118,014.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School 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 School District's finances, in a manner similar to a private sector business. These statements outline functions of the School 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 School District include instruction, support services, community services, and intergovernmental activities. The School District's food service operation is reported as a business type activity. Short-term and long-term information about the School 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 School 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 School District. Financial information for the charter schools is reported separately from the financial information presented for the primary government itself. Additional information on the School 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 School 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 School District is improving or deteriorating.

Statement of Activities: The statement of activities presents information showing how the School 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 School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School 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 School 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 School 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 School 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 School 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 School District's own programs. The accrual basis of accounting is used for fiduciary funds.

The School 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 – 82.

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 School 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 School District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$114.9 million as of June 30, 2016.

The following table presents a comparative analysis of the School District's net position for the fiscal years ended June 30, 2016, and June 30, 2015.

Net Position

(Amounts expressed in thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 475,015	\$ 245,904	\$ 6,906	\$ 6,522	\$ 481,921	\$ 252,426
Capital assets, net	673,501	623,701	2,038	2,162	675,539	625,863
Total assets	1,148,516	869,605	8,944	8,684	1,157,460	878,289
Deferred outflows of resources	52,206	53,455	609	595	52,815	54,050
Current liabilities	61,561	56,206	1,755	1,625	63,316	57,831
Long-term liabilities	1,016,971	768,881	7,968	6,922	1,024,939	775,803
Total liabilities	1,078,532	825,087	9,723	8,547	1,088,255	833,634
Deferred inflows of resources	7,394	36,636	(288)	579	7,106	37,215
Net position						
Net investment in capital assets	140,200	308,891	2,038	2,162	142,238	311,053
Restricted	302,736	87,927	-	-	302,736	87,927
Unrestricted	(328,140)	(335,481)	(1,920)	(2,009)	(330,060)	(337,490)
Total net position	\$ 114,796	\$ 61,337	\$ 118	\$ 153	\$ 114,914	\$ 61,490

The School 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 School 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 School District's net position for the fiscal years ended 2012 through 2016.

Net Position By Component

(Amounts expressed in thousands)

	2012	2013	2014	2015	2016
Governmental Activities	\$ 405,333	\$ 437,380	\$ 460,534	\$ 61,337	\$ 114,796
Business - Type Activities	6,509	6,588	6,560	153	118
Total Primary Government	\$ 411,842	\$ 443,968	\$ 467,094	\$ 61,490	\$ 114,914

By far, the largest portion of the School District's positive net position reflects 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 School District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the School 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 2016 and beyond.

An additional portion of the School 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 is in a deficit position and is the unrestricted net position which is used to meet the School District's ongoing activities.

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

- The net position of the School District's governmental activities increased by \$53.5 million as current year revenues exceeded current year expenses.
- The \$233.6 million increase in cash and cash equivalents was primarily due to the issuance of general obligation bonds during fiscal year 2016.
- The \$2.7 million decrease in due from federal government was due to a decrease in the amount of federal reimbursement claims outstanding at fiscal year-end.
- The \$33 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 deferred outflows of resources decreased \$1.2 million primarily due to a reduction in deferred charge on bond premiums caused by amortization of the deferred bond premiums.
- Total liabilities increased \$254.6 million due to a \$249.1 million increase in long-term obligations and a \$5.5 million increase in other liabilities. The increase in long-term obligations is primarily due to the issuance of general obligation bonds and special obligation bonds during the current fiscal year. The increase in other liabilities is primarily due to a \$8.1 million increase in accounts payable and other liabilities combined with a \$2.2 million decrease in revenue received in advance and a \$2.1 million decrease in accrued interest payable.
- Total deferred inflows of resources decreased \$30.1 million due to a decrease in deferred inflows related to pensions.

Changes in net position. The School District's total revenues for the fiscal year ended June 30, 2016, were \$518.8 million. The total cost of all programs and services before transfers was \$466.1 million.

The following table presents a comparative analysis of changes in net position for the fiscal years ended June 30, 2016, and June 30, 2015.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues						
Charges for services	\$ 762	\$ 56	\$ 4,380	\$ 4,824	\$ 5,142	\$ 4,880
Operating grants and contributions	171,374	159,762	16,455	16,422	187,829	176,184
General revenues						
Property taxes	272,056	262,613	-	-	272,056	262,613
State aid	52,369	51,292	-	-	52,369	51,292
Other	1,122	680	235	9	1,357	689
Total revenues	<u>497,683</u>	<u>474,403</u>	<u>21,070</u>	<u>21,255</u>	<u>518,753</u>	<u>495,658</u>
Expenses						
Instruction	276,465	273,224	-	-	276,465	273,224
Support services	157,822	155,900	-	-	157,822	155,900
Community services	1,344	1,285	-	-	1,344	1,285
Pupil Activities	-	716	-	-	-	716
Interest on long-term debt	9,406	13,707	-	-	9,406	13,707
Food service	-	-	21,026	21,376	21,026	21,376
Total expenses	<u>445,037</u>	<u>444,832</u>	<u>21,026</u>	<u>21,376</u>	<u>466,063</u>	<u>466,208</u>
Increase (decrease) in net position before transfers	52,646	29,571	44	(121)	52,690	29,450
Transfers	813	(485)	(79)	485	734	-
Increase (decrease) in net position	53,459	29,086	(35)	364	53,424	29,450
Net position July 1	61,337	32,251	153	(211)	61,490	32,040
Net position June 30	<u>\$ 114,796</u>	<u>\$ 61,337</u>	<u>\$ 118</u>	<u>\$ 153</u>	<u>\$ 114,914</u>	<u>\$ 61,490</u>

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

- Ad valorem tax revenue increased by \$9.4 million in fiscal year 2016. 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. The School District also incurred a \$2.3 million increase in property tax receivables. 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 School 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 School District received an additional \$1.2 million as its proportionate share of the fiscal year 2016 entitlement.
- Operating grants and contributions increased due to a combination of factors. The School District received \$5.7 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 School District also received an additional

\$2.6 million to help offset the increases in employee insurance and retirement. Last year, the School District experienced an increase in federal receipts in the amount of \$2.2 million. This year we experienced an increase in the amount of \$1.2 million. The increase was mostly attributable to additional funds received from Title I, Preschool Grant, and the Individuals with Disabilities Education Act (IDEA).

- Included in the expenses for 2016 was a mandated 2% longevity increase (if eligible) for all certified employees. The Board also provided a 2% longevity increase (if eligible) for all other employees.
- The School District did incur additional operating expenses for the 2016 fiscal year. These include property insurance, employee benefits, utilities, and maintenance of facilities.
- The Proprietary Fund (Food Service Fund) experienced a decrease of \$443,158 in paid lunch/breakfast sales and an increase in USDA food service reimbursements for lunch/breakfast in the amount of \$165,564. Operating costs decreased by \$350,112. This amount was offset by a decrease in the net transfer from the General Fund in the amount of \$564,492.

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, 2016 and June 30, 2015. 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.

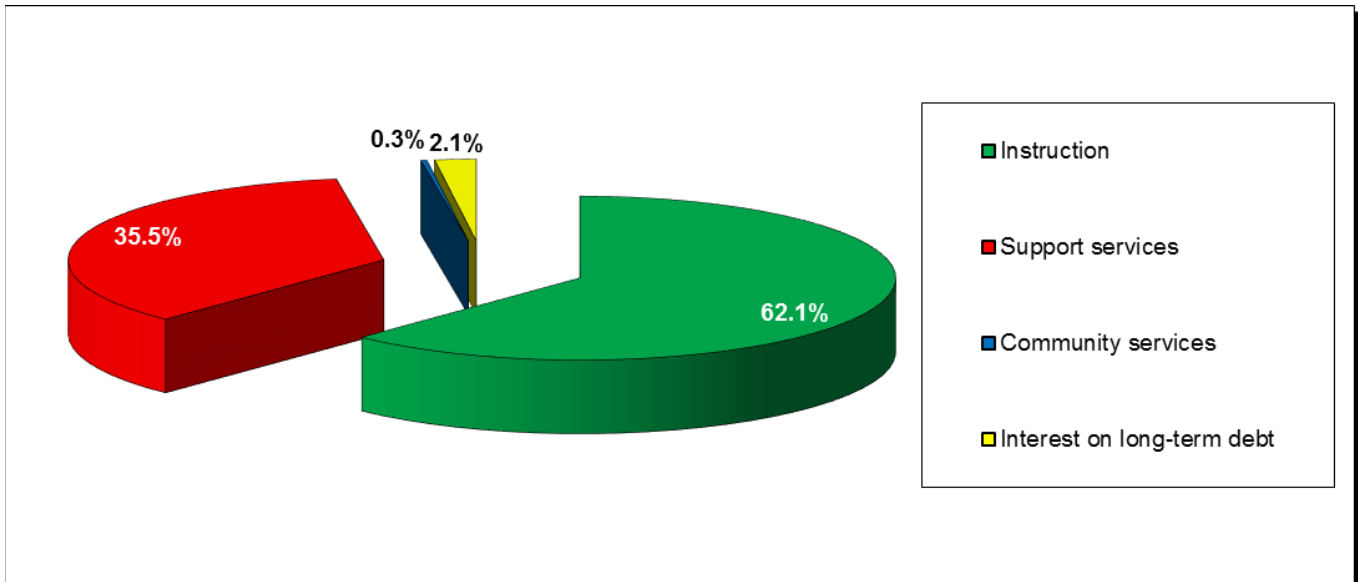
Governmental Activities

(Amounts expressed in thousands)

	2016		2015	
	Total Expenses	Net (Expense) Revenue	Total Expenses	Net (Expense) Revenue
Instruction	\$ 276,465	\$ (155,453)	\$ 273,224	\$ (173,907)
Support services	157,822	(106,848)	155,900	(95,922)
Community services	1,344	(1,193)	1,285	(762)
Pupil Activities	-	-	716	(716)
Interest on long-term debt	9,406	(9,406)	13,707	(13,707)
Total expenses	\$ 445,037	\$ (272,900)	\$ 444,832	\$ (285,014)

- The cost of all governmental activities this fiscal year was \$445 million.
- Operating grants, capital grants, and charges for services subsidized certain programs in the amount of \$172.1 million.
- Net cost of governmental activities, \$272.9 million was financed by general revenues, which are made up primarily of property taxes in the amount of \$272.1 million and state aid of \$52.4 million. Unrestricted grants/other contributions and other revenue accounted for \$1.1 million. In addition, a net transfer of \$.8 million was made to the Special Revenue Fund from the Fiduciary Fund due to the reclassification of the childcare and activity bus programs.

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



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

Governmental funds. The focus of the School 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 School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School District's net resources available for spending at the end of the fiscal year.

The General Fund is the principal operating fund of the School District. As mentioned previously, the increase in fund balance in the General Fund for the fiscal year was \$3 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 \$77.6 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 School District's bond counsel and financial advisors. Therefore, \$54.1 million of the *unassigned* fund balance is utilized to address cash flow requirements pending the receipt of local property tax revenues. The remaining \$23.5 million of *unassigned* fund balance is available for future Board initiatives.

The Debt Service fund balance showed an increase of \$10.3 million from the prior year. This increase is net result of \$.4 million in additional property tax revenue, \$6.3 million in additional receipts from Education Capital Improvements tax, a \$1.7 million net decrease in debt service payments and a \$1.4 million decrease 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 School 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 2016-17 principal and interest payments.

In 2012, the School 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 School District awarded contracts to build 3 new middle schools, 1 new intermediate school, and one new elementary school in November 2015. These schools are expected to be operational when school begins in August 2017.

The Capital Projects fund balance increased from \$61.5 million to \$265.2 million due to the issuance of \$125 million in general obligation bonds, \$72.8 million in special obligation bonds, and the receipt of a \$41.1 million premium on bonds sold. 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 2016, \$33.7 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 \$34,770 compared with a \$363,403 increase in the prior year. Operating revenues, comprised of proceeds from sales of meals, decreased by \$471,123 and operating expenses decreased by \$350,112. Non-Operating Revenues, primarily composed of USDA food service reimbursements, increased by \$287,330. Net transfers to/from General Fund decreased by \$564,492 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 (\$6.5 million) is primarily due to the prior year designations of fund balance, insurance claims, and contributions and donations. The table below indicates the changes:

Reserve for Workers Compensation	\$ 2,742,475
School Carryover Budgets and Enrollment Adjustments	494,832
Subsequent Years Expenditures	455,582
Project Manager for New School Construction	115,000
Board of Education Funds	90,000
Purchase 4 Activity Buses	341,868
Insurance Claims	415,146
Purchase 16 Replacement Buses (delivery in 2015-16)	1,402,880
LED signs at secondary schools (delivery in 2015-16)	350,000
Shed at Bus Maintenance (funded from PAF, delivery 2015-16)	127,000
	\$ 6,534,783

The net change between the General Fund's revenue and other financing sources' original budget and final budget \$415,146 which is due to reimbursement from insurance claims.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2016, the School District had invested \$937.8 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 \$262.3 million including current depreciation expense of \$19.4 million for the year.

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2016, and June 30, 2015.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 26,797	\$ 24,830	\$ -	\$ -	\$ 26,797	\$ 24,830
Buildings and improvements	534,113	518,769	-	-	534,113	518,769
Improvements other than buildings	30,728	31,553	-	-	30,728	31,553
Autos and trucks	5,104	2,993	1	3	5,105	2,996
Machinery and equipment	6,724	6,529	2,037	2,159	8,761	8,688
Construction in progress	70,035	39,027	-	-	70,035	39,027
Total	\$ 673,501	\$ 623,701	\$ 2,038	\$ 2,162	\$ 675,539	\$ 625,863

Additional information on the School District's capital assets can be found in Note 4 of this report.

Debt Administration: At year-end, the School District had \$394.7 million in general obligation bonds and \$72.8 million in special obligation bonds outstanding, of which \$42.6 million in principal and interest payments are due within one year. The following table presents a summary of the School District's outstanding long-term debt for the fiscal years ended June 30, 2016, and June 30, 2015.

Outstanding Debt (Amounts expressed in millions)

	2016	2015
8% General obligation debt	\$ 125.0	\$ 3.0
Special obligation debt	72.8	-
Referendum general obligation debt	269.7	288.6
Total	\$ 467.5	\$ 291.6

State statutes currently limit the amount of general obligation debt a District may issue to 8 percent of its total assessed valuation. The current debt limitation for the School District is \$43.6 million. Additional information on the School District's long-term debt can be found in Note 5 of this report.

NEXT YEAR'S BUDGET

The 2016-17 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 2016-17 fiscal year:

1. The School District will comply with all applicable State and/or Federal laws and regulations.
2. Resources will support the School District's vision to be a premier world-class school system in which every student acquires an excellent education.
3. The School 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 School District must provide the instructional support essential to meet the State and Local accountability goals.
5. The School District must provide resources for unfunded mandates.
6. The support services and operational aspects of the School District will be maintained such that the essential services provided to students and staff will be continued.
7. The School District will identify funding sources for new programs and/or initiatives.

The School District expects to serve approximately 821 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 School District will incur additional operating expenses for the 2016-17 fiscal year. These include increases in retirement, health insurance, and other fixed costs. Additionally, the 2016-17 funding plan incorporates a 2% salary increase for all eligible employees plus an additional 2% salary increase for teachers.

The 2016-17 funding plan also includes the final implementation year of the Personalized Digital Learning Initiative. The initiative, which is a major addition in the School District's "tool kit" to provide differentiated instruction, will place devices in the hands of all 3rd and 4th grade students.

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 School District to develop a more pragmatic approach for sharing information to the Board regarding the state of the 2016-17 budget. The full House is also in support of the proviso and we expect that the Senate will concur.

Revenue projections are generally based on the House 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 2016-17 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 .12% and the population increase for the County is 3.67%. Under this statute, the School District cannot exceed a 3.79% or 4.6 mill increase for operations.

The School District administration is pleased to provide to the Board of Education the comprehensive budget for 2016-17. This budget does not include a millage increase for operations or debt service.

The 2016-17 General Fund budget proposes to utilize \$9.6 million of the unassigned fund balance. The projected fund balance at June 30, 2016 for the General Fund is expected to be \$88.7 million. This amount maintains the Board established minimum of 15% and provides adequate reserves for 2016-17.

This budget allows the School 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 budgets for the School District's Government Funds for the years 2016-17 and 2015-16.

	2016-17	2015-16	Change
Governmental Funds Budget (total)	\$ 777,006,657	\$ 625,715,108	\$ 151,291,549
General Fund	389,023,451	373,804,013	15,219,438
Special Projects Fund	33,811,066	32,847,676	963,390
Education Improvement Act Fund (EIA)	25,901,972	23,607,459	2,294,513
Debt Service Fund	75,190,910	72,914,770	2,276,140
Capital Projects Fund	253,079,258	122,541,190	130,538,068
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
Student enrollment	41,950	41,138	812

* Actual 2015-16 45-day average daily membership for K-12

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

Horry County Schools

Statement of Net Position

June 30, 2016

	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash and cash equivalents	\$ 439,055,950	\$ 6,521,972	\$ 445,577,922	\$ 1,462,757
Property taxes receivable	22,910,993	-	22,910,993	-
Due from state government	745,177	-	745,177	-
Due from federal government	4,935,595	47,594	4,983,189	-
Due from other governmental units	3,733,875	-	3,733,875	116,839
Prepaid and other	2,748,045	-	2,748,045	47,098
Inventories - supplies and materials	517,773	281,271	799,044	-
Other receivables	367,350	55,186	422,536	1,089
Non-current assets:				
Non-depreciable capital assets	96,831,885	-	96,831,885	-
Depreciable capital assets, net	576,669,510	2,038,474	578,707,984	2,130,172
Total assets	<u>1,148,516,153</u>	<u>8,944,497</u>	<u>1,157,460,650</u>	<u>3,757,955</u>
Deferred outflows of resources				
Deferred charge on bond refunding	14,102,916	-	14,102,916	-
Deferred outflows related to pensions	38,102,917	608,603	38,711,520	1,377,510
Total deferred outflows of resources	<u>52,205,833</u>	<u>608,603</u>	<u>52,814,436</u>	<u>1,377,510</u>
Liabilities				
Accounts payable and other accrued liabilities	50,325,556	1,414,864	51,740,420	632,470
Due to state government	119,008	-	119,008	-
Due to other governmental units	6,771	-	6,771	-
Retainage payable	1,817,885	-	1,817,885	-
Revenue received in advance	7,005,815	339,939	7,345,754	129,296
Accrued interest payable	2,285,953	-	2,285,953	-
Non-current liabilities:				
Due within one year	33,238,659	37,195	33,275,854	128,167
Due in more than one year	514,100,202	18,746	514,118,948	1,771,310
Net pension liability	469,631,729	7,912,463	477,544,192	4,524,214
Total liabilities	<u>1,078,531,578</u>	<u>9,723,207</u>	<u>1,088,254,785</u>	<u>7,185,457</u>
Deferred inflows of resources				
Deferred inflows related to pensions	7,394,044	(288,121)	7,105,923	293,929
Total deferred inflows of resources	<u>7,394,044</u>	<u>(288,121)</u>	<u>7,105,923</u>	<u>293,929</u>
Net position (deficit)				
Net investment in capital assets	140,199,775	2,038,474	142,238,249	506,942
Restricted for:				
Debt service	36,832,336	-	36,832,336	-
Capital projects	265,227,253	-	265,227,253	-
Special projects	676,949	-	676,949	7,079
Net position (deficit) - unrestricted	(328,139,949)	(1,920,460)	(330,060,409)	(2,857,942)
Total net position (deficit)	<u>\$ 114,796,364</u>	<u>\$ 118,014</u>	<u>\$ 114,914,378</u>	<u>\$ (2,343,921)</u>

See Notes to Basic Financial Statements

Horry County Schools
Statement of Activities
For the year ended June 30, 2016

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	\$ 276,465,280	\$ 610,932	\$ 120,400,885	\$ (155,453,463)		\$ (155,453,463)	
Support Services	157,821,865	889	50,973,100	(106,847,876)		(106,847,876)	
Community Service	1,343,651	150,173	-	(1,193,478)		(1,193,478)	
Interest & Other Charges	9,405,511	-	-	(9,405,511)		(9,405,511)	
Total governmental activities	<u>445,036,307</u>	<u>761,994</u>	<u>171,373,985</u>	<u>(272,900,328)</u>		<u>(272,900,328)</u>	
Business-type activities:							
Food Service	21,026,315	4,380,561	16,454,966		\$ (190,788)	(190,788)	
Total primary government	<u>\$ 466,062,622</u>	<u>\$ 5,142,555</u>	<u>\$ 187,828,951</u>	<u>(272,900,328)</u>	<u>(190,788)</u>	<u>(273,091,116)</u>	
Component units:							
Charter Schools	<u>\$ 8,053,694</u>	<u>-</u>	<u>\$ 6,987,427</u>				<u>\$ (1,066,267)</u>
General revenues:							
Property taxes levied for:							
General purposes				192,894,081	-	192,894,081	-
Debt service				79,162,033	-	79,162,033	-
State aid not restricted for specific purpose				52,368,806	-	52,368,806	-
Unrestricted investment earnings				849,286	12,270	861,556	-
Miscellaneous				273,052	223,121	496,173	500,677
Transfers				812,966	(79,373)	733,593	-
Total general revenues				<u>326,360,224</u>	<u>156,018</u>	<u>326,516,242</u>	<u>500,677</u>
Change in net position				53,459,896	(34,770)	53,425,126	(565,590)
Net position (deficit) - beginning of year				61,336,468	152,784	61,489,252	(1,778,331)
Net position (deficit) - end of year	<u>\$ 114,796,364</u>			<u>\$ 114,796,364</u>	<u>\$ 118,014</u>	<u>\$ 114,914,378</u>	<u>\$ (2,343,921)</u>

See Notes to Basic Financial Statements

Horry County Schools
Governmental Funds - Balance Sheet
June 30, 2016

	Special Revenue Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Service	Capital Projects	
Assets						
Cash and cash equivalents	\$ 121,001,772	\$ 97,529	\$ 7,254,253	\$ 34,461,601	\$ 276,240,795	\$ 439,055,950
Property taxes receivable, net	20,583,406	-	-	2,327,587	-	22,910,993
Due from state government	682,976	58,967	3,234	-	-	745,177
Due from federal government	111,958	4,823,637	-	-	-	4,935,595
Due from other governmental units	3,630,858	52,437	-	50,580	-	3,733,875
Prepaid and other	1,986,513	761,532	-	-	-	2,748,045
Inventories - supplies and materials	517,773	-	-	-	-	517,773
Other receivables	273,594	93,756	-	-	-	367,350
Total assets	<u>\$ 148,788,850</u>	<u>\$ 5,887,858</u>	<u>\$ 7,257,487</u>	<u>\$ 36,839,768</u>	<u>\$ 276,240,795</u>	<u>\$ 475,014,758</u>
Liabilities						
Accounts payable	\$ 2,498,299	\$ 464,562	\$ 162,304	\$ 7,432	\$ 9,195,657	\$ 12,328,254
Accrued salaries	20,733,264	1,560,234	1,333,640	-	-	23,627,138
Accrued payroll related liabilities	13,309,361	615,114	445,689	-	-	14,370,164
Due to state government	-	15,359	103,649	-	-	119,008
Due to other governmental units	6,273	498	-	-	-	6,771
Retainage payable	-	-	-	-	1,817,885	1,817,885
Unearned revenue	-	1,793,610	5,212,205	-	-	7,005,815
Total liabilities	<u>36,547,197</u>	<u>4,449,377</u>	<u>7,257,487</u>	<u>7,432</u>	<u>11,013,542</u>	<u>59,275,035</u>
Deferred inflows of resources						
Unavailable revenue - property taxes	20,294,223	-	-	2,241,869	-	22,536,092
Total deferred inflows of resources	<u>20,294,223</u>	<u>-</u>	<u>-</u>	<u>2,241,869</u>	<u>-</u>	<u>22,536,092</u>
Fund balances						
Non-spendable	2,504,286	761,532	-	-	-	3,265,818
Restricted	-	676,949	-	34,590,467	265,227,253	300,494,669
Assigned	11,843,222	-	-	-	-	11,843,222
Unassigned	77,599,922	-	-	-	-	77,599,922
Total fund balances	<u>91,947,430</u>	<u>1,438,481</u>	<u>-</u>	<u>34,590,467</u>	<u>265,227,253</u>	<u>393,203,631</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 148,788,850</u>	<u>\$ 5,887,858</u>	<u>\$ 7,257,487</u>	<u>\$ 36,839,768</u>	<u>\$ 276,240,795</u>	<u>\$ 475,014,758</u>

See Notes to Financial Statements

Horry County Schools**Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position****June 30, 2016**

Total governmental fund balances	\$ 393,203,631
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Amounts reported for governmental activities in the Statement of Net Position (Deficit) 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 \$931,710,828 and the accumulated depreciation was \$258,209,433.

673,501,395

Property taxes receivable are not available to pay for current period expenditures and, therefore are deferred in the funds.

22,536,092

Bond premiums are amortized in the Statement of Net Position. The premiums of \$80,148,002 have been amortized by \$4,352,304.

(75,795,698)

Some assets (liabilities), including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Compensated absences

(4,038,163)

Deferred refunding

14,102,916

Bonds payable

(467,505,000)

Accrued interest

(2,285,953)

Pension related deferrals

4,118,402

Contributions to the pension plan in the current fiscal year

26,590,471

Pension obligation

(469,631,729)**Net position of governmental activities****\$ 114,796,364****See Notes to Basic Financial Statements**

Horry County Schools

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the year ended June 30, 2016

	Special Revenue Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Service	Capital Projects	
Revenues						
Local:						
Taxes levied/assessed by the LEA	\$ 184,177,347	\$ -	\$ -	\$ 78,053,824	\$ -	\$ 262,231,171
Revenue From local governmental units	5,689,941	-	-	979,348	-	6,669,289
Tuition	68,492	11,035	-	-	-	79,527
Earnings on investments	394,217	-	-	128,389	326,680	849,286
Pupil activities	-	532,294	-	-	-	532,294
Other revenue from local sources	6,074,352	2,577,612	-	-	-	8,651,964
Intergovernmental	441,998	-	-	-	1,209,627	1,651,625
State sources	156,343,684	5,873,128	23,655,743	833,763	500,000	187,206,318
Federal sources	724,188	26,076,410	-	-	-	26,800,598
Total revenues	<u>353,914,219</u>	<u>35,070,479</u>	<u>23,655,743</u>	<u>79,995,324</u>	<u>2,036,307</u>	<u>494,672,072</u>
Expenditures						
Current:						
Instruction	217,857,632	22,251,280	12,809,927	-	3,333	252,922,172
Support services	129,449,067	8,001,149	2,974,805	-	3,790,490	144,215,511
Community services	2,045	1,217,617	-	-	-	1,219,662
Intergovernmental	7,261,002	595,688	365,308	-	-	8,221,998
Debt Service:						
Redemption of principal	-	-	-	21,860,000	-	21,860,000
Interest	-	-	-	13,152,631	-	13,152,631
Other objects	-	-	-	1,010,265	-	1,010,265
Capital outlay	4,537,939	1,593,824	189,885	-	66,996,475	73,318,123
Total expenditures	<u>359,107,685</u>	<u>33,659,558</u>	<u>16,339,925</u>	<u>36,022,896</u>	<u>70,790,298</u>	<u>515,920,362</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,193,466)</u>	<u>1,410,921</u>	<u>7,315,818</u>	<u>43,972,428</u>	<u>(68,753,991)</u>	<u>(21,248,290)</u>
Other financing sources (uses)						
Sale of capital assets	29,883	-	-	-	-	29,883
Premiums on bonds sold	-	-	-	-	41,113,039	41,113,039
Proceeds of general obligation bonds	-	-	-	-	197,780,000	197,780,000
Transfers in	9,691,778	960,089	-	-	33,700,000	44,351,867
Transfers out	(1,482,599)	(932,529)	(7,315,818)	(33,700,000)	(107,955)	(43,538,901)
Total other financing sources (uses)	<u>8,239,062</u>	<u>27,560</u>	<u>(7,315,818)</u>	<u>(33,700,000)</u>	<u>272,485,084</u>	<u>239,735,888</u>
Net change in fund balances	<u>3,045,596</u>	<u>1,438,481</u>	<u>-</u>	<u>10,272,428</u>	<u>203,731,093</u>	<u>218,487,598</u>
Fund balance, beginning of year	<u>88,901,834</u>	<u>-</u>	<u>-</u>	<u>24,318,039</u>	<u>61,496,160</u>	<u>174,716,033</u>
Fund balance, ending of year	<u>\$ 91,947,430</u>	<u>\$ 1,438,481</u>	<u>\$ -</u>	<u>\$ 34,590,467</u>	<u>\$ 265,227,253</u>	<u>\$ 393,203,631</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, 2016**

Net change in fund balance - total governmental funds \$ 218,487,598

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 (\$69,350,565) exceeded net depreciation expense (\$19,375,533). 49,975,032

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. (174,372)

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. 21,860,000

Proceeds from the issuance of general obligation bonds are revenues in the governmental funds, but the proceeds increase long-term liabilities in the Statement of Net Position. (197,780,000)

Because some property taxes will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Unearned tax revenues increased by this amount in the current year. 3,155,654

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 bond premiums received (\$41,113,039) and the amortization of the deferred refunding (\$1,707,271) exceed the net amortization of bond premiums (\$4,352,304) in the current year. (38,468,006)

In the Statement of Activities, compensated absences (sick pay and vacation) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amount actually paid). This year vacation and sick leave earned (\$2,096,972) exceed the amounts used (\$1,910,100). This amount is adjusted by the increase in compensated absences that has already been included in the governmental funds. (186,872)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus required the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as it accrues, regardless of when it is due. Accrued interest decreased by this amount during the year. 2,112,352

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities. 26,590,471

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 32,111,961

Change in net position of governmental activities \$ 53,459,896

See Notes to Basic Financial Statement

Horry County Schools

Statement of Net Position - Proprietary Fund - School Food Service

June 30, 2016

Assets

Current assets

Cash and cash equivalents	\$ 6,521,972
Due from federal government	47,594
Inventories - supplies and materials	281,271
Other receivables	55,186
Total current assets	<u>6,906,023</u>

Property and equipment, net

Total assets	<u>2,038,474</u>
	<u>8,944,497</u>

Deferred outflows of resources

Deferred outflows related to pensions	<u>608,603</u>
Total deferred outflows of resources	<u>608,603</u>
Total assets and deferred outflows of resources	<u>\$ 9,553,100</u>

Liabilities

Current liabilities

Accounts payable	\$ 241,217
Accrued salaries	776,981
Accrued payroll related liabilities	396,666
Unearned revenue	339,939
Compensated absences payable, short-term	37,195
Total current liabilities	<u>1,791,998</u>

Non-current liabilities

Compensated absences payable, net of short-term	18,746
Net pension liability	<u>7,912,463</u>
Total non-current liabilities	<u>7,931,209</u>
Total liabilities	<u>9,723,207</u>

Deferred inflows of resources

Deferred inflows related to pensions	<u>(288,121)</u>
Total deferred inflows of resources	<u>(288,121)</u>

Net position

Investment in capital assets	2,038,474
Unrestricted	<u>(1,920,460)</u>
Total net position	<u>118,014</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 9,553,100</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, 2016

Operating revenues	
Meal sales	\$ 4,380,561
Other operating revenue	235,391
Total operating revenues	<u>4,615,952</u>
Operating expenses	
Food costs	8,664,888
Salaries	7,407,945
Employee benefits	3,768,559
Purchased services	109,765
Supplies and materials	657,889
Other objects	24,227
Intergovernmental	157,662
Depreciation	235,380
Total operating expenses	<u>21,026,315</u>
Operating loss	<u>(16,410,363)</u>
Non-operating revenues	
USDA reimbursements	15,114,038
USDA commodities	1,339,783
Other state aid	1,145
Total non-operating revenues	<u>16,454,966</u>
Gain before transfers	44,603
Transfers to other funds, net	<u>(79,373)</u>
Change in net position	(34,770)
Net position, beginning of year	<u>152,784</u>
Net position, end of year	<u><u>\$ 118,014</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, 2016

Cash flows from operating activities

Received from patrons	\$ 4,594,363
Payments to employees for services	(7,472,725)
Payments for employee benefits	(3,768,559)
Payments to suppliers for goods and services	(9,450,088)
Other receipts	235,391
Other payments	(18,155)
Net cash used for operating activities	<u>(15,879,773)</u>

Cash flows from non-capital financing activities

Federal and state grants received	15,112,705
USDA Commodities	1,339,783
Transfers to other funds	(79,373)
Net cash provided by non-capital financing activities	<u>16,373,115</u>

Cash flows from capital and related financing activities

Purchases of capital assets	(112,123)
Net cash used for capital and related financing activities	<u>(112,123)</u>
Net increase in cash and cash equivalents	381,219

Cash and cash equivalents - beginning of year

6,140,753

Cash and cash equivalents - end of year

\$ 6,521,972

Reconciliation of operating loss to net cash used by operating activities

Operating loss	\$ (16,410,363)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation Expense	235,380
Pension Expense	163,734
Change in assets and liabilities:	
Decrease in accounts receivable	35,850
Increase in inventories - supplies and materials	(35,844)
Increase in accounts payable	18,298
Decrease in accrued salaries and payroll related liabilities	(66,196)
Increase in compensated absences payable	1,416
Increase in unearned revenue	177,952
Net cash used for operating activities	<u>\$ (15,879,773)</u>

Non-cash, non-capital financing activities

USDA commodities	<u>\$ 1,339,783</u>
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See Notes to Financial Statements

Horry County Schools

Statement of Net Position - Fiduciary Funds

As of June 30, 2016

	<u>Private-Purpose Trusts</u>	<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$ 171,854	\$ 5,381,209
Accounts receivable	2,000	-
Other assets	-	117,772
Total assets	<u>173,854</u>	<u>5,498,981</u>
Liabilities		
Accounts payable	\$ 9,000	\$ 295,176
Accrued liabilities	-	44,624
Due to other governments	-	1,055,576
Due to student organizations	-	4,103,605
Total liabilities	<u>9,000</u>	<u>5,498,981</u>
Restricted net position	<u><u>\$ 164,854</u></u>	<u><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, 2016

	Private-Purpose Trusts
Additions	
Scholarship receipts	\$ 42,878
Other income	9,559
Interest	1,786
Total additions	<u>54,223</u>
Deductions	
Scholarships awarded	<u>61,373</u>
Total deductions	<u>61,373</u>
Change in net position	(7,150)
Total net position, beginning of year	<u>172,004</u>
Total net position, end of year	<u><u>\$ 164,854</u></u>

See Notes to Financial Statements

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

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, 2016

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, 2016.

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, 2016

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 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, 2016

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 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 which are custodial in nature and do not involve measurement of results of operation. The agency 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 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, 2016

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, 2016, 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, 2016

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

Accounts Receivable: Accounts receivable consists of property taxes levied against Horry County taxpayers. Accounts receivable 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. Accounts receivable 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.

Inventories: Inventories of the Enterprise Fund are held for resale and are valued at the lower of cost or market determined on a first-in, first-out basis. 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, 2016. Commodities received from the USDA have been recorded at fair market value as provided by the USDA.

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.

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, 2016

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.

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

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.

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.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

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 \$53,866,153 for this commitment is included in the unassigned fund balance at June 30, 2016.

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.

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.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

Note 1. Summary of Significant Accounting Policies, Continued

C. *Measurement Focus and Basis of Accounting, Continued*

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. *Adoption of new accounting standards*

The Government Accounting Standards Board issued Statement No. 72, Fair Value Measurement and application, in February 2015. This statement provides guidance for determining a fair value measurement for financial reporting purposes, and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. See Note 2 for more information.

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, 2016, 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.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

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

Custodial Credit Risk for Deposits: This is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. Deposits of the School District are subject to South Carolina state statutes for custodial credit risk. The statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina, political subdivisions of South Carolina, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation. In accordance with the aforementioned statute, the School District's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. Deposited funds may be invested in demand or time deposits, continuously and fully secured with direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. At June 30, 2016 the carrying amount of the School District's deposits was \$439,055,950 and the bank balance was \$450,757,406. All of these deposits were fully collateralized with securities held by the pledging financial institution's trust department in the School District's name or insured by the Federal Deposit Insurance Corporation.

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

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

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

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

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

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

Fair Value of Financial Instruments: The School District categorizes its fair value measurements within the fair value hierarchy established by 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.

Note 3. 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, 2016 is as follows:

Total property taxes uncollected	\$ 38,184,989
Less allowance for doubtful accounts	<u>(15,273,996)</u>
Net property taxes receivable in the Statement of Net Position	22,910,993
Less collections made within 60 days of year end	<u>(374,901)</u>
Total deferred inflows of resources included in the Governmental Funds Balance Sheet	<u>\$ 22,536,092</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2016, was as follows:

	<u>Balance, July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2016</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 24,830,000	\$ 1,966,567	\$ -	\$ 26,796,567
Construction in progress	<u>39,027,029</u>	<u>62,062,812</u>	<u>(31,054,523)</u>	<u>70,035,318</u>
Total capital assets, not being depreciated	<u>63,857,029</u>	<u>64,029,379</u>	<u>(31,054,523)</u>	<u>96,831,885</u>
Capital assets, being depreciated:				
Buildings and improvements	708,885,082	29,710,034	(416,961)	738,178,155
Land improvements	49,799,937	1,305,435	-	51,105,372
Vehicles	7,448,718	2,892,403	(231,249)	10,109,872
Machinery and equipment	<u>33,102,033</u>	<u>2,467,837</u>	<u>(84,326)</u>	<u>35,485,544</u>
Total capital assets, being depreciated	<u>799,235,770</u>	<u>36,375,709</u>	<u>(732,536)</u>	<u>834,878,943</u>
Accumulated depreciation:				
Buildings and improvements	(190,115,515)	(14,329,750)	380,348	(204,064,917)
Land improvements	(18,247,419)	(2,129,986)	-	(20,377,405)
Vehicles	(4,455,737)	(699,936)	150,075	(5,005,598)
Machinery and equipment	<u>(26,573,393)</u>	<u>(2,215,861)</u>	<u>27,741</u>	<u>(28,761,513)</u>
Total accumulated depreciation	<u>(239,392,064)</u>	<u>(19,375,533)</u>	<u>558,164</u>	<u>(258,209,433)</u>
Governmental activities capital assets, net	<u>\$ 623,700,735</u>	<u>\$ 81,029,555</u>	<u>\$ (31,228,895)</u>	<u>\$ 673,501,395</u>
Business-type activities				
Capital assets being depreciated				
Machinery and equipment	\$ 5,983,557	\$ 112,125	\$ -	\$ 6,095,682
Vehicles	<u>42,864</u>	<u>-</u>	<u>-</u>	<u>42,864</u>
Total capital assets, being depreciated	<u>6,026,421</u>	<u>112,125</u>	<u>-</u>	<u>6,138,546</u>
Less accumulated depreciation				
Machinery and equipment	(3,824,671)	(233,486)	-	(4,058,157)
Vehicles	<u>(40,020)</u>	<u>(1,895)</u>	<u>-</u>	<u>(41,915)</u>
Total accumulated depreciation	<u>(3,864,691)</u>	<u>(235,381)</u>	<u>-</u>	<u>(4,100,072)</u>
Business-type activities capital assets, net	<u>\$ 2,161,730</u>	<u>\$ (123,256)</u>	<u>\$ -</u>	<u>\$ 2,038,474</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

Note 4. Capital Assets, Continued

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

Instruction	\$ 12,299,874
Support services	7,010,882
Community services	<u>64,777</u>
Total depreciation expense - governmental activities	<u>\$ 19,375,533</u>

Note 5. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2016, is as follows:

	<u>Balance, July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2016</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds payable					
General obligation bonds	\$ 291,585,000	\$ 197,780,000	\$ (21,860,000)	\$ 467,505,000	\$ 22,945,000
Plus deferred amounts for issuance premiums	<u>39,034,963</u>	<u>41,113,039</u>	<u>(4,352,304)</u>	<u>75,795,698</u>	<u>8,383,559</u>
Total bonds payable	330,619,963	238,893,039	(26,212,304)	543,300,698	31,328,559
Compensated absences	<u>3,851,291</u>	<u>2,096,972</u>	<u>(1,910,100)</u>	<u>4,038,163</u>	<u>1,910,100</u>
Governmental activities long-term liabilities	<u>\$ 334,471,254</u>	<u>\$ 240,990,011</u>	<u>\$ (28,122,404)</u>	<u>\$ 547,338,861</u>	<u>\$ 33,238,659</u>
	<u>Balance, July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2016</u>	<u>Due Within One Year</u>
Business-type activities					
Compensated absences	<u>\$ 54,525</u>	<u>\$ 38,611</u>	<u>\$ (37,195)</u>	<u>\$ 55,941</u>	<u>\$ 37,195</u>
Business-type activities long-term liabilities	<u>\$ 54,525</u>	<u>\$ 38,611</u>	<u>\$ (37,195)</u>	<u>\$ 55,941</u>	<u>\$ 37,195</u>

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, 2016:

	<u>Original bond issue</u>	<u>Interest rates</u>	<u>Maturity dates</u>	<u>Balance June 30, 2016</u>
General obligation bonds				
Series 2007B	\$ 68,800,000	4.00 - 5.00%	March 1, 2017	\$ 10,905,000
Series 2010A	43,330,000	2.00 - 5.00%	March 1, 2021	25,985,000
Series 2011A	54,965,000	3.00 - 5.00%	March 1, 2022	37,805,000
Series 2012A	59,455,000	2.00 - 5.00%	March 1, 2030	51,685,000
Series 2015A	110,810,000	3.50 - 5.00%	March 1, 2031	110,375,000
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>\$ 467,505,000</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

Note 5. 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, 2016, 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 \$168,635,000 at June 30, 2016.

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>
2017	\$ 22,945,000	\$ 19,671,086	\$ 42,616,086
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
2022-2026	220,235,000	42,833,000	263,068,000
2027-2031	71,170,000	8,321,850	79,491,850
Totals	<u>\$ 467,505,000</u>	<u>\$ 145,110,936</u>	<u>\$ 612,615,936</u>

Note 6. 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, 2016.

Inter-fund transfers for the year ended June 30, 2016, consist of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 9,691,778	\$ 1,482,599
Special Projects	960,089	932,529
Education Improvement Act	-	7,315,818
Capital Projects	33,700,000	107,955
Debt Service	-	33,700,000
Pupil Activity Fund	-	735,260
School Food Service	-	79,373
Scholarship Endowment Trust	1,667	-
	<u>\$ 44,353,534</u>	<u>\$ 44,353,534</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

Note 7. 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 - Nonspendable – 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.

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.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

Note 7. Fund Balances and Net Position, Continued

Government-wide and proprietary fund financial statements, continued

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.

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Nonspendable:					
Inventories	\$ 517,773	\$ -	\$ -	\$ -	\$ 517,773
Prepaid items	<u>1,986,513</u>	<u>761,532</u>	-	-	<u>2,748,045</u>
	<u>2,504,286</u>	<u>761,532</u>	-	-	<u>3,265,818</u>
Restricted for:					
Special revenue	-	676,949	-	-	676,949
Debt service	-	-	34,590,467	-	34,590,467
Capital projects	-	-	-	<u>265,227,253</u>	<u>265,227,253</u>
	-	<u>676,949</u>	<u>34,590,467</u>	<u>265,227,253</u>	<u>300,494,669</u>
Assigned to:					
Subsequent year expenditures	11,346,477	-	-	-	11,346,477
Carryover school budgets	<u>496,745</u>	-	-	-	<u>496,745</u>
	<u>11,843,222</u>	-	-	-	<u>11,843,222</u>
Unassigned	<u>77,599,922</u>	-	-	-	<u>77,599,922</u>
	<u>\$ 91,947,430</u>	<u>\$ 1,438,481</u>	<u>\$ 34,590,467</u>	<u>\$ 265,227,253</u>	<u>\$ 393,203,631</u>

Note 8. Commitments and Contingencies

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

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

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

The School District has entered into contracts and agreements with contractors and builders for various capital projects. The outstanding contract balance is included in restricted fund balance for contracts in the capital projects fund. These projects consisted of commitments with contractors for the construction of new schools and the renovation of existing facilities. The School District incurred expenditures of approximately \$101,000,000 and has a remaining commitment of approximately \$172,000,000 related to these active projects.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

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.

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 Budget and Control Board (State Fiscal Accountability Authority effective July 1, 2015), 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, PO Box 11960, Columbia, SC 29211-1960. 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.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

Note 9. Pension Plans, Continued

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.

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, 2016

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 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 of 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 Budget and Control Board 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 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 or employer contributions provided in the 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, 2016

Note 9. Pension Plans, Continued

- Required employee contribution rates for fiscal year 2015-2016 are as follows:

SCRS

Employee Class Two	8.16% of earnable compensation
Employee Class Three	8.16% of earnable compensation

State ORP Employee 8.16% of earnable compensation

PORS

Employee Class Two	8.74% of earnable compensation
Employee Class Three	8.74% of earnable compensation

- Required employer contributions for fiscal year 2015-2016 are as follows:

SCRS

Employer Class Two	10.91% of earnable compensation
Employer Class Three	10.91% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

State ORP

Employer Contribution	10.91% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

PORS

Employer Class Two	13.34% of earnable compensation
Employer Class Three	13.34% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

Of the employer contribution of 10.91% for State ORP, 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 SCRS.

The School District contributed 100% of the required contributions for the current year and each of the two preceding years.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

Note 9. Pension Plans, Continued

The School District's contributions to the SCRS and PORS were as follows:

SCRS	<u>2016</u>	<u>2015</u>
Employee contributions	\$ 18,625,971	\$ 17,551,926
Employer contributions	26,608,723	25,331,148
Employer group life contributions	385,150	372,939
Employer retiree insurance surcharge	<u>12,838,347</u>	<u>12,431,288</u>
Total	<u>\$ 58,458,191</u>	<u>\$ 55,687,301</u>
PORS	<u>2016</u>	<u>2015</u>
Employee contributions	\$ 16,377	\$ 20,219
Employer contributions	33,209	31,345
Employer group life contributions	996	964
Employer retiree insurance surcharge	<u>12,447</u>	<u>12,046</u>
Total	<u>\$ 63,029</u>	<u>\$ 64,574</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

Related to Pensions: At June 30, 2016, the School District reported its total net pension liability of \$477,544,192, including the proportionate share under governmental activities of \$469,207,861 for SCRS and \$423,868 for PORS and the proportionate share under business-type activities of \$7,912,463 for SCRS. The net pension liability of each defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2014, using membership as of that date projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2015. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined. At June 30, 2016, the School District's proportions were 2.51573% and 0.01945% for SCRS and PORS, respectively.

For the year ended June 30, 2016, the School District recognized total pension expense of \$32,111,961, including \$32,077,288 for SCRS and \$34,673 for PORS under governmental activities and \$608,181 for SCRS under business-type activities. At June 30, 2016, 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:

	<u>SCRS</u>	
	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 8,476,800	\$ 853,243
Net difference between projected and actual earnings on pension plan investments	3,193,604	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	6,241,046
District contributions subsequent to the measurement date*	<u>26,993,872</u>	<u>-</u>
Total	<u>\$ 38,664,276</u>	<u>\$ 7,094,289</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

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	\$ 8,401	\$ -
Net difference between projected and actual earnings on pension plan investments	4,638	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	11,634
District contributions subsequent to the measurement date*	<u>34,205</u>	<u>-</u>
Total	<u>\$ 47,244</u>	<u>\$ 11,634</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>
2017	\$ (70,134)	\$ 1,738
2018	(70,134)	1,738
2019	2,841,512	2,109
2020	<u>(7,277,359)</u>	<u>(6,990)</u>
	<u>\$ (4,576,115)</u>	<u>\$ (1,405)</u>

Actuarial Assumptions: 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 continual 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. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study, performed on data through June 30, 2015, is currently underway.

The June 30, 2015 total pension liability, net pension liability, and sensitivity information were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2014 actuarial valuations as adopted by the PEBA Board and Budget and Control Board which utilized membership data as of July 1, 2014. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2015, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

Note 9. Pension Plans, Continued

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2014, 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, 2014 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, 2015, 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	\$ 44,097,310,230	\$ 25,131,828,101	\$ 18,965,482,129	56.99%
PORS	6,151,321,222	3,971,824,838	2,179,496,384	64.57%

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.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

Note 9. Pension Plans, Continued

Long-term Expected Rate of Return: The long-term expected rate of return on pension plan investments, as used in the July 1, 2014 actuarial valuations, was based upon the 30 year capital market outlook at the end of the fourth quarter 2013, as developed by the Retirement Systems Investment Commission in collaboration with its investment consultant, Aon Hewitt. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. Long-term assumptions for other asset classes are based on historical results, current market characteristics, and professional judgment.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation as adopted by the Investment Commission for fiscal year 2015. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.50 percent assumed annual investment rate of return set in statute and used in the calculation of the total pension liability includes a 4.75 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
Short Term	5.00%		
Cash	2.00%	1.90%	0.04%
Short Duration	3.00%	2.00%	0.06%
Domestic Fixed Income	13.00%		
Core Fixed Income	7.00%	2.70%	0.19%
Mixed Credit	6.00%	3.80%	0.23%
Global Fixed Income	9.00%		
Global Fixed Income	3.00%	2.80%	0.08%
Emerging Markets Debt	6.00%	5.10%	0.31%
Global Public Equity	31.00%	7.10%	2.20%
Global Tactical Asset Allocation	10.00%	4.90%	0.49%
Alternatives	32.00%		
Hedge Funds (Low Beta)	8.00%	4.30%	0.34%
Private Debt	7.00%	9.90%	0.69%
Private Equity	9.00%	9.90%	0.89%
Real Estate (Broad Market)	5.00%	6.00%	0.30%
Commodities	3.00%	5.90%	0.18%
Total Expected Real Return	100.00%		6.00%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			8.75%

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

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	\$ 601,512,394	\$ 477,120,324	\$ 372,863,954
PORS	577,408	423,868	286,613

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, 2015 (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, 2015.

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.

As discussed in Note 9, the School District paid \$12,850,794 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.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2016

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

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, 2016. 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.

REQUIRED SUPPLEMENTARY INFORMATION

Horry County Schools**Budgetary Comparison Schedule - General Fund****For the year ended June 30, 2016**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 197,927,251	\$ 198,342,397	\$ 196,404,349	\$ (1,938,048)
Intergovernmental	580,996	580,996	441,998	(138,998)
State sources	156,198,204	156,198,204	156,343,684	145,480
Federal sources	735,891	735,891	724,188	(11,703)
Total revenues	<u>355,442,342</u>	<u>355,857,488</u>	<u>353,914,219</u>	<u>(1,943,269)</u>
Expenditures				
Instruction	229,234,877	229,490,830	217,857,632	11,633,198
Support services	133,870,899	137,847,004	129,449,067	8,397,937
Community services	742	2,062	2,045	17
Intergovernmental	7,401,459	7,402,422	7,261,002	141,420
Capital outlay	2,551,265	4,760,915	4,537,939	222,976
Total expenditures	<u>373,059,242</u>	<u>379,503,233</u>	<u>359,107,685</u>	<u>20,395,548</u>
Excess (deficiency) of revenues over expenditures	<u>(17,616,900)</u>	<u>(23,645,745)</u>	<u>(5,193,466)</u>	<u>18,452,279</u>
Other financing sources (uses)				
Sale of capital assets	25,376	25,376	29,883	4,507
Transfers in	9,563,914	9,563,914	9,691,778	127,864
Transfers out	(744,771)	(834,771)	(1,482,599)	(647,828)
Total other financing sources (uses)	<u>8,844,519</u>	<u>8,754,519</u>	<u>8,239,062</u>	<u>(515,457)</u>
Net change in fund balances	<u>\$ (8,772,381)</u>	<u>\$ (14,891,226)</u>	<u>3,045,596</u>	<u>\$ 17,936,822</u>
Fund balance, beginning of year			<u>88,901,834</u>	
Fund balance, end of year			<u>\$ 91,947,430</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, 2016**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 1,767,181	\$ 4,385,089	\$ 3,120,941	\$ (1,264,148)
State sources	5,509,660	6,167,173	5,873,128	(294,045)
Federal sources	25,442,135	34,978,068	26,076,410	(8,901,658)
Total revenues	<u>32,718,976</u>	<u>45,530,330</u>	<u>35,070,479</u>	<u>(10,459,851)</u>
Expenditures				
Instruction	21,399,736	29,565,743	22,251,280	7,314,463
Support services	8,235,448	10,078,884	8,001,149	2,077,735
Community services	1,688,081	1,887,094	1,217,617	669,477
Intergovernmental	475,755	610,857	595,688	15,169
Capital outlay	99,093	2,096,037	1,593,824	502,213
Total expenditures	<u>31,898,113</u>	<u>44,238,615</u>	<u>33,659,558</u>	<u>10,579,057</u>
Excess (deficiency) of revenues over expenditures	<u>820,863</u>	<u>1,291,715</u>	<u>1,410,921</u>	<u>119,206</u>
Other financing sources (uses)				
Transfers in	-	-	960,089	960,089
Transfers out	(820,863)	(1,291,715)	(932,529)	359,186
Total other financing sources (uses)	<u>(820,863)</u>	<u>(1,291,715)</u>	<u>27,560</u>	<u>1,319,275</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,438,481</u>	<u>\$ 1,438,481</u>
Fund balance, beginning of year			-	
Fund balance, end of year			<u>\$ 1,438,481</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, 2016**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
State sources	\$ 23,607,459	\$ 28,969,716	\$ 23,655,743	\$ (5,313,973)
Total revenues	23,607,459	28,969,716	23,655,743	(5,313,973)
Expenditures				
Instruction	15,295,588	17,707,596	12,809,927	4,897,669
Support services	948,364	3,446,704	2,974,805	471,899
Intergovernmental	157,209	312,083	365,308	(53,225)
Capital outlay	68,807	201,673	189,885	11,788
Total expenditures	16,469,968	21,668,056	16,339,925	5,328,131
Excess (deficiency) of revenues over expenditures	7,137,491	7,301,660	7,315,818	14,158
Other financing sources (uses)				
Transfers out	(7,137,491)	(7,301,660)	(7,315,818)	(14,158)
Total other financing sources (uses)	(7,137,491)	(7,301,660)	(7,315,818)	(14,158)
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, 2016*

	SCRS		
	2016	2015	2014
Entity's proportion of the net pension liability	2.51573%	2.56084%	2.56084%
Entity's proportionate share of the net pension liability	<u>\$ 477,120,324</u>	<u>\$ 440,892,267</u>	<u>\$ 459,323,882</u>
Entity's covered payroll during the measurement period	<u>\$ 220,703,321</u>	<u>\$ 217,871,216</u>	<u>N/A</u>
Entity's proportionate share of the net pension liability as a percentage of its covered-employee payroll	216.18176%	202.36371%	N/A
Plan fiduciary net position as a percentage of the total pension liability	56.99%	59.92%	56.39%

	PORS		
	2016	2015	2014
Entity's proportion of the net pension liability	0.01945%	0.02015%	0.02015%
Entity's proportionate share of the net pension liability	<u>\$ 423,868</u>	<u>\$ 385,757</u>	<u>\$ 417,704</u>
Entity's covered payroll during the measurement period	<u>\$ 240,929</u>	<u>\$ 238,010</u>	<u>N/A</u>
Entity's proportionate share of the net pension liability as a percentage of its covered-employee payroll	175.93067%	162.07596%	N/A
Plan fiduciary net position as a percentage of the total pension liability	64.57%	67.55%	62.98%

Horry County Schools
Schedule of District Contributions - SCRS and PORS
 For the year ended June 30, 2016

	SCRS									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 25,291,558	\$ 25,710,929	\$ 24,644,067	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	25,291,558	25,710,929	24,644,067	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Entity's covered-employee payroll	\$ 228,675,927	\$ 220,703,321	\$ 217,871,216	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	11.06000%	11.64954%	11.31130%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	PORS									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 34,205	\$ 32,309	\$ 31,117	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	34,205	32,309	31,117	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Entity's covered-employee payroll	\$ 248,943	\$ 240,929	\$ 238,010	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	13.74009%	13.41017%	13.07382%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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.

Horry County Schools**Comparative Balance Sheets - General Fund****As of June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 121,001,772	\$ 113,585,244
Property tax receivable, net	20,583,406	18,382,633
Due from other funds	-	2,998,102
Due from state government	682,976	714,247
Due from federal government	111,958	113,247
Due from other governmental units	3,630,858	3,507,345
Prepaid and other	1,986,513	1,918,579
Inventories - supply and materials	517,773	569,918
Other receivables	273,594	81,022
Total assets	<u>\$ 148,788,850</u>	<u>\$ 141,870,337</u>
Liabilities		
Accounts payable	\$ 2,498,299	\$ 2,837,726
Accrued salaries	20,733,264	20,134,616
Accrued payroll related liabilities	13,309,361	12,720,389
Due to other governmental units	6,273	8,342
Total liabilities	<u>36,547,197</u>	<u>35,701,073</u>
Deferred inflows of resources		
Unavailable revenue - property taxes	20,294,223	17,267,430
Total deferred inflows of resources	<u>20,294,223</u>	<u>17,267,430</u>
Fund balances		
Non-spendable	2,504,286	2,466,218
Assigned	11,843,222	14,629,223
Unassigned	77,599,922	71,806,393
Total fund balances	<u>91,947,430</u>	<u>88,901,834</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 148,788,850</u>	<u>\$ 141,870,337</u>

Horry County Schools

Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund For the years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues		
Local sources	\$ 196,404,349	\$ 192,627,999
Intergovernmental	441,998	197,462
State sources	156,343,684	147,497,492
Federal sources	724,188	736,712
Total revenues	<u>353,914,219</u>	<u>341,059,665</u>
Expenditures		
Instruction	217,857,632	209,542,748
Support services	129,449,067	124,825,833
Community services	2,045	1,299
Intergovernmental	7,261,002	6,932,306
Capital outlay	4,537,939	2,567,970
Total expenditures	<u>359,107,685</u>	<u>343,870,156</u>
Excess (deficiency) of revenues over expenditures	<u>(5,193,466)</u>	<u>(2,810,491)</u>
Other financing sources (uses)		
Sale of capital assets	29,883	148,350
Transfers in	9,691,778	9,687,711
Transfers out	(1,482,599)	(1,819,221)
Total other financial sources (uses)	<u>8,239,062</u>	<u>8,016,840</u>
Excess of revenues and other financing sources (uses) over expenditures	3,045,596	5,206,349
Fund balance, beginning of year	<u>88,901,834</u>	<u>83,695,485</u>
Fund balance, end of year	<u>\$ 91,947,430</u>	<u>\$ 88,901,834</u>

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**
For the year ended June 30, 2016

	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	\$ 185,542,222	\$ 182,366,750	\$ (3,175,472)
1140 Penalties & interest on taxes	2,039,452	1,810,597	(228,855)
1200 Revenue from local governmental units other than leas			
1280 Revenue in lieu of taxes	5,638,169	5,689,941	51,772
1300 Tuition			
1310 Tuition from patrons for regular day school	46,863	68,492	21,629
1330 Tuition from patrons for adult/continuing education	7,884	-	(7,884)
1500 Earnings on investments			
1510 Interest on investments	101,129	394,217	293,088
1900 Other revenue from local sources			
1910 Rentals	88,987	100,385	11,398
1920 Contributions & donations from private sources	245	9,500	9,255
1930 Special needs transportation	3,820,649	5,084,635	1,263,986
1950 Refund of prior year's expenditures	88,812	99,141	10,329
1990 Miscellaneous local revenue			
1993 Receipt of insurance proceeds	440,877	417,541	(23,336)
1994 Receipt of legal settlements	4,809	-	(4,809)
1999 Revenue from other local sources	522,299	363,150	(159,149)
Total revenue from local sources	<u>198,342,397</u>	<u>196,404,349</u>	<u>(1,938,048)</u>
2000 Intergovernmental revenue			
2100 Payments from other governmental units	580,996	441,998	(138,998)
Total intergovernmental revenue	<u>580,996</u>	<u>441,998</u>	<u>(138,998)</u>
3000 Revenue from state sources			
3100 Restricted state funding			
3130 Special programs			
3131 Handicapped transportation	23,699	19,171	(4,528)
3132 Home schooling	3,150	1,099	(2,051)
3160 School bus driver salary	1,661,064	2,128,171	467,107
3161 EAA bus driver salary and fringe	12,597	12,731	134
3162 Transportation workers' compensation	187,262	185,430	(1,832)
3180 Fringe benefits employer contributions	27,182,056	28,087,935	905,879
3181 Retiree insurance	9,885,436	8,658,644	(1,226,792)
3199 Other restricted state grants	24,972	2,298	(22,674)
3300 Education finance act			
3310 Full-time programs			
3311 Kindergarten	3,539,389	3,160,561	(378,828)
3312 Primary	10,425,568	10,287,281	(138,287)
3313 Elementary	16,142,029	16,071,897	(70,132)
3314 High school	7,880,819	7,799,260	(81,559)
3315 Trainable mentally handicapped	283,992	277,840	(6,152)
3316 Speech handicapped (part-time program)	2,790,535	2,871,854	81,319
3317 Homebound	135,427	71,551	(63,876)
3320 Part-time programs			
3321 Emotionally handicapped	416,703	362,552	(54,151)
3322 Educable mentally handicapped	301,466	276,855	(24,611)
3323 Learning disabilities	7,474,093	7,057,347	(416,746)
3324 Hearing handicapped	181,999	173,015	(8,984)
3325 Visually handicapped	76,292	74,401	(1,891)
3326 Orthopedically handicapped	136,719	124,148	(12,571)
3327 Vocational	5,515,355	5,618,714	103,359

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2016**

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues, Continued			
3000 Revenue from state sources, continued			
3330 Miscellaneous EFA programs			
3331 Autism	984,040	1,083,403	99,363
3332 High achieving students	1,427,655	1,481,475	53,820
3334 Limited english proficiency	744,118	778,535	34,417
3350 Residential treatment facilities (RTF)	77,824	42,051	(35,773)
3351 Academic assistance	1,042,141	829,800	(212,341)
3352 Pupils in poverty	6,980,745	7,270,262	289,517
3800 State revenue in lieu of taxes			
3810 Reimbursement for local residential property tax relief	11,057,149	11,700,436	643,287
3820 Homestead exemption	3,952,008	3,952,008	-
3825 Reimbursement for property tax relief	34,336,407	34,380,006	43,599
3830 Merchant's inventory tax	701,824	701,824	-
3840 Manufacturers depreciation reimbursement	255,167	250,644	(4,523)
3890 Other state property tax revenues	358,504	550,125	191,621
3900 Other state revenue			
3999 Revenue from other state sources	-	360	360
Total revenue from state sources	156,198,204	156,343,684	145,480
4000 Revenue from federal sources			
4900 Other federal sources			
4990 Other federal revenue			
4999 Revenue from other federal sources	735,891	724,188	(11,703)
Total revenue from federal sources	735,891	724,188	(11,703)
Total revenues from all sources	355,857,488	353,914,219	(1,943,269)
Expenditures			
100 Instruction			
110 General instruction			
111 Kindergarten programs			
100 Salaries	9,190,411	8,802,955	387,456
140 Terminal leave	-	3,741	(3,741)
200 Employee benefits	3,816,618	3,594,099	222,519
300 Purchased services	2,266	1,603	663
400 Supplies and materials	137,204	126,199	11,005
500 Capital outlay	2,500	131	2,369
	13,148,999	12,528,728	620,271
112 Primary programs			
100 Salaries	30,536,370	30,457,633	78,737
140 Terminal leave	-	16,544	(16,544)
200 Employee benefits	10,991,966	10,991,965	1
300 Purchased services	563,452	502,674	60,778
400 Supplies and materials	1,252,495	953,615	298,880
500 Capital outlay	10,140	8,462	1,678
600 Other objects	1,025	938	87
	43,355,448	42,931,831	423,617
113 Elementary programs			
100 Salaries	39,292,180	38,620,021	672,159
140 Terminal leave	-	2,730	(2,730)
200 Employee benefits	14,010,949	13,836,275	174,674
300 Purchased services	1,604,028	1,603,863	165
400 Supplies and materials	1,359,541	1,088,530	271,011
500 Capital outlay	24,432	10,662	13,770
600 Other objects	15,007	14,933	74
	56,306,137	55,177,014	1,129,123

Horry County Schools*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**For the year ended June 30, 2016*

	Final Budget	Actual	Variance Favorable (Unfavorable)
114 High school programs			
100 Salaries	32,802,550	31,583,019	1,219,531
140 Terminal leave	-	25,079	(25,079)
200 Employee benefits	11,403,768	10,881,728	522,040
300 Purchased services	1,732,776	1,727,417	5,359
400 Supplies and materials	1,712,378	1,161,981	550,397
500 Capital outlay	25,673	24,214	1,459
600 Other objects	31,205	31,024	181
	<u>47,708,350</u>	<u>45,434,462</u>	<u>2,273,888</u>
115 Career and technology education programs			-
100 Salaries	3,507,959	3,421,466	86,493
200 Employee benefits	1,234,588	1,208,654	25,934
300 Purchased services - other than tuition	95,100	55,103	39,997
400 Supplies and materials	212,706	187,013	25,693
500 Capital outlay	4,108	-	4,108
600 Other objects	2,679	493	2,186
	<u>5,057,140</u>	<u>4,872,729</u>	<u>184,411</u>
117 Driver education program			
400 Supplies and materials	15,699	2,004	13,695
500 Capital outlay	111,324	111,324	-
	<u>127,023</u>	<u>113,328</u>	<u>13,695</u>
Total general instruction	<u>165,703,097</u>	<u>161,058,092</u>	<u>4,645,005</u>
120 Exceptional programs			
121 Educable mentally handicapped			
100 Salaries	1,523	1,522	1
200 Employee benefits	375	366	9
300 Purchased services	50	49	1
400 Supplies and materials	3,848	2,278	1,570
600 Other objects	690	682	8
	<u>6,486</u>	<u>4,897</u>	<u>1,589</u>
122 Trainable mentally handicapped			
100 Salaries	1,986,575	1,965,285	21,290
200 Employee benefits	753,376	723,551	29,825
300 Purchased services	43,100	43,100	-
400 Supplies and materials	12,935	11,335	1,600
600 Other objects	220	210	10
	<u>2,796,206</u>	<u>2,743,481</u>	<u>52,725</u>
123 Orthopedically handicapped			
100 Salaries	709,508	709,421	87
200 Employee benefits	265,260	264,992	268
300 Purchased services	20,757	7,415	13,342
400 Supplies and materials	692	517	175
	<u>996,217</u>	<u>982,345</u>	<u>13,872</u>
124 Visually handicapped			
100 Salaries	55,850	45,621	10,229
200 Employee benefits	17,598	14,742	2,856
300 Purchased services	7,920	433	7,487
400 Supplies and materials	5,890	2,260	3,630
	<u>87,258</u>	<u>63,056</u>	<u>24,202</u>
125 Hearing handicapped			
100 Salaries	265,013	213,125	51,888
200 Employee benefits	200,788	95,856	104,932
300 Purchased services	111,337	110,494	843
400 Supplies and materials	3,768	3,717	51
500 Capital outlay	1,068	-	1,068
	<u>581,974</u>	<u>423,192</u>	<u>158,782</u>

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**
For the year ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
126 Speech handicapped			
100 Salaries	2,249,593	2,248,371	1,222
140 Terminal leave	-	1,200	(1,200)
200 Employee benefits	789,492	789,411	81
300 Purchased services	11,750	5,301	6,449
400 Supplies and materials	14,038	7,320	6,718
600 Other objects	200	155	45
	<u>3,065,073</u>	<u>3,051,758</u>	<u>13,315</u>
127 Learning disabilities			
100 Salaries	17,909,868	17,612,691	297,177
140 Terminal leave	-	1,955	(1,955)
200 Employee benefits	6,728,895	6,462,664	266,231
300 Purchased services	557,425	122,300	435,125
400 Supplies and materials	197,896	121,829	76,067
500 Capital outlay	13,500	1,576	11,924
600 Other objects	130	130	-
	<u>25,407,714</u>	<u>24,323,145</u>	<u>1,084,569</u>
128 Emotionally handicapped			
100 Salaries	1,376,791	1,306,230	70,561
200 Employee benefits	548,235	522,914	25,321
400 Supplies and materials	28,862	11,443	17,419
	<u>1,953,888</u>	<u>1,840,587</u>	<u>113,301</u>
129 Coordinated early intervening services (ceis)			
100 Salaries	2,744,802	2,724,046	20,756
200 Employee benefits	993,594	943,175	50,419
400 Supplies and materials	205	192	13
	<u>3,738,601</u>	<u>3,667,413</u>	<u>71,188</u>
Total exceptional programs	<u>38,633,417</u>	<u>37,099,874</u>	<u>1,533,543</u>
130 Preschool programs			
137 Preschool handicapped-self-contained (3 & 4 year olds)			
100 Salaries	1,622,765	1,535,245	87,520
200 Employee benefits	604,571	579,893	24,678
300 Purchased services	1,950	547	1,403
400 Supplies and materials	2,210	1,951	259
	<u>2,231,496</u>	<u>2,117,636</u>	<u>113,860</u>
139 Early childhood programs			
100 Salaries	134,418	94,561	39,857
140 Terminal leave	-	1,016	(1,016)
200 Employee benefits	35,579	14,656	20,923
300 Purchased services	8,579	4,922	3,657
400 Supplies and materials	114,636	76,493	38,143
500 Capital outlay	2,000	131	1,869
600 Other objects	1,512	-	1,512
	<u>296,724</u>	<u>191,779</u>	<u>104,945</u>
Total preschool programs	<u>2,528,220</u>	<u>2,309,415</u>	<u>218,805</u>
140 Special programs			
141 Gifted and talented - academic			
100 Salaries	5,644,789	5,438,830	205,959
200 Employee benefits	2,017,464	1,947,901	69,563
300 Purchased services	291,091	290,137	954
400 Supplies and materials	79,278	67,808	11,470
500 Capital outlay	10,150	10,143	7
600 Other objects	300	195	105
	<u>8,043,072</u>	<u>7,755,014</u>	<u>288,058</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
143 Advanced placement			
100 Salaries	110,641	110,613	28
200 Employee benefits	26,759	26,472	287
300 Purchased services	439,462	190,373	249,089
400 Supplies and materials	70,048	55,952	14,096
600 Other objects	175	155	20
	<u>647,085</u>	<u>383,565</u>	<u>263,520</u>
145 Homebound			
100 Salaries	767,925	634,990	132,935
200 Employee benefits	182,075	150,223	31,852
300 Purchased services	203,000	79,193	123,807
400 Supplies and materials	1,025	515	510
	<u>1,154,025</u>	<u>864,921</u>	<u>289,104</u>
148 Gifted and talented - artistic			
400 Supplies and materials	5,200	4,438	762
	<u>5,200</u>	<u>4,438</u>	<u>762</u>
149 Other special programs			
100 Salaries	6,627,167	3,849,138	2,778,029
200 Employee benefits	2,406,178	1,316,865	1,089,313
300 Purchased services	192,002	141,797	50,205
400 Supplies and materials	79,902	51,426	28,476
500 Capital outlay	7,823	5,636	2,187
600 Other objects	530	527	3
	<u>9,313,602</u>	<u>5,365,389</u>	<u>3,948,213</u>
Total special programs	<u>19,162,984</u>	<u>14,373,327</u>	<u>4,789,657</u>
160 Other exceptional programs			
161 Autism			
100 Salaries	1,732,545	1,529,882	202,663
200 Employee benefits	719,269	651,806	67,463
300 Purchased services	242,518	138,102	104,416
400 Supplies and materials	35,690	15,877	19,813
Total other exceptional programs	<u>2,730,022</u>	<u>2,335,667</u>	<u>394,355</u>
170 Summer school program			
174 Gifted and talented summer school			
100 Salaries	7,500	7,384	116
200 Employee benefits	1,804	1,752	52
300 Purchased services	69,088	67,273	1,815
400 Supplies and materials	58,126	57,138	988
	<u>136,518</u>	<u>133,547</u>	<u>2,971</u>
175 Instructional programs beyond regular school day			
100 Salaries	40,086	36,396	3,690
200 Employee benefits	9,637	8,644	993
300 Purchased services	45	41	4
400 Supplies and materials	700	659	41
600 Other objects	210	204	6
	<u>50,678</u>	<u>45,944</u>	<u>4,734</u>
Total summer school program	<u>187,196</u>	<u>179,491</u>	<u>7,705</u>
180 Adult/continuing educational programs			
181 Adult basic education programs			
100 Salaries	212,480	212,349	131
200 Employee benefits	89,852	87,948	1,904
300 Purchased services	21,895	9,682	12,213
400 Supplies and materials	27,205	27,203	2
	<u>351,432</u>	<u>337,182</u>	<u>14,250</u>

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**
For the year ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
182 Adult secondary education programs			
100 Salaries	195,566	162,609	32,957
200 Employee benefits	73,975	52,737	21,238
300 Purchased services	3,000	2,979	21
400 Supplies and materials	12,200	12,191	9
	<u>284,741</u>	<u>230,516</u>	<u>54,225</u>
183 Adult english literacy (esl)			
100 Salaries	4,647	1,977	2,670
200 Employee benefits	1,275	402	873
300 Purchased services	60	60	-
400 Supplies and materials	1,106	1,105	1
	<u>7,088</u>	<u>3,544</u>	<u>3,544</u>
188 Parenting/family literacy			
100 Salaries	2,535	2,276	259
200 Employee benefits	601	367	234
300 Purchased services	35	31	4
400 Supplies and materials	630	-	630
	<u>3,801</u>	<u>2,674</u>	<u>1,127</u>
Total adult/continuing educational programs	<u>647,062</u>	<u>573,916</u>	<u>73,146</u>
190 Instructional pupil activity			
100 Salaries (optional)	65,968	60,190	5,778
200 Employee benefits (optional)	15,637	14,294	1,343
300 Purchased services (optional)	22,770	20,000	2,770
400 Supplies and materials (optional)	295	295	-
600 Other objects			
660 Instructional pupil activity	6,880	5,350	1,530
Total instructional pupil activity	<u>111,550</u>	<u>100,129</u>	<u>11,421</u>
Total instruction	<u>229,703,548</u>	<u>218,029,911</u>	<u>11,673,637</u>
200 Support services			
210 Pupil services			
211 Attendance and social work services			
100 Salaries	2,633,000	2,582,439	50,561
140 Terminal leave	-	16,372	(16,372)
200 Employee benefits	1,003,935	985,250	18,685
300 Purchased services	26,900	23,223	3,677
400 Supplies and materials	13,249	11,164	2,085
500 Capital outlay	10,100	10,017	83
600 Other objects	250	250	-
	<u>3,687,434</u>	<u>3,628,715</u>	<u>58,719</u>
212 Guidance services			
100 Salaries	5,899,812	5,837,811	62,001
140 Terminal leave	-	1,200	(1,200)
200 Employee benefits	2,082,239	2,077,457	4,782
300 Purchased services	4,395	4,390	5
400 Supplies and materials	31,045	22,781	8,264
600 Other objects	235	233	2
	<u>8,017,726</u>	<u>7,943,872</u>	<u>73,854</u>
213 Health services			
100 Salaries	2,035,148	2,032,702	2,446
140 Terminal leave	-	1,200	(1,200)
200 Employee benefits	864,658	804,637	60,021
300 Purchased services	227,415	225,080	2,335
400 Supplies and materials	170,545	138,912	31,633
500 Capital outlay	5,000	887	4,113
600 Other objects	220	216	4
	<u>3,302,986</u>	<u>3,203,634</u>	<u>99,352</u>

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2016**

	Final Budget	Actual	Variance Favorable (Unfavorable)
214 Psychological services			
100 Salaries	1,901,576	1,846,280	55,296
140 Terminal leave	-	1,200	(1,200)
200 Employee benefits	648,005	634,079	13,926
300 Purchased services	25,200	4,272	20,928
400 Supplies and materials	17,010	14,834	2,176
500 Capital outlay	9,000	-	9,000
	<u>2,600,791</u>	<u>2,500,665</u>	<u>100,126</u>
215 Exceptional program services			
100 Salaries	96,389	96,341	48
200 Employee benefits	36,760	36,756	4
400 Supplies and materials	68,150	-	68,150
	<u>201,299</u>	<u>133,097</u>	<u>68,202</u>
217 Career specialist services			
100 Salaries	120,189	117,104	3,085
200 Employee benefits	45,610	45,588	22
	<u>165,799</u>	<u>162,692</u>	<u>3,107</u>
Total pupil services	<u>17,976,035</u>	<u>17,572,675</u>	<u>403,360</u>
220 Instructional staff services			
221 Improvement of instruction curriculum development			
100 Salaries	3,779,999	3,503,009	276,990
140 Terminal leave	-	44,669	(44,669)
200 Employee benefits	1,235,031	1,151,101	83,930
300 Purchased services	118,084	80,013	38,071
400 Supplies and materials	73,714	71,040	2,674
500 Capital outlay	6,700	3,573	3,127
600 Other objects	510	401	109
	<u>5,214,038</u>	<u>4,853,806</u>	<u>360,232</u>
222 Library and media services			
100 Salaries	4,109,652	4,003,784	105,868
140 Terminal leave	-	60	(60)
200 Employee benefits	1,584,665	1,540,876	43,789
300 Purchased services	17,811	16,879	932
400 Supplies and materials	821,434	734,384	87,050
500 Capital outlay	5,000	4,942	58
600 Other objects	48,750	48,685	65
	<u>6,587,312</u>	<u>6,349,610</u>	<u>237,702</u>
223 Supervision of special programs			
100 Salaries	1,144,222	1,122,140	22,082
140 Terminal leave	-	21,892	(21,892)
200 Employee benefits	364,641	363,524	1,117
300 Purchased services	31,094	13,401	17,693
400 Supplies and materials	19,800	14,336	5,464
500 Capital outlay	1,800	-	1,800
600 Other objects	225	225	-
	<u>1,561,782</u>	<u>1,535,518</u>	<u>26,264</u>
224 Improvement of instruction inservice and staff training			
100 Salaries	916,609	792,078	124,531
200 Employee benefits	231,091	221,374	9,717
300 Purchased services	1,765,962	1,763,447	2,515
400 Supplies and materials	988,880	179,283	809,597
500 Capital outlay	7,000	6,685	315
600 Other objects	13,252	13,252	-
	<u>3,922,794</u>	<u>2,976,119</u>	<u>946,675</u>
Total instructional staff services	<u>17,285,926</u>	<u>15,715,053</u>	<u>1,570,873</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund

For the year ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
230 General administration services			
231 Board of education			
100 Salaries	168,156	163,340	4,816
200 Employee benefits	39,868	38,874	994
300 Purchased services	312,000	392,956	(80,956)
318 Audit services	-	46,920	(46,920)
400 Supplies and materials	34,875	34,765	110
500 Capital outlay	250	246	4
600 Other objects	40,850	40,850	-
	<u>595,999</u>	<u>717,951</u>	<u>(121,952)</u>
232 Office of the superintendent			
100 Salaries	622,508	693,888	(71,380)
200 Employee benefits	187,644	141,208	46,436
300 Purchased services	31,500	25,583	5,917
400 Supplies and materials	30,193	13,374	16,819
500 Capital outlay	3,000	-	3,000
600 Other objects	18,734	12,734	6,000
	<u>893,579</u>	<u>886,787</u>	<u>6,792</u>
233 School administration			
100 Salaries	17,483,518	17,264,051	219,467
140 Terminal leave	-	41,526	(41,526)
200 Employee benefits	5,837,320	5,830,808	6,512
300 Purchased services	105,704	87,968	17,736
400 Supplies and materials	182,209	181,947	262
500 Capital outlay	7,052	7,026	26
600 Other objects	18,863	18,785	78
	<u>23,634,666</u>	<u>23,432,111</u>	<u>202,555</u>
Total general administrative services	<u>25,124,244</u>	<u>25,036,849</u>	<u>87,395</u>
250 Finance and operations services			
251 Student transportation (federal/district mandated)			
100 Salaries	7,091	7,084	7
200 Employee benefits	1,743	1,701	42
300 Purchased services	9,500	1,012	8,488
400 Supplies and materials	9,500	9,425	75
	<u>27,834</u>	<u>19,222</u>	<u>8,612</u>
252 Fiscal services			
100 Salaries	1,439,997	1,405,177	34,820
140 Terminal leave	-	4,606	(4,606)
200 Employee benefits	514,498	499,098	15,400
300 Purchased services	43,735	32,649	11,086
400 Supplies and materials	34,245	30,802	3,443
500 Capital outlay	4,888	3,981	907
600 Other objects	26,809	15,437	11,372
	<u>2,064,172</u>	<u>1,991,750</u>	<u>72,422</u>
253 Facilities acquisition and construction			
100 Salaries	86,654	-	86,654
200 Employee benefits	28,346	-	28,346
300 Purchased services	6,000	5,734	266
400 Supplies and materials	7,500	1,882	5,618
500 Capital outlay			
520 Construction services	121,000	97,083	23,917
	<u>249,500</u>	<u>104,699</u>	<u>144,801</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
254 Operation and maintenance of plant			
100 Salaries	11,044,761	11,009,580	35,181
140 Terminal leave	-	31,732	(31,732)
200 Employee benefits	4,592,940	4,501,472	91,468
300 Purchased services	5,947,854	4,312,085	1,635,769
321 Public utilities (excludes gas, oil, elec. & other heating fuels)	-	1,082,707	(1,082,707)
400 Supplies and materials	13,537,363	3,154,594	10,382,769
470 Energy (include gas, oil, elec. & other heating fuels)	-	9,859,772	(9,859,772)
500 Capital outlay	404,400	403,979	421
600 Other objects	506,275	506,214	61
	<u>36,033,593</u>	<u>34,862,135</u>	<u>1,171,458</u>
255 Student transportation (state mandated)			
100 Salaries	10,816,382	10,521,288	295,094
140 Terminal leave	-	4,940	(4,940)
200 Employee benefits	4,870,390	4,639,486	230,904
300 Purchased services	400,913	314,190	86,723
400 Supplies and materials	383,180	230,822	152,358
500 Capital outlay	1,590,380	1,521,752	68,628
600 Other objects	150	150	-
	<u>18,061,395</u>	<u>17,232,628</u>	<u>828,767</u>
256 Food service			
100 Salaries	1,632	1,625	7
200 Employee benefits	876	840	36
300 Purchased services	6,000	5,657	343
400 Supplies and materials	117	117	-
	<u>8,625</u>	<u>8,239</u>	<u>386</u>
257 Internal services			
100 Salaries	535,346	502,093	33,253
140 Terminal leave	-	1,270	(1,270)
200 Employee benefits	166,973	154,503	12,470
300 Purchased services	74,902	28,320	46,582
400 Supplies and materials	50,470	33,764	16,706
500 Capital outlay	59,756	18,333	41,423
600 Other objects	1,500	565	935
	<u>888,947</u>	<u>738,848</u>	<u>150,099</u>
258 Security			
100 Salaries	108,212	108,033	179
200 Employee benefits	28,575	28,346	229
300 Purchased services	1,613,501	1,612,821	680
400 Supplies and materials	32,306	26,696	5,610
500 Capital outlay	61,310	60,367	943
	<u>1,843,904</u>	<u>1,836,263</u>	<u>7,641</u>
Total finance and operations services	<u>59,177,970</u>	<u>56,793,784</u>	<u>2,384,186</u>
260 Central support services			
262 Planning			
100 Salaries	357,776	340,846	16,930
200 Employee benefits	116,985	111,423	5,562
300 Purchased services	385,167	65,164	320,003
400 Supplies and materials	41,894	18,512	23,382
500 Capital outlay	2,500	868	1,632
600 Other objects	41,250	41,250	-
	<u>945,572</u>	<u>578,063</u>	<u>367,509</u>

Horry County Schools*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**For the year ended June 30, 2016*

	Final Budget	Actual	Variance Favorable (Unfavorable)
263 Information services			
100 Salaries	619,354	619,296	58
200 Employee benefits	203,652	202,156	1,496
300 Purchased services	78,808	53,752	25,056
400 Supplies and materials	134,611	128,476	6,135
500 Capital outlay	5,040	5,034	6
600 Other objects	352	351	1
	<u>1,041,817</u>	<u>1,009,065</u>	<u>32,752</u>
264 Staff services			
100 Salaries	1,721,183	1,494,384	226,799
200 Employee benefits	6,156,981	3,707,449	2,449,532
300 Purchased services	433,500	279,233	154,267
400 Supplies and materials	117,821	106,696	11,125
500 Capital outlay	27,500	8,682	18,818
600 Other objects	30,100	21,793	8,307
	<u>8,487,085</u>	<u>5,618,237</u>	<u>2,868,848</u>
266 Technology and data processing services			
100 Salaries	3,005,874	2,667,092	338,782
140 Terminal leave	-	4,556	(4,556)
200 Employee benefits	1,126,404	971,703	154,701
300 Purchased services	517,269	509,133	8,136
400 Supplies and materials	151,500	151,242	258
500 Capital outlay	983,703	980,708	2,995
	<u>5,784,750</u>	<u>5,284,434</u>	<u>500,316</u>
Total central support services	<u>16,259,224</u>	<u>12,489,799</u>	<u>3,769,425</u>
270 Support services pupil activity			
271 Pupil services activities			
100 Salaries	3,220,621	3,042,216	178,405
200 Employee benefits	878,194	776,997	101,197
300 Purchased services	990,209	919,438	70,771
400 Supplies and materials	79,968	70,902	9,066
500 Capital outlay	1,232,818	1,231,497	1,321
600 Other objects	-	360	(360)
660 Pupil activity	169,992	165,157	4,835
Total support services pupil activity	<u>6,571,802</u>	<u>6,206,567</u>	<u>365,235</u>
Total support services	<u>142,395,201</u>	<u>133,814,727</u>	<u>8,580,474</u>
300 Community services			
330 Civic services			
400 Supplies and materials	20	15	5
350 Custody and care of children services			
100 Salaries	1,800	595	1,205
140 Terminal leave	-	1,200	(1,200)
200 Employee benefits	242	235	7
Total community services	<u>2,062</u>	<u>2,045</u>	<u>17</u>

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2016**

	Final Budget	Actual	Variance Favorable (Unfavorable)
400 Other charges			
410 Intergovernmental expenditures			
411 Payments to the state department of education			
720 Transits	-	11,883	(11,883)
412 Payments to other governmental units			
720 Transits	96,500	154,217	(57,717)
414 Medicaid payments to SCDE			
720 Transits	1,153,542	1,215,456	(61,914)
416 Lea payments to public charter schools			
720 Transits	6,152,380	5,879,446	272,934
Total intergovernmental expenditures	<u>7,402,422</u>	<u>7,261,002</u>	<u>141,420</u>
Total expenditures	<u>379,503,233</u>	<u>359,107,685</u>	<u>20,395,548</u>
Other financing sources (uses)			
5300 Sale of capital assets	25,376	29,883	4,507
Interfund transfers, from (to) other funds			
5230 Transfer from special revenue EIA fund	7,137,491	7,315,818	178,327
5280 Transfer from other funds indirect costs	2,426,423	2,375,960	(50,463)
421-710 Transfer to special revenue fund	(128,700)	(129,600)	(900)
425-710 Transfer to food service fund	(616,071)	(1,273,994)	(657,923)
426-710 Transfer to pupil activity fund	(90,000)	(79,005)	10,995
Total other financing sources (uses)	<u>8,754,519</u>	<u>8,239,062</u>	<u>(515,457)</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	<u>\$ (14,891,226)</u>	3,045,596	<u>\$ 17,936,822</u>
Fund balance, beginning of year		88,901,834	
Fund balance, end of year		<u>\$ 91,947,430</u>	

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.

Horry County Schools

Comparative Balance Sheets - Special Projects

As of June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 97,529	\$ -
Due from state government	58,967	419,666
Due from federal government	4,823,637	7,483,238
Due from other governmental units	52,437	-
Other receivables	93,756	24,097
Prepaid expenses	761,532	-
Total assets	<u>\$ 5,887,858</u>	<u>\$ 7,927,001</u>
Liabilities		
Accounts payable	\$ 464,562	\$ 550,580
Accrued salaries	1,560,234	1,256,984
Accrued payroll related liabilities	615,114	490,134
Due to other funds	-	2,998,102
Due to state government	15,359	97,059
Due to other governmental units	498	-
Unearned revenue	1,793,610	2,534,142
Total liabilities	<u>4,449,377</u>	<u>7,927,001</u>
Fund balances		
Non-spendable	761,532	-
Restricted	676,949	-
Total fund balances	<u>1,438,481</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 5,887,858</u>	<u>\$ 7,927,001</u>

Horry County Schools

Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances - Special Projects Fund For the years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues		
Local sources	\$ 3,120,941	\$ 2,523,586
State sources	5,873,128	6,399,980
Federal sources	26,076,410	25,175,453
Total revenues	<u>35,070,479</u>	<u>34,099,019</u>
Expenditures		
Instruction	22,251,280	20,639,768
Support services	8,001,149	9,432,319
Community services	1,217,617	1,137,590
Intergovernmental	595,688	663,392
Capital outlay	1,593,824	696,833
Total expenditures	<u>33,659,558</u>	<u>32,569,902</u>
Excess of revenues over expenditures	<u>1,410,921</u>	<u>1,529,117</u>
Other financing sources (uses)		
Transfers in	960,089	-
Transfers out	(932,529)	(1,529,117)
Total other financial sources (uses)	<u>27,560</u>	<u>(1,529,117)</u>
Net change in fund balance	1,438,481	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ 1,438,481</u>	<u>\$ -</u>

Horry County Schools

*Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2016*

	Title I (201)	IDEA (203/206)	Preschool Handicapped (205/208)	CATE (207)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
Revenues								
1000 Revenue from local sources								
1300 Tuition								
1350 From patrons for summer school	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,035	\$ 11,035
1700 Pupil activities								
1710 Admissions	-	-	-	-	-	-	819	819
1740 Student fees	-	-	-	-	-	-	531,405	531,405
1790 Other pupil activity income	-	-	-	-	-	-	70	70
1900 Other revenue from local sources								
1910 Rentals	-	-	-	-	-	-	49,788	49,788
1920 Contributions & donations from private sources	-	-	-	-	-	-	1,151	1,151
1990 Miscellaneous local revenue	-	-	-	-	-	-	-	-
1999 Revenue from other local sources	-	-	-	-	-	-	2,526,673	2,526,673
Total local sources	-	-	-	-	-	-	3,120,941	3,120,941
3000 Revenue from state sources								
3100 Restricted state funding								
3110 Occupational education								
3113 12-month agriculture program	-	-	-	-	-	-	49,576	49,576
3118 EEDA career specialists	-	-	-	-	-	1,178,675	-	1,178,675
3120 General education								
3127 Student health and fitness - pe teachers	-	-	-	-	-	311,703	-	311,703
3130 Special programs								
3134 CDEP expansion	-	-	-	-	-	2,500	-	2,500
3135 Reading coaches	-	-	-	-	-	334,560	-	334,560
3136 Student health and fitness - nurses	-	-	-	-	-	215,030	-	215,030
3155 DSS snap & E&T program	-	-	-	-	-	11,853	-	11,853
3177 Summer reading camp	-	-	-	-	-	171,870	-	171,870
3190 Miscellaneous restricted state grants								
3193 Education license plates	-	-	-	-	-	6,959	-	6,959
3198 Technology professional development	-	-	-	-	-	191,897	-	191,897
3199 Other restricted state grants	-	-	-	-	-	-	3,770	3,770
3600 Education lottery act revenue								
3607 6-8 enhancement	-	-	-	-	-	150,379	-	150,379
3610 K-5 enhancement	-	-	-	-	-	991,948	-	991,948
3630 K-12 technology initiative	-	-	-	-	-	1,925,767	-	1,925,767
3900 Other state revenue								
3999 Revenue from other state sources	-	-	-	-	-	-	326,641	326,641
Total state sources	-	-	-	-	-	5,493,141	379,987	5,873,128

Horry County Schools

Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2016

	Title I (201)	IDEA (203/206)	Preschool Handicapped (205/208)	CATE (207)	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	-	-	-	622,654	-	-	-	622,654
4300 Elementary and secondary education act of 1965 (ESEA)								
4310 Title I, basic state grant programs	13,712,890	-	-	-	-	-	506,706	14,219,596
4325 Mathematics and science partnerships program, Title II	-	-	-	-	-	-	100,372	100,372
4341 Language instruction for limited english proficient and immigrant students, Title III	-	-	-	-	-	-	210,064	210,064
4351 Improving teacher quality	-	-	-	-	-	-	1,189,306	1,189,306
4400 Adult education								
4410 Basic, adult education	-	-	-	-	313,188	-	-	313,188
4430 State literacy resource	-	-	-	-	18,432	-	-	18,432
4500 Programs for children with disabilities								
4510 Individuals with disabilities education act (IDEA)	-	8,523,081	-	-	-	-	254,225	8,777,306
4520 Preschool grants for children with disabilities (IDEA)	-	-	364,224	-	-	-	-	364,224
4900 Other Federal Sources								
4924 21st century community learning centers program, (Title IV, 21st century schools)	-	-	-	-	-	-	180,305	180,305
4990 Other federal revenue								
4999 Revenue from other federal sources	-	-	-	-	-	-	80,963	80,963
Total federal sources	13,712,890	8,523,081	364,224	622,654	331,620	-	2,521,941	26,076,410
Total revenues all sources	\$ 13,712,890	\$ 8,523,081	\$ 364,224	\$ 622,654	\$ 331,620	\$ 5,493,141	\$ 6,022,869	\$ 35,070,479

Expenditures

100 Instruction								
110 General instruction								
111 Kindergarten programs								
100 Salaries	\$ 16,706	\$ -	\$ -	\$ -	\$ -	\$ 31,363	\$ 1,450	\$ 49,519
200 Employee benefits	10,579	-	-	-	-	6,797	257	17,633
300 Purchased services	-	-	-	-	-	112,700	-	112,700
400 Supplies and materials	-	-	-	-	-	966	-	966
112 Primary programs								
100 Salaries	1,559,814	-	-	-	-	432,413	23,169	2,015,396
200 Employee benefits	555,481	-	-	-	-	121,723	3,213	680,417
300 Purchased services	2,567	-	-	-	-	208,555	-	211,122
400 Supplies and materials	318,209	-	-	-	-	143,363	34,829	496,401
113 Elementary programs								
100 Salaries	1,321,047	-	-	-	-	21,928	24,423	1,367,398
200 Employee benefits	415,937	-	-	-	-	4,983	9,772	430,692
300 Purchased services	17,483	-	-	-	-	169,110	731,544	918,137
400 Supplies and materials	484,141	-	-	-	-	14,654	149,018	647,813
500 Capital outlay	4,583	-	-	-	-	15,872	-	20,455
600 Other objects	-	-	-	-	-	-	334	334
114 High school programs								
100 Salaries	73,950	-	-	-	-	-	23,469	97,419
200 Employee benefits	18,780	-	-	-	-	-	9,518	28,298
300 Purchased services	-	-	-	-	-	380,820	3,500	384,320
400 Supplies and materials	117,203	-	-	-	-	-	34,188	151,391
500 Capital outlay	-	-	-	-	-	-	10,802	10,802

Horry County Schools

*Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2016*

	Title I (201)	IDEA (203/206)	Preschool Handicapped (205/208)	CATE (207)	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	-	-	-	3,945	-	-	39,968	43,913
200 Employee benefits	-	-	-	941	-	-	9,608	10,549
300 Purchased services - other than tuition	-	-	-	-	-	-	6,292	6,292
400 Supplies and materials	-	-	-	57,662	-	-	87,342	145,004
500 Capital outlay	-	-	-	90,181	-	-	28,143	118,324
600 Other objects	-	-	-	-	-	-	1,014	1,014
116 Career and technology education (vocational) programs - middle school								
400 Supplies and materials	-	-	-	54,980	-	-	-	54,980
120 Exceptional programs								
122 Trainable mentally handicapped								
100 Salaries	-	933,111	-	-	-	-	160	933,271
140 Terminal leave	-	793	-	-	-	-	-	793
200 Employee benefits	-	361,698	-	-	-	-	25	361,723
300 Purchased services	-	-	-	-	-	-	3,770	3,770
400 Supplies and materials	-	93,782	-	-	-	-	49	93,831
123 Orthopedically handicapped								
100 Salaries	-	4,144	-	-	-	-	-	4,144
200 Employee benefits	-	402	-	-	-	-	-	402
300 Purchased services	-	27,986	-	-	-	-	300	28,286
400 Supplies and materials	-	72,182	-	-	-	-	-	72,182
124 Visually handicapped								
100 Salaries	-	203,727	-	-	-	-	-	203,727
200 Employee benefits	-	71,344	-	-	-	-	-	71,344
300 Purchased services	-	7,184	-	-	-	-	-	7,184
400 Supplies and materials	-	13,650	-	-	-	-	-	13,650
125 Hearing handicapped								
100 Salaries	-	252,664	-	-	-	-	-	252,664
200 Employee benefits	-	104,935	-	-	-	-	-	104,935
300 Purchased services	-	100,567	-	-	-	-	-	100,567
400 Supplies and materials	-	22,078	-	-	-	-	-	22,078
126 Speech handicapped								
100 Salaries	-	23,174	2,003	-	-	-	-	25,177
200 Employee benefits	-	5,577	480	-	-	-	-	6,057
300 Purchased services	-	27,379	-	-	-	-	-	27,379
400 Supplies and materials	-	12,436	-	-	-	-	-	12,436
127 Learning disabilities								
100 Salaries	18,026	1,578,052	-	-	-	-	45,397	1,641,475
200 Employee benefits	8,663	698,586	-	-	-	-	10,166	717,415
300 Purchased services	-	4,719	-	-	-	-	12,663	17,382
400 Supplies and materials	-	213,314	-	-	-	-	12,959	226,273
600 Other objects	-	600	-	-	-	-	154	754
128 Emotionally handicapped								
100 Salaries	-	160,385	-	-	-	-	280	160,665
200 Employee benefits	-	48,294	-	-	-	-	57	48,351
129 Coordinated early intervening services (ceis)								
100 Salaries	-	-	-	-	-	230	800	1,030
200 Employee benefits	-	-	-	-	-	31	127	158

Horry County Schools

Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2016

	Title I (201)	IDEA (203/206)	Preschool Handicapped (205/208)	CATE (207)	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								
137 Preschool handicapped-self-contained (3 & 4 year olds)								
100 Salaries	-	204,541	218,324	-	-	-	-	422,865
200 Employee benefits	-	77,405	89,088	-	-	-	-	166,493
300 Purchased services	-	1,156	12,349	-	-	-	-	13,505
400 Supplies and materials	-	6,207	25,664	-	-	-	-	31,871
139 Early childhood programs								
100 Salaries	3,299,660	-	-	-	-	-	-	3,299,660
140 Terminal leave	25	-	-	-	-	-	-	25
200 Employee benefits	1,344,638	-	-	-	-	-	-	1,344,638
400 Supplies and materials	5,724	-	-	-	-	-	-	5,724
140 Special programs								
141 Gifted and talented - academic								
100 Salaries	-	-	-	-	-	-	40	40
200 Employee benefits	-	-	-	-	-	-	3	3
149 Other special programs								
100 Salaries	1,181,431	-	-	-	-	-	-	1,181,431
200 Employee benefits	425,893	-	-	-	-	-	-	425,893
400 Supplies and materials	-	6,687	-	-	-	-	20,559	27,246
160 Other exceptional programs								
161 Autism								
100 Salaries	-	226,760	-	-	-	-	-	226,760
200 Employee benefits	-	100,998	-	-	-	-	-	100,998
300 Purchased services	-	-	-	-	-	-	191,235	191,235
170 Summer school program								
171 Primary summer school								
100 Salaries	-	-	-	-	-	67,326	-	67,326
200 Employee benefits	-	-	-	-	-	16,310	-	16,310
300 Purchased services	-	-	-	-	-	1,150	-	1,150
400 Supplies and materials	-	-	-	-	-	33,028	-	33,028
172 Elementary summer school								
100 Salaries	-	-	-	-	-	-	2,020	2,020
200 Employee benefits	-	-	-	-	-	-	480	480
173 High school summer school								
100 Salaries	-	-	-	-	-	-	6,267	6,267
200 Employee benefits	-	-	-	-	-	-	1,508	1,508
175 Instructional programs beyond regular school day								
100 Salaries	60,345	-	-	-	-	60,706	215,133	336,184
200 Employee benefits	14,256	-	-	-	-	14,410	49,476	78,142
400 Supplies and materials	1,474	-	-	-	-	75,151	27,997	104,622
180 Adult/continuing educational programs								
181 Adult basic education programs								
100 Salaries	-	-	-	-	85,036	-	-	85,036
200 Employee benefits	-	-	-	-	17,304	-	-	17,304
300 Purchased services	-	-	-	-	8,114	-	-	8,114
400 Supplies and materials	-	-	-	-	11,854	-	-	11,854
500 Capital outlay	-	-	-	-	1,479	-	-	1,479
182 Adult secondary education programs								
300 Purchased services	-	-	-	-	-	31	-	31
400 Supplies and materials	-	-	-	-	-	10,545	-	10,545
183 Adult english literacy (esl)								
100 Salaries	-	-	-	-	166,799	-	-	166,799
200 Employee benefits	-	-	-	-	21,813	-	-	21,813
400 Supplies and materials	-	-	-	-	7,350	-	-	7,350

Horry County Schools

Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2016

	Title I (201)	IDEA (203/206)	Preschool Handicapped (205/208)	CATE (207)	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	451,207	-	-	-	-	-	2,863	454,070
200 Employee benefits	195,887	-	-	-	-	-	675	196,562
300 Purchased services	27,173	-	-	-	-	-	-	27,173
400 Supplies and materials	127,871	-	-	-	-	-	223	128,094
600 Other objects	300	-	-	-	-	-	-	300
Total instruction	12,079,053	5,666,517	347,908	207,709	319,749	1,944,165	1,837,239	22,402,340
200 Support services								
210 Pupil services								
212 Guidance services								
100 Salaries	40,651	-	-	72,893	-	515,065	-	628,609
200 Employee benefits	13,369	-	-	27,856	-	170,751	-	211,976
213 Health services								
100 Salaries	-	-	-	-	-	144,467	-	144,467
200 Employee benefits	-	-	-	-	-	62,883	-	62,883
400 Supplies and materials	-	-	-	-	-	-	22,164	22,164
214 Psychological services								
100 Salaries	-	204,038	-	-	-	-	-	204,038
200 Employee benefits	-	63,903	-	-	-	-	-	63,903
300 Purchased services	-	15,119	-	-	-	-	-	15,119
400 Supplies and materials	-	46,999	-	-	-	-	-	46,999
600 Other objects	-	220	-	-	-	-	-	220
215 Exceptional program services								
100 Salaries	-	67,538	-	-	-	-	-	67,538
200 Employee benefits	-	30,955	-	-	-	-	-	30,955
400 Supplies and materials	-	1,002	-	-	-	-	-	1,002
600 Other objects	-	8,749	-	-	-	-	-	8,749
216 Career and technical education placement services								
300 Purchased services	-	-	-	7,257	-	-	-	7,257
217 Career specialist services								
100 Salaries	-	-	-	-	-	365,255	29,562	394,817
200 Employee benefits	-	-	-	-	-	112,815	10,333	123,148
300 Purchased services	-	-	-	-	-	-	397	397
400 Supplies and materials	-	-	-	-	-	-	569	569
220 Instructional staff services								
221 Improvement of instruction curriculum development								
100 Salaries	18,525	859,404	-	-	-	197,246	-	1,075,175
200 Employee benefits	4,419	276,915	-	-	-	74,584	-	355,918
300 Purchased services	-	20,564	-	-	-	-	-	20,564
400 Supplies and materials	-	6,519	-	-	-	11,228	-	17,747
222 Library and media services								
400 Supplies and materials	-	-	-	-	-	-	21,988	21,988
223 Supervision of special programs								
100 Salaries	204,109	313,086	-	30,545	-	-	207,908	755,648
140 Terminal leave	-	-	-	-	-	-	1,533	1,533
200 Employee benefits	65,602	116,614	-	9,502	-	-	79,648	271,366
300 Purchased services	15,549	8,575	-	2,020	-	1,277	357	27,778
400 Supplies and materials	13,570	9,909	1,488	-	-	-	-	24,967
500 Capital outlay	1,668	-	-	-	-	-	-	1,668
600 Other objects	59	-	-	-	-	-	-	59

Horry County Schools

Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2016

	Title I (201)	IDEA (203/206)	Preschool Handicapped (205/208)	CATE (207)	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 inserve and staff training								
100 Salaries	66,878	17,669	-	-	-	95,923	310,360	490,830
200 Employee benefits	15,996	3,567	-	-	-	22,818	86,494	128,875
300 Purchased services	224,604	233,766	1,741	19,772	-	64,745	1,049,831	1,594,459
400 Supplies and materials	17,389	24,655	-	-	-	70,806	36,306	149,156
230 General administration services								
233 School administration								
100 Salaries	-	-	-	-	-	-	9,279	9,279
200 Employee benefits	-	-	-	-	-	-	12,650	12,650
250 Finance and operations services								
251 Student transportation (federal/district mandated)								
100 Salaries	9,880	33,630	-	711	-	-	1,469	45,690
200 Employee benefits	2,318	7,938	-	166	-	-	342	10,764
300 Purchased services	1,406	-	-	471	-	-	37,784	39,661
254 Operation and maintenance of plant								
100 Salaries	-	-	-	-	-	-	24,454	24,454
200 Employee benefits	-	-	-	-	-	-	5,761	5,761
300 Purchased services	-	-	-	-	-	-	12,687	12,687
400 Supplies and materials	-	-	-	-	-	-	29,734	29,734
255 Student transportation (state mandated)								
100 Salaries	-	1,029	-	-	-	28,052	32	29,113
200 Employee benefits	-	243	-	-	-	6,777	8	7,028
400 Supplies and materials	-	-	-	-	-	-	48,933	48,933
258 Security								
300 Purchased services	-	-	-	-	-	-	12,069	12,069
400 Supplies and materials	-	-	-	-	-	-	255	255
260 Central support services								
264 Staff services								
200 Employee benefits	-	-	-	-	-	-	7,152	7,152
400 Supplies and materials	-	-	-	-	-	-	866	866
266 Technology and data processing services								
100 Salaries	63,352	-	-	-	-	-	-	63,352
200 Employee benefits	25,544	-	-	-	-	-	-	25,544
400 Supplies and materials	-	-	-	-	-	35,003	-	35,003
500 Capital outlay	-	-	-	-	-	1,441,096	-	1,441,096
270 Support services pupil activity								
271 Pupil services activities								
100 Salaries (optional)	-	-	-	-	-	-	139,686	139,686
200 Employee benefits (optional)	-	-	-	-	-	-	32,600	32,600
300 Purchased services (optional)	-	-	-	-	-	-	200	200
400 Supplies and materials (optional)	-	-	-	-	-	-	69,047	69,047
660 Pupil activity	9,452	24,023	-	214,443	-	-	120,830	368,748
Total support services	814,340	2,396,629	3,229	385,636	-	3,420,791	2,423,288	9,443,913
300 Community services								
350 Custody and care of children services								
100 Salaries	-	-	-	-	-	-	932,627	932,627
200 Employee benefits	-	-	-	-	-	-	191,932	191,932
300 Purchased services	-	-	-	-	-	-	4,156	4,156
400 Supplies and materials	-	-	-	-	-	-	54,656	54,656
600 Other objects	-	-	-	-	-	-	6,171	6,171

Horry County Schools

*Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2016*

	Title I (201)	IDEA (203/206)	Preschool Handicapped (205/208)	CATE (207)	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	3,217	-	-	-	-	-	-	3,217
370 Non-public school services								
300 Purchased services	13,965	-	-	-	-	-	4,755	18,720
400 Supplies and materials	6,138	-	-	-	-	-	-	6,138
Total community services	23,320	-	-	-	-	-	1,194,297	1,217,617
400 Other charges								
410 Intergovernmental expenditures								
416 LEA payments to public charter schools				10,162	-	128,185	-	595,688
720 Transits	303,304	154,037	-	-	-	128,185	-	595,688
Total intergovernmental expenditures	303,304	154,037	-	10,162	-	128,185	-	595,688
Total expenditures	13,220,017	8,217,183	351,137	603,507	319,749	5,493,141	5,454,824	33,659,558
Other financing sources (uses)								
Interfund transfers, from (to) other funds								
5270 Transfer from Pupil Activity Fund	-	-	-	-	-	-	960,089	960,089
426-710 Transfer to Pupil Activity Fund	-	-	-	-	-	-	(17,910)	(17,910)
431-791 Special revenue fund indirect costs	(492,873)	(305,898)	(13,087)	(19,147)	(11,871)	-	(71,743)	(914,619)
Total other financing sources (uses)	(492,873)	(305,898)	(13,087)	(19,147)	(11,871)	-	870,436	27,560
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	1,438,481	1,438,481
Fund balance - July 1, 2015	-	-	-	-	-	-	-	-
Fund balance - June 30, 2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,438,481	\$ 1,438,481

* Restricted State Grants

* Other Special Revenue Programs

- 918 Technology Professional Development
- 919 Education License Plates
- 924 CDEP Expansion
- 926 Summer Reading Camps
- 928 EEDA Career Specialists
- 935 Reading Coaches
- 936 Student Health and Fitness - Nurses
- 937 Student Health and Fitness - PE Teachers
- 955 SNAP
- 960 K-5 Enhancement
- 963 K-12 Technology Initiative
- 967 6-8 Enhancement
- 982 First Steps - Director Salary

- 212 Extended School Year Handicapped Services
- 221 Title I, Part D (Neglected & Delinquent)
- 224 21st Century Community Learning Centers
- 225 Mathematics and Science Partnership Program
- 237 Title I, Section 1003(A), School Improvement Focus Schools
- 264 Language Instruction for Limited English Proficient and Immigrant Students, Title III
- 267 Improving Teacher Quality
- 401 ESOL Afterschool Program
- 402 CCU Tutoring Program
- 410 PDL Device Repair Fund
- 416 Nursing Program
- 432 After School Childcare
- 433 After School Childcare Summer
- 434 After School Childcare Carryover
- 440 Laura Bush Grant
- 451 Champions Grant
- 453 Exxon Mobile Grant
- 457 Bright Ideas Grant
- 463 Lesley College
- 469 Toomey's Kids
- 470 Miscellaneous Grants

- 471 Knights of Columbus
- 472 Santee Cooper
- 473 Technology Fair
- 479 Next Generation Match Funds
- 480 Waves of the Future Grant
- 482 Recycling Grants
- 490 HCS Activity Bus
- 494 CCU-Education Grant
- 497 Myrtle Beach Auditorium
- 498 Middle School Summer Program
- 499 High School Summer Program
- 506 SC Assc Supervision and Current Development
- 528 12 Month Agriculture Program
- 551 Recycling Grants - DHEC
- 561 Profound Mentally Disabled
- 571 Winthrop Pro Team Grant
- 583 Palmetto Pride Litter Initiative
- 590 Clemson I3 Grant
- 591 Clemson SERRA
- 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, 2016

Subfund	Revenue Code	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
918	3198	Technology Professional Development	\$ 191,897	\$ 191,897	\$ -	\$ -	\$ -
919	3193	Education License Plates	6,959	6,959	-	-	-
924	3134	CDEP Expansion	2,500	2,500	-	-	-
926	3177	Summer Reading Camps	171,870	171,870	-	-	250,468
928	3118	EEDA - Career Specialists	1,178,675	1,178,675	-	-	-
935	3135	Reading Coaches	334,560	334,560	-	-	-
936	3136	Student Health and Fitness - Nurses	215,030	215,030	-	-	-
937	3127	Student and Health Fitness - PE Teachers	311,703	311,703	-	-	-
955	3155	Adult Ed Supplemental Nutrition Assistance Program	11,853	11,853	-	-	24,108
960	3610	K-5 Enhancement	991,948	991,948	-	-	-
963	3630	K-12 Technology Initiative	1,925,767	1,925,767	-	-	-
967	3607	6-8 Enhancement	150,379	150,379	-	-	-
			<u>\$ 5,493,141</u>	<u>\$ 5,493,141</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,576</u>

Horry County Schools

Summary Schedule of Other Special Revenue Programs - Special Projects Fund
For the year ended June 30, 2016

Subfund	Revenue Code	Program	Revenues				Expenditures	Transfers In (Out)	Unearned Revenue
			Local	State	Federal	Total			
212	4510	Extended School Year Handicapped Services	\$ -	\$ -	\$ 62,990	\$ 62,990	\$ 62,990	\$ -	\$ 27,868
221	4310	Title I, Part D (Neglected and Delinquent	-	-	259,541	259,541	250,597	(8,944)	-
224	4924	21st Century Community Learning Centers Program	-	-	180,305	180,305	176,749	(3,556)	-
225	4325	Mathematics and Science Partnerships Program	-	-	100,372	100,372	96,763	(3,609)	-
237	4310	Title I, Section 1003(A), School Improvement Focus Schools	-	-	247,165	247,165	247,165	-	-
264	4341	Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	210,064	210,064	205,945	(4,119)	-
267	4351	Improving Teacher Quality	-	-	1,189,306	1,189,306	1,146,540	(42,766)	-
401	1999	ESOL Afterschool Program	10,000	-	-	10,000	10,000	-	-
402	1999	CCU Tutoring Program	10,000	-	-	10,000	10,000	-	-
410	1740/1790/1999	PDL Device Repair Fund	711,847	-	-	711,847	713,506	1,659	607,667
416	1999	Nursing Program	22,164	-	-	22,164	22,164	-	24,003
432	1790/1999/3999	After School Childcare	1,930,184	196	-	1,930,380	1,132,296	(798,084)	-
433	1999	After School Childcare Summer	77,859	-	-	77,859	59,949	(17,910)	4,234
434	N/A	After School Childcare Carryover	-	-	-	-	-	1,438,481	-
440	1999	Laura Bush Grant	14,000	-	-	14,000	14,000	-	-
451	1999	Champions Grant	2,750	-	-	2,750	2,750	-	-
453	1999	Exxon Mobile Grant	6,632	-	-	6,632	6,632	-	2,726
457	1999	Bright Ideas Grant	2,700	-	-	2,700	2,700	-	1,065
463	1999	Lesley College	7,090	-	-	7,090	7,090	-	4,069
469	1999	Toomey's Kids	15,465	-	-	15,465	15,465	-	2,432
470	1999	Miscellaneous Grants	73,037	-	-	73,037	73,037	-	17,307
471	1999	Knights of Columbus	12,539	-	-	12,539	12,539	-	9,549
472	1999	Santee Cooper	90,748	-	-	90,748	90,748	-	44,213
473	1920	Technology Fair	1,151	-	-	1,151	1,151	-	-
479	1999	Next Generation Match Funds	3,500	-	-	3,500	3,500	-	-
480	1999	Waves of the Future Grant	9,699	-	-	9,699	9,699	-	7,538
482	1999	Recycling Grants	482	-	-	482	482	-	-
488	N/A	Sanders Tech-ED Fund	-	-	-	-	-	-	259
490	1790/1999	HCS Activity Bus	34,865	-	-	34,865	352,897	318,032	630,381
494	1999	CCU-Education Grant	2,844	-	-	2,844	2,844	-	-
497	1710/1910/1999	Myrtle Beach Auditorium	70,350	-	-	70,350	70,350	-	74,816
498	1350	Middle School Summer Program	2,500	-	-	2,500	2,500	-	-
499	1350	High School Summer Program	8,535	-	-	8,535	8,535	-	-
506	3999	SC Assc Supervision and Current Development	-	1,000	-	1,000	1,000	-	-
507	N/A	DSS ABC Quality Mini Grant	-	-	-	-	-	-	1,639
508	N/A	Leveled Data Reimbursement	-	-	-	-	-	-	58,967
528	3113	12 Month Agriculture Program	-	49,576	-	49,576	49,576	-	-
551	3999	Recycling Grants - DHEC	-	2,793	-	2,793	2,793	-	301
561	3199	Profound Mentally Disabled	-	3,770	-	3,770	3,770	-	-
571	3999	Winthrop Pro Team Grant	-	2,441	-	2,441	2,441	-	-
583	3999	Palmetto Pride Litter Initiative	-	7,550	-	7,550	7,550	-	-
590	3999	Clemson I3 Grant	-	33,950	-	33,950	33,950	-	-
591	3999	Clemson SERRA	-	3,440	-	3,440	3,440	-	-
602	4999	NIFA - Ag Ed & Occ Prep Project	-	-	36,698	36,698	36,698	-	-
603	4510	IDEA Private Placement	-	-	191,235	191,235	191,235	-	-
610	4999	Gear Up	-	-	44,265	44,265	44,265	-	-
982	3999	First Steps - Director Salary	-	275,271	-	275,271	266,523	(8,748)	-
			<u>\$ 3,120,941</u>	<u>\$ 379,987</u>	<u>\$ 2,521,941</u>	<u>\$ 6,022,869</u>	<u>\$ 5,454,824</u>	<u>\$ 870,436</u>	<u>\$ 1,519,034</u>

Horry County Schools

Comparative Balance Sheets - Special Revenue Fund - Education Improvement Act Fund As of June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 7,254,253	\$ 9,175,115
Due from state government	3,234	78,047
Other receivables	-	260
Total assets	<u>\$ 7,257,487</u>	<u>\$ 9,253,422</u>
Liabilities		
Accounts payable	\$ 162,304	\$ 567,182
Accrued salaries	1,333,640	1,385,773
Accrued payroll related liabilities	445,689	433,850
Due to state government	103,649	5,837
Unearned revenue	5,212,205	6,860,780
Total liabilities	<u>7,257,487</u>	<u>9,253,422</u>
Fund balances		
Restricted	-	-
Total fund balances	-	-
Total liabilities and fund balances	<u>\$ 7,257,487</u>	<u>\$ 9,253,422</u>

Horry County Schools

*Comparative Schedule of Revenues, Expenditures, and Changes in Fund Net Position - Education Improvement
For the years ended June 30, 2016 and 2015*

	<u>2016</u>	<u>2015</u>
Revenues		
State sources	\$ 23,655,743	\$ 23,943,053
Total revenues	<u>23,655,743</u>	<u>23,943,053</u>
Expenditures		
Instruction	12,809,927	14,755,872
Support services	2,974,805	1,324,488
Payment to public charter schools	365,308	279,031
Capital outlay	189,885	105,727
Total expenditures	<u>16,339,925</u>	<u>16,465,118</u>
Excess (deficiency) of revenues over expenditures	<u>7,315,818</u>	<u>7,477,935</u>
Other financing sources (uses)		
Transfers out	<u>(7,315,818)</u>	<u>(7,477,935)</u>
Total other financial sources (uses)	<u>(7,315,818)</u>	<u>(7,477,935)</u>
Net change in fund balance	-	-
Fund Balance, beginning of year	<u>-</u>	<u>-</u>
Fund Balance, end of year	<u>\$ -</u>	<u>\$ -</u>

Horry County Schools***Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs - Education Improvement Act Fund
For the year ended June 30, 2016*****Revenues**

3000	Revenue from state sources		
3500	Education improvement act		
3502	ADEPT	\$	54,398
3504	Leveldata reimbursement		12,845
3509	Arts in education		47,859
3511	Professional development		209,839
3512	Technology professional development		3,706
3518	Formative assessment		3,526
3525	Career and technology education equipment		339,230
3526	Refurbishment of k-8 science kits		137,638
3532	National board salary supplement		3,150,350
3533	Teacher of the year awards		10,765
3535	Reading coaches		982,770
3538	Students at risk of school failure		4,242,523
3540	Early childhood programs (4k programs serving four-year-old children)		2,504,341
3541	Child development education program (CDEP)		84,360
3550	Teacher salary increase		6,801,353
3555	Teacher salary fringe		1,020,057
3556	Adult education		410,772
3558	Reading		222,835
3577	Teacher supplies		746,750
3578	High schools that work/making middle grades work		76,191
3581	Student health & fitness - nurses		594,449
3592	Work-based learning		106,993
3594	EEDA supplemental programs		58,570
3595	EEDA - supplies and materials		43,416
3597	Aid to districts		1,790,207
	Total revenues		<u>23,655,743</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, 2016****Expenditures**

100	Instruction		
110	General instruction		
111	Kindergarten programs		
100	Salaries		64,487
200	Employee benefits		15,503
400	Supplies and materials		31,250
			<u>111,240</u>
112	Primary programs		
100	Salaries		637,923
200	Employee benefits		159,963
300	Purchased services		5,791
400	Supplies and materials		193,117
			<u>996,794</u>
113	Elementary programs		
100	Salaries		1,226,696
200	Employee benefits		366,527
400	Supplies and materials		460,517
500	Capital outlay		6,953
600	Other objects		400
			<u>2,061,093</u>
114	High school programs		
100	Salaries		1,216,473
200	Employee benefits		341,433
300	Purchased services		215,750
400	Supplies and materials		281,260
500	Capital outlay		4,208
600	Other objects		1,600
			<u>2,060,724</u>
115	Career and technology education programs		
100	Salaries		163,123
200	Employee benefits		53,707
300	Purchased services		3,909
400	Supplies and materials		181,601
500	Capital outlay		165,879
600	Other objects		200
			<u>568,419</u>
	Total general instruction		<u>5,798,270</u>
120	Exceptional programs		
122	Trainable mentally handicapped		
100	Salaries		69,769
200	Employee benefits		16,785
400	Supplies and materials		10,500
			<u>97,054</u>
123	Orthopedically handicapped		
100	Salaries		53,109
200	Employee benefits		23,099
			<u>76,208</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, 2016****Expenditures, Continued**

100	Instruction, continued		
124	Visually handicapped		
100	Salaries		98,439
200	Employee benefits		42,789
400	Supplies and materials		750
			<u>141,978</u>
125	Hearing handicapped		
400	Supplies and materials		1,000
			<u>1,000</u>
126	Speech handicapped		
100	Salaries		733,378
200	Employee benefits		254,224
400	Supplies and materials		13,000
			<u>1,000,602</u>
127	Learning disabilities		
100	Salaries		201,798
200	Employee benefits		159,794
400	Supplies and materials		64,875
			<u>426,467</u>
128	Emotionally handicapped		
100	Salaries		4,645
200	Employee benefits		1,117
400	Supplies and materials		5,250
			<u>11,012</u>
129	Coordinated early intervening services (CEIS)		
100	Salaries		388,837
200	Employee benefits		148,463
400	Supplies and materials		14,250
			<u>551,550</u>
	Total exceptional programs		<u>2,305,871</u>
130	Preschool programs		
137	Pre-School handicapped-self-contained (3 & 4 year olds)		
100	Salaries		22,500
200	Employee benefits		5,409
400	Supplies and materials		6,250
			<u>34,159</u>
139	Early childhood programs		
100	Salaries		836,071
200	Employee benefits		345,712
300	Purchased services		12,219
400	Supplies and materials		158,082
			<u>1,352,084</u>
	Total preschool programs		<u>1,386,243</u>
140	Special programs		
141	Gifted and Talented Academic		
100	Salaries		131,250
200	Employee benefits		31,567
400	Supplies and materials		23,978
			<u>186,795</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, 2016****Expenditures, Continued**

100	Instruction, continued		
149	Other special programs		
100	Salaries		1,785,197
200	Employee benefits		669,844
400	Supplies and materials		16,180
			<u>2,471,221</u>
	Total specific programs		<u>2,658,016</u>
170	Summer school programs		
171	Primary summer school		
400	Supplies and materials		25,035
			<u>25,035</u>
172	Elementary summer school		
100	Salaries		144,472
200	Employee benefits		34,051
300	Purchased services		1,144
400	Supplies and materials		1,490
			<u>181,157</u>
173	High school summer school		
100	Salaries		3,193
200	Employee benefits		800
400	Supplies and materials		52
			<u>4,045</u>
175	Instructional programs beyond regular school day		
100	Salaries		180,423
200	Employee benefits		42,671
400	Supplies and materials		632
			<u>223,726</u>
	Total summer school programs		<u>433,963</u>
180	Adult/continuing education programs		
181	Adult basic education programs		
100	Salaries		59,748
200	Employee benefits		10,687
			<u>70,435</u>
182	Adult secondary education programs		
100	Salaries		56,339
200	Employee benefits		17,352
300	Purchased services		6,486
400	Supplies and materials		42,153
			<u>122,330</u>
187	Adult education remedial		
100	Salaries		21,499
200	Employee benefits		2,410
			<u>23,909</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, 2016****Expenditures, Continued**

100	Instruction, continued		
188	Parenting/family literacy		
100	Salaries		122,669
200	Employee benefits		45,217
300	Purchased services		603
400	Supplies and materials		19,441
			<u>187,930</u>
		Total adult/continuing education programs	<u>404,604</u>
		Total instruction	<u>12,986,967</u>
200	Support Services		
210	Pupil services		
212	Guidance services		
100	Salaries		89,092
200	Employee benefits		21,418
300	Purchased services		25,299
400	Supplies and materials		43,783
			<u>179,592</u>
213	Health services		
100	Salaries		437,727
200	Employee benefits		184,722
			<u>622,449</u>
217	Career specialist services		
400	Supplies and materials		625
			<u>625</u>
		Total pupil services	<u>802,666</u>
220	Instructional staff services		
221	Improvement of instruction curriculum development		
100	Salaries		716,681
200	Employee benefits		268,028
			<u>984,709</u>
222	Library and media services		
100	Salaries		72,500
200	Employee benefits		17,429
400	Supplies and materials		11,750
			<u>101,679</u>
223	Supervision of special programs		
100	Salaries		322,418
200	Employee benefits		99,194
300	Purchased services		13,336
400	Supplies and materials		1,155
			<u>436,103</u>
224	Improvement of instruction inservice and staff training		
100	Salaries		170,733
200	Employee benefits		40,522
300	Purchased services		176,561
400	Supplies and materials		883
			<u>388,699</u>
		Total instructional staff services	<u>1,911,190</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, 2016****Expenditures, Continued**

200	Support services, continued		
230	General administrative services		
233	School administration		
100	Salaries		27,609
200	Employee benefits		6,685
			<u>34,294</u>
	Total general administrative services		<u>34,294</u>
250	Finance and operations services		
255	Student transportation (state mandated)		
100	Salaries		113,250
200	Employee benefits		27,097
300	Purchased services		54,181
			<u>194,528</u>
	Total finance and operations services		<u>194,528</u>
260	Central support services		
266	Technology and data processing services		
500	Capital outlay		12,845
			<u>12,845</u>
	Total central support services		<u>12,845</u>
270	Support services - pupil activity		
271	Pupil service activities		
100	Salaries		600
200	Employee benefits		143
300	Purchased services		11,897
400	Supplies and materials		250
600	Other objects		19,237
			<u>32,127</u>
	Total support services - pupil activity		<u>32,127</u>
	Total support services		<u>2,987,650</u>
400	Other charges		
410	Intergovernmental expenditures		
416	LEA payments to public charter schools		
720	Transits		365,308
	Total intergovernmental expenditures		<u>365,308</u>
	Total expenditures		<u>16,339,925</u>
	Excess of revenues over expenditures		<u>7,315,818</u>
	Other financing uses		
420-710	Transfer to general fund		(7,315,818)
	Total other financing uses		<u>(7,315,818)</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, 2016**

Program		Revenues	Expenditures	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500	Education improvement act				
3502	ADEPT	\$ 54,398	\$ 54,398	\$ -	\$ -
3504	Leveldata reimbursement	12,845	12,845	-	-
3509	Arts in education	47,859	47,859	-	3,234
3511	Professional development	209,839	209,839	-	44,887
3512	Technology professional development	3,706	3,706	-	219,469
3518	Formative assessment	3,526	3,526	-	208,827
3525	Career and technology education equipment	339,230	339,230	-	19,992
3526	Refurbishment of k-8 science kits	137,638	137,638	-	7,042
3532	National board salary supplement	3,150,350	3,150,350	-	-
3533	Teacher of the year awards	10,765	10,765	-	-
3535	Reading coaches	982,770	982,770	-	8,000
3538	Students at risk of school failure	4,242,523	4,242,523	-	3,966,306
3540	Early childhood programs (4k programs serving four-year-old children)	2,504,341	2,504,341	-	306,715
3541	Child development education program (CDEP)	84,360	84,360	-	-
3550	Teacher salary increase	6,801,353	407,604	6,393,749	-
3555	Teacher salary fringe	1,020,057	97,988	922,069	-
3556	Adult education	410,772	410,772	-	110,295
3558	Reading	222,835	222,835	-	177,694
3577	Teacher supplies	746,750	746,750	-	-
3578	High schools that work/making middle grades work	76,191	76,191	-	32,409
3581	Student health & fitness - nurses	594,449	594,449	-	-
3592	Work-based learning	106,993	106,993	-	30,260
3594	EEDA supplemental programs	58,570	58,570	-	10,453
3595	EEDA - supplies and materials	43,416	43,416	-	66,622
3597	Aid to districts	1,790,207	1,790,207	-	-
		<u>\$ 23,655,743</u>	<u>\$ 16,339,925</u>	<u>\$ 7,315,818</u>	<u>\$ 5,212,205</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.

Horry County Schools**Comparative Balance Sheets - Debt Service Fund****As of June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 34,461,601	\$ 19,611,933
Property tax receivable, net	2,327,587	2,237,937
Due from other governmental units	50,580	4,581,177
Total assets	<u>\$ 36,839,768</u>	<u>\$ 26,431,047</u>
Liabilities		
Accounts payable	\$ 7,432	\$ -
Total liabilities	<u>7,432</u>	<u>-</u>
Deferred inflows of resources		
Unavailable revenue - property taxes	2,241,869	2,113,008
Total deferred inflows of resources	<u>2,241,869</u>	<u>2,113,008</u>
Fund balances		
Restricted for debt service	34,590,467	24,318,039
Total fund balances	<u>34,590,467</u>	<u>24,318,039</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 36,839,768</u>	<u>\$ 26,431,047</u>

Horry County Schools

Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Debt Service Fund For the years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues		
Local sources	\$ 79,161,561	\$ 72,998,603
State sources	833,763	785,536
Total revenues	<u>79,995,324</u>	<u>73,784,139</u>
Expenditures		
Debt service	<u>36,022,896</u>	<u>36,553,756</u>
Total expenditures	<u>36,022,896</u>	<u>36,553,756</u>
Excess of revenues over expenditures	<u>43,972,428</u>	<u>37,230,383</u>
Other financing sources (uses)		
Premium on bonds sold	-	23,080,290
Proceeds of refunding debt	-	143,780,000
Payments to refunded debt escrow agent	-	(166,352,383)
Interfund transfers from (to) other funds:		
Transfers out	<u>(33,700,000)</u>	<u>(38,500,000)</u>
Total other financial sources (uses)	<u>(33,700,000)</u>	<u>(37,992,093)</u>
Net change in fund balance	10,272,428	(761,710)
Fund balance, beginning of year	<u>24,318,039</u>	<u>25,079,749</u>
Fund balance, end of year	<u>\$ 34,590,467</u>	<u>\$ 24,318,039</u>

Horry County Schools**Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund
For the year ended June 30, 2016**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Local sources	\$ 72,401,186	\$ 72,401,186	\$ 79,161,561	\$ 6,760,375
State sources	766,739	766,739	833,763	67,024
Total revenues	<u>73,167,925</u>	<u>73,167,925</u>	<u>79,995,324</u>	<u>6,827,399</u>
Expenditures				
Debt service	<u>37,814,770</u>	<u>37,814,770</u>	<u>36,022,896</u>	<u>1,791,874</u>
Total expenditures	<u>37,814,770</u>	<u>37,814,770</u>	<u>36,022,896</u>	<u>1,791,874</u>
Excess (deficiency) of revenues over expenditures	<u>35,353,155</u>	<u>35,353,155</u>	<u>43,972,428</u>	<u>8,619,273</u>
Other financing sources (uses)				
Interfund transfers from (to) other funds:				
Transfers out	<u>(35,100,000)</u>	<u>(35,100,000)</u>	<u>(33,700,000)</u>	<u>1,400,000</u>
Total other financial sources (uses)	<u>(35,100,000)</u>	<u>(35,100,000)</u>	<u>(33,700,000)</u>	<u>1,400,000</u>
Net change in fund balance	<u>\$ 253,155</u>	<u>\$ 253,155</u>	<u>10,272,428</u>	<u>\$ 10,019,273</u>
Fund balance, beginning of year			<u>24,318,039</u>	
Fund balance, end of year			<u>\$ 34,590,467</u>	

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

	<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	\$ 19,750,751	\$ 19,571,117	\$ (179,634)
1140 Penalties & interest on taxes	213,503	190,313	(23,190)
1190 Other taxes (independent)	51,960,893	58,292,394	6,331,501
1200 Revenue from local governmental units other than LEAs			
1280 Revenue in lieu of taxes	405,325	979,348	574,023
1500 Earnings on investments			
1510 Interest on investments	70,714	128,389	57,675
Total local sources	<u>72,401,186</u>	<u>79,161,561</u>	<u>6,760,375</u>
3000 Revenue from state sources			
3800 State revenue in lieu of taxes			
3820 Homestead Exemption	515,193	573,791	58,598
3830 Merchant's Inventory Tax	201,985	201,985	-
3840 Manufacturers Depreciation Reimbursement	21,229	20,361	(868)
3890 Other State Property Tax Revenues	28,332	37,626	9,294
Total state sources	<u>766,739</u>	<u>833,763</u>	<u>67,024</u>
Total revenue all sources	<u>73,167,925</u>	<u>79,995,324</u>	<u>6,827,399</u>
Expenditures			
500 Debt services			
610 Redemption of principal	21,860,000	21,860,000	-
620 Interest	15,806,633	13,152,631	2,654,002
690 Other objects	148,137	1,010,265	(862,128)
Total debt services	<u>37,814,770</u>	<u>36,022,896</u>	<u>1,791,874</u>
Total expenditures	<u>37,814,770</u>	<u>36,022,896</u>	<u>1,791,874</u>
Other financing uses			
Interfund transfers to other funds			
421-710 Transfer to capital projects fund	(35,100,000)	(33,700,000)	1,400,000
Total other financing uses	<u>(35,100,000)</u>	<u>(33,700,000)</u>	<u>1,400,000</u>
Excess of revenues over expenditures and other financing uses	<u>\$ 253,155</u>	10,272,428	<u>\$ 10,019,273</u>
Fund balance, beginning of year		<u>24,318,039</u>	
Fund balance, end of year		<u>\$ 34,590,467</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.

Horry County Schools
Comparative Balance Sheets - Capital Projects Fund
As of June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 276,240,795	\$ 63,420,542
Total assets	<u>\$ 276,240,795</u>	<u>\$ 63,420,542</u>
Liabilities		
Accounts payable	\$ 9,195,657	\$ 1,761,054
Retainage payable	1,817,885	163,328
Total liabilities	<u>11,013,542</u>	<u>1,924,382</u>
Fund balances		
Restricted for capital projects	265,227,253	61,496,160
Total fund balances	<u>265,227,253</u>	<u>61,496,160</u>
Total liabilities and fund balances	<u>\$ 276,240,795</u>	<u>\$ 63,420,542</u>

Horry County Schools

Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Capital Projects Fund For the years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues		
Local sources	\$ 326,680	\$ 90,621
Intergovernmental revenue	1,209,627	-
State sources	500,000	-
Total revenues	<u>2,036,307</u>	<u>90,621</u>
Expenditures		
Instruction	3,333	580,487
Support services	3,790,490	4,362,191
Capital outlay	66,996,475	28,499,919
Total expenditures	<u>70,790,298</u>	<u>33,442,597</u>
Deficiency of revenues under expenditures	<u>(68,753,991)</u>	<u>(33,351,976)</u>
Other financing sources (uses)		
Sale of capital assets	-	2,500
Sale of bonds	238,893,039	-
Interfund transfers from (to) other funds:		
Transfer in	33,700,000	38,500,000
Transfer out	(107,955)	(62,500)
Total other financial sources (uses)	<u>272,485,084</u>	<u>38,440,000</u>
Net change in fund balance	203,731,093	5,088,024
Fund balance, beginning of year	<u>61,496,160</u>	<u>56,408,136</u>
Fund balance, end of year	<u>\$ 265,227,253</u>	<u>\$ 61,496,160</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, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Local sources	\$ 31,699	\$ 31,699	\$ 326,680	\$ 294,981
Intergovernmental revenue	-	1,209,627	1,209,627	-
State sources	500,000	500,000	500,000	-
Total revenues	<u>531,699</u>	<u>1,741,326</u>	<u>2,036,307</u>	<u>294,981</u>
Expenditures				
Instruction	1,360,794	1,360,794	3,333	1,357,461
Support services	10,761,867	10,469,494	3,790,490	6,679,004
Capital outlay	110,418,529	110,602,947	66,996,475	43,606,472
Total expenditures	<u>122,541,190</u>	<u>122,433,235</u>	<u>70,790,298</u>	<u>51,642,937</u>
Deficiency of revenues under expenditures	<u>(122,009,491)</u>	<u>(120,691,909)</u>	<u>(68,753,991)</u>	<u>51,937,918</u>
Other financing sources (uses)				
Sale of bonds	73,980,000	73,980,000	238,893,039	164,913,039
Transfer from Debt Service Fund	35,100,000	35,100,000	33,700,000	(1,400,000)
Transfer to Food Service Fund	-	107,955	(107,955)	(215,910)
Total other financial sources (uses)	<u>109,080,000</u>	<u>109,187,955</u>	<u>272,485,084</u>	<u>163,297,129</u>
Net change in fund balance	<u>\$ (12,929,491)</u>	<u>\$ (11,503,954)</u>	203,731,093	<u>\$ 215,235,047</u>
Fund balance, beginning of year			<u>61,496,160</u>	
Fund balance, end of year			<u>\$ 265,227,253</u>	

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Fund

For the year ended June 30, 2016

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
1000 Revenue from local sources			
1500 Earnings on investments			
1510 Interest on investments	\$ 31,699	\$ 326,680	\$ 294,981
Total local sources	31,699	326,680	294,981
2000 Intergovernmental revenue			
2100 Payments from other governmental units	1,209,627	1,209,627	-
Total intergovernmental revenue	1,209,627	1,209,627	-
3000 Revenue from state sources			
3900 Other state revenue			
3999 Revenue from other state sources	500,000	500,000	-
Total state sources	500,000	500,000	-
Total revenue all sources	1,741,326	2,036,307	294,981
Expenditures			
100 Instruction			
110 General instruction			
112 Primary programs			
400 Supplies and materials	225,000	-	225,000
500 Capital outlay	765,024	-	765,024
113 Elementary programs			
400 Supplies and materials	500,000	3,333	496,667
500 Capital outlay			
545 Technology, equipment and software	7,352,021	2,144,193	5,207,828
114 High school programs			
400 Supplies and materials	635,794	-	635,794
500 Capital outlay	6,256,651	1,861	6,254,790
Total instruction	15,734,490	2,149,387	13,585,103
200 Support services			
250 Finance and operations services			
253 Facilities acquisition and construction			
100 Salaries	1,508,206	1,066,430	441,776
140 Terminal leave	-	15,482	(15,482)
200 Employee benefits	480,197	339,356	140,841
300 Purchased services	1,000,122	148,193	851,929
400 Supplies and materials	1,251,595	352,285	899,310
500 Capital outlay			
510 Land	1,975,223	1,975,223	-
520 Construction services	74,409,318	57,167,060	17,242,258
525 Buildings	10,000	9,830	170
530 Improvements other than buildings	2,284,569	46,387	2,238,182
540 Equipment	25,000	12,030	12,970
545 Technology, equipment and software	1,254,921	1,313	1,253,608
600 Other objects	3,087,429	910	3,086,519
254 Operation and maintenance of plant			
300 Purchased services	2,301,704	1,197,684	1,104,020
400 Supplies and materials	400,000	269,961	130,039
500 Capital outlay	4,600,000	4,516,649	83,351
257 Internal services			
100 Salaries	50,995	50,995	-
200 Employee benefits	16,549	16,549	-
300 Purchased services	50,000	48,477	1,523
400 Supplies and materials	1,000	615	385
258 Security			
300 Purchased services	10,000	7,478	2,522
400 Supplies and materials	125,624	103,662	21,962
500 Capital outlay	2,140,736	293,021	1,847,715
260 Central support services			
262 Planning			
100 Salaries	93,345	93,251	94
200 Employee benefits	32,728	32,488	240
500 Capital outlay	3,000	2,585	415
266 Technology and data processing services			
300 Purchased services	5,000	3,515	1,485
400 Supplies and materials	50,000	40,956	9,044
500 Capital outlay	9,052,399	615,172	8,437,227

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Fund
For the year ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
270 Support services pupil activity			
271 Pupil services activities			
400 Supplies and materials	5,000	2,203	2,797
500 Capital outlay	474,085	211,151	262,934
Total support services	<u>106,698,745</u>	<u>68,640,911</u>	<u>38,057,834</u>
Total expenditures	<u>122,433,235</u>	<u>70,790,298</u>	<u>51,642,937</u>
Other financing sources (uses)			
5100 Sale of bonds			
5110 Premium on bonds sold	-	41,113,039	41,113,039
5120 Proceeds of general obligation bonds	73,980,000	197,780,000	123,800,000
Interfund transfers, from (to) other funds			
5240 Transfer from debt service fund	35,100,000	33,700,000	(1,400,000)
425-710 Transfer to food service fund	107,955	(107,955)	(215,910)
Total other financing sources (uses)	<u>109,187,955</u>	<u>272,485,084</u>	<u>163,297,129</u>
Excess/deficiency of revenues over expenditures	<u>\$ (11,503,954)</u>	203,731,093	<u>\$ 215,235,047</u>
Fund balance, beginning of year		61,496,160	
Fund balance, end of year		<u>\$ 265,227,253</u>	

PROPRIETARY FUND TYPE

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

Horry County Schools**Comparative Schedule of Net Position - Proprietary Fund - School Food Service****As of June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 6,521,972	\$ 6,140,753
Due from federal government	47,594	45,116
Inventories - supplies and materials	281,271	245,427
Other receivables	55,186	91,036
Total current assets	<u>6,906,023</u>	<u>6,522,332</u>
Property and equipment, net	2,038,474	2,161,730
Total assets	<u>8,944,497</u>	<u>8,684,062</u>
Deferred outflows of resources		
Deferred outflows related to pensions	608,603	595,015
Total deferred outflows of resources	<u>608,603</u>	<u>595,015</u>
Total assets and deferred outflows of resources	<u>\$ 9,553,100</u>	<u>\$ 9,279,077</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 241,217	\$ 222,919
Accrued salaries	776,981	830,579
Accrued payroll related liabilities	396,666	409,264
Unearned revenue	339,939	161,987
Compensated absences payable	37,195	21,810
Total current liabilities	<u>1,791,998</u>	<u>1,646,559</u>
Non-current liabilities		
Compensated absences payable	18,746	32,715
Net pension liability	7,912,463	6,867,997
Total non-current liabilities	<u>7,931,209</u>	<u>6,900,712</u>
Total liabilities	<u>9,723,207</u>	<u>8,547,271</u>
Deferred inflows of resources		
Deferred inflows related to pensions	(288,121)	579,022
Total deferred inflows of resources	<u>(288,121)</u>	<u>579,022</u>
Net position		
Investment in capital assets	2,038,474	2,161,730
Unrestricted	(1,920,460)	(2,008,946)
Total net position	<u>118,014</u>	<u>152,784</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 9,553,100</u>	<u>\$ 9,279,077</u>

Horry County Schools

Comparative Schedule of Revenues, Expenses and Changes in Net Position - Proprietary Fund - School Food Ser For the years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues		
Meal sales	\$ 4,380,561	\$ 4,823,719
Other operating revenue	235,391	263,356
Total operating revenues	<u>4,615,952</u>	<u>5,087,075</u>
Operating Expenses		
Food Costs	8,664,888	8,889,770
Salaries	7,407,945	7,568,497
Employee Benefits	3,768,559	3,668,699
Purchased Services	109,765	103,626
Supplies and Materials	657,889	706,689
Other Objects	24,227	25,075
Intergovernmental	157,662	148,216
Depreciation	235,380	265,855
Total operating expenses	<u>21,026,315</u>	<u>21,376,427</u>
Operating loss	<u>(16,410,363)</u>	<u>(16,289,352)</u>
Non-operating revenues		
USDA reimbursements	15,114,038	14,948,474
USDA commodities	1,339,783	1,218,009
Other state aid	1,145	1,153
Total non-operating revenues	<u>16,454,966</u>	<u>16,167,636</u>
Gain (loss) before transfers	44,603	(121,716)
Transfers from (to) other funds		
Transfers in	1,381,967	1,814,312
Transfers out	<u>(1,461,340)</u>	<u>(1,329,193)</u>
Total transfers from (to) other funds	<u>(79,373)</u>	<u>485,119</u>
Change in net position	(34,770)	363,403
Net position, beginning - as previously reported	152,784	6,560,421
Restatement for the Effects of Implementation of GASB 68	-	<u>(6,771,040)</u>
Net position (deficit), beginning - as restated for 2015	<u>152,784</u>	<u>(210,619)</u>
Net position - end of year	<u>\$ 118,014</u>	<u>\$ 152,784</u>

Horry County Schools

Schedule of Revenues, Expenses and Changes in Net Position - Proprietary Fund - School Food Service
For the year ended June 30, 2016

		Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
1000	Revenue from local sources			
1500	Earnings on investments			
1510	Interest on investments	\$ 6,000	\$ 12,270	\$ 6,270
1600	Food services			
1610	Lunch sales to pupils	4,128,702	3,189,636	(939,066)
1620	Breakfast sales to pupils	29,300	6,339	(22,961)
1630	Special sales to pupils	1,234,668	704,083	(530,585)
1640	Lunch sales to adults	470,800	435,155	(35,645)
1650	Breakfast sales to adults	3,375	1,958	(1,417)
1660	Special sales to adults	61,600	43,390	(18,210)
1900	Other revenue from local sources			
1990	Miscellaneous local revenue			
1999	Revenue from other local sources	259,925	223,121	(36,804)
	Total revenue from local sources	<u>6,194,370</u>	<u>4,615,952</u>	<u>(1,578,418)</u>
3000	Revenue from state sources			
3100	Restricted state funding			
3140	School lunch			
3142	Program aid	16,845	1,145	(15,700)
	Total revenue from state sources	<u>16,845</u>	<u>1,145</u>	<u>(15,700)</u>
4000	Revenue from federal sources			
4800	USDA reimbursement			
4810	School lunch and after school snacks program	11,540,040	10,746,721	(793,319)
4830	School breakfast program	4,351,400	4,256,714	(94,686)
4860	Fresh fruit & vegetable program (FFVP)	32,226	32,226	-
4880	Summer feeding programs (SFSP)	-	78,377	78,377
4900	Other federal sources			
4991	USDA commodities (food distribution program)	-	1,339,783	1,339,783
	Total revenue from federal sources	<u>15,923,666</u>	<u>16,453,821</u>	<u>530,155</u>
	Total revenues	<u>22,134,881</u>	<u>21,070,918</u>	<u>(1,063,963)</u>
Expenses				
250	Finance and operations services			
256	Food Services			
100	Salaries	7,702,703	7,405,545	297,158
140	Terminal leave	-	2,400	(2,400)
200	Employee benefits	3,806,305	3,768,559	37,746
300	Purchased services	134,650	109,765	24,885
400	Supplies and materials	9,326,130	9,322,777	3,353
500	Capital outlay	328,000	235,380	92,620
600	Other objects	32,000	24,227	7,773
	Total support services	<u>21,329,788</u>	<u>20,868,653</u>	<u>461,135</u>
400	Other Charges			
410	Intergovernmental expenditures			
416	LEA payments to public charter schools			
720	Transits	-	157,662	(157,662)
	Total intergovernmental expenditures	<u>-</u>	<u>157,662</u>	<u>(157,662)</u>
	Total expenses	<u>21,329,788</u>	<u>21,026,315</u>	<u>303,473</u>
Other financing sources (uses)				
Interfund transfers, from (to) other funds				
5210	Transfer from general fund	616,071	1,273,994	657,923
5250	Transfer from capital projects fund	-	107,955	107,955
5270	Transfer from pupil activity fund	-	18	18
432-791	Food service fund indirect costs	(1,605,560)	(1,461,340)	144,220
	Total other financing sources (uses)	<u>(989,489)</u>	<u>(79,373)</u>	<u>910,116</u>
	Decrease in net position	<u>\$ (184,396)</u>	<u>(34,770)</u>	<u>\$ 149,626</u>
	Net position, beginning of year		152,784	
	Net position, end of year		<u>\$ 118,014</u>	

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

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.

Horry County Schools

Combining Statements of Fiduciary Assets, Liabilities and Net Position - Private Purpose Trust Funds

As of June 30, 2016

	Education Endowment Fund	Scholarship Endowment Fund	Total
Assets			
Cash and investments	\$ 109,694	\$ 62,160	\$ 171,854
Accounts receivable	-	2,000	2,000
Total assets	<u>\$ 109,694</u>	<u>\$ 64,160</u>	<u>\$ 173,854</u>
Liabilities			
Accounts payable	\$ 9,000	-	\$ 9,000
Total liabilities	<u>9,000</u>	<u>-</u>	<u>9,000</u>
Net position			
Restricted net position	100,694	64,160	164,854
Total net position	<u>\$ 100,694</u>	<u>\$ 64,160</u>	<u>\$ 164,854</u>

Horry County Schools**Combining Statements of Changes in Fiduciary Net Position - Private Purpose Trust Funds****For the year ended June 30, 2016**

	Education Endowment Fund	Scholarship Endowment Fund	Total
Additions			
Revenue from local sources			
Earnings on investments	\$ 1,258	\$ 528	\$ 1,786
Other pupil activity income	-	8,059	8,059
Contributions and donations from private sources	-	42,878	42,878
Refund of prior year expenditures	1,500	-	1,500
Total additions	<u>2,758</u>	<u>51,465</u>	<u>54,223</u>
Deductions			
Scholarships Awarded	9,000	52,373	61,373
Total deductions	<u>9,000</u>	<u>52,373</u>	<u>61,373</u>
Change in net position	<u>(6,242)</u>	<u>(908)</u>	<u>(7,150)</u>
Total net position, beginning of year	<u>106,936</u>	<u>65,068</u>	<u>172,004</u>
Total net position, end of year	<u>\$ 100,694</u>	<u>\$ 64,160</u>	<u>\$ 164,854</u>

Horry County Schools

Statement of Changes in Fiduciary Assets, Liabilities, and Net Position - Private Purpose Trust Funds For the year ended June 30, 2016

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
Assets				
Cash and cash equivalents	\$ 173,004	\$ 52,223	\$ 53,373	\$ 171,854
Accounts receivable	-	2,000	-	2,000
Total assets	<u>\$ 173,004</u>	<u>\$ 54,223</u>	<u>\$ 53,373</u>	<u>\$ 173,854</u>
Liabilities				
Accounts payable	\$ 1,000	\$ 61,373	\$ 53,373	\$ 9,000
Total liabilities	<u>1,000</u>	<u>61,373</u>	<u>53,373</u>	<u>9,000</u>
Net position				
Restricted net position	172,004	54,223	61,373	164,854
Total net position	<u>\$ 172,004</u>	<u>\$ 54,223</u>	<u>\$ 61,373</u>	<u>\$ 164,854</u>

Horry County Schools

**Comparative Schedule of Fiduciary Net Position - Education Endowment Fund - Private Purpose Trust Funds
As of June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 109,694	\$ 107,936
Total assets	<u>109,694</u>	<u>107,936</u>
Liabilities		
Accounts payable	9,000	1,000
Total liabilities	<u>9,000</u>	<u>1,000</u>
Restricted net position		
Held in Trust for Individuals and Organizations	<u>\$ 100,694</u>	<u>\$ 106,936</u>

Horry County Schools**Comparative Schedule of Additions, Deductions and Changes in Fiduciary Net Position - Education Endowmen
For the years ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Additions		
1000 Revenue from local sources		
1500 Earnings on investments		
1510 Interest on investments	\$ 1,258	\$ 7,250
1900 Other revenue from local sources		
1950 Refund of prior year expenditures	1,500	-
Net increase (decrease) in fair value of investments	-	(6,725)
Total additions	<u>2,758</u>	<u>525</u>
Deductions		
200 Support Services		
270 Support services - pupil activity		
273 Trust and agency activities		
600 Other objects	9,000	7,000
Total deductions	<u>9,000</u>	<u>7,000</u>
Change in net position	<u>(6,242)</u>	<u>(6,475)</u>
Total net position, beginning of year	<u>106,936</u>	<u>113,411</u>
Total net position, end of year	<u>\$ 100,694</u>	<u>\$ 106,936</u>

Horry County Schools

Comparative Schedule of Fiduciary Net Position - Scholarship Endowment Fund - Private Purpose Trust Funds As of June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 62,160	\$ 65,068
Accounts receivable	2,000	-
Total assets	<u>\$ 64,160</u>	<u>\$ 65,068</u>
Restricted net position		
Held in trust for individuals and organizations	<u>\$ 64,160</u>	<u>\$ 65,068</u>

Horry County Schools**Comparative Schedule of Additions, Deductions and Changes in Fiduciary Net Position - Scholarship Endowment Fund
For the years ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Additions		
1000 Revenue from local sources		
1500 Earnings on investments		
1510 Interest on investments	\$ 528	\$ 708
1700 Pupil activities		
1790 Other pupil activity income	8,059	8,895
1900 Other revenue from local sources		
1920 Contributions and donations from private sources	42,878	40,745
Total additions	<u>51,465</u>	<u>50,348</u>
Deductions		
200 Support Services		
270 Support services - pupil activity		
271 Pupil service activities		
300 Purchased services	498	612
400 Supplies and materials	1,606	712
600 Other objects	50,269	53,391
Total deductions	<u>52,373</u>	<u>54,715</u>
Change in net position	<u>(908)</u>	<u>(4,367)</u>
Total net position, beginning of year	<u>65,068</u>	<u>69,435</u>
Total net position, end of year	<u>\$ 64,160</u>	<u>\$ 65,068</u>

Horry County Schools**Combining Statements of Fiduciary Assets and Liabilities - Agency Funds****As of June 30, 2016**

	<u>Pupil Activity</u>	<u>Federal Program</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 4,325,633	\$ 1,055,576	\$ 5,381,209
Other assets	117,772	-	117,772
Total assets	<u>\$ 4,443,405</u>	<u>\$ 1,055,576</u>	<u>\$ 5,498,981</u>
Liabilities			
Accounts payable	\$ 295,176	\$ -	\$ 295,176
Accrued liabilities	44,624	-	44,624
Due to other governments	-	1,055,576	1,055,576
Due to student organizations	4,103,605	-	4,103,605
Total liabilities	<u>\$ 4,443,405</u>	<u>\$ 1,055,576</u>	<u>\$ 5,498,981</u>

Horry County Schools**Combined Statement of Changes in Assets and Liabilities - Agency Funds
For the year ended June 30, 2016**

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
Assets				
Cash and cash equivalents	\$ 6,783,586	\$ 8,252,833	\$ 9,655,210	\$ 5,381,209
Other assets	107,743	117,772	107,743	117,772
Total assets	<u>\$ 6,891,329</u>	<u>\$ 8,370,605</u>	<u>\$ 9,762,953</u>	<u>\$ 5,498,981</u>
Liabilities				
Accounts payable	\$ 483,071	\$ 8,729,322	\$ 8,917,217	\$ 295,176
Accrued liabilities	33,360	44,624	33,360	44,624
Due to other governments	1,059,544	-	3,968	1,055,576
Due to student organizations	5,315,354	8,461,488	9,673,237	4,103,605
Total liabilities	<u>\$ 6,891,329</u>	<u>\$ 17,235,434</u>	<u>\$ 18,627,782</u>	<u>\$ 5,498,981</u>

Horry County Schools

Comparative Balance Sheets - Pupil Activity Fund - Agency Fund

As of June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 4,325,633	\$ 5,724,042
Other assets	117,772	107,743
Total assets	<u>\$ 4,443,405</u>	<u>\$ 5,831,785</u>
Liabilities		
Accounts payable	\$ 295,176	\$ 483,071
Accrued liabilities	44,624	33,360
Due to student organizations	4,103,605	5,315,354
Total liabilities	<u>\$ 4,443,405</u>	<u>\$ 5,831,785</u>

Horry County Schools*Schedule of Changes in Assets and Liabilities - Pupil Activity Fund - Agency Fund**As of June 30, 2016*

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Assets				
Cash and cash equivalents	\$ 5,724,042	\$ 8,252,833	\$ 9,651,242	\$ 4,325,633
Other assets	107,743	117,772	107,743	117,772
Total assets	<u>\$ 5,831,785</u>	<u>\$ 8,370,605</u>	<u>\$ 9,758,985</u>	<u>\$ 4,443,405</u>
Liabilities				
Accounts payable	\$ 483,071	\$ 8,729,322	\$ 8,917,217	\$ 295,176
Accrued liabilities	33,360	44,624	33,360	44,624
Due to student organizations	5,315,354	8,461,488	9,673,237	4,103,605
Total liabilities	<u>\$ 5,831,785</u>	<u>\$ 17,235,434</u>	<u>\$ 18,623,814</u>	<u>\$ 4,443,405</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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Receipts			
1000 Revenue from local sources			
1500 Earnings on investments			
1510 Interest on investments	\$ 12,431	\$ 12,431	\$ -
1700 Pupil activities			
1710 Admissions	888,397	888,397	-
1720 Bookstore sales	251,532	251,532	-
1730 Pupil organization membership dues and fees	27,627	27,627	-
1740 Student fees	15	15	-
1790 Other pupil activity income	6,689,906	6,748,113	58,207
1900 Other revenue from local sources			
1910 Rentals	103,556	103,556	-
1920 Contributions and donations from private sources	190,494	190,494	-
1990 Miscellaneous local revenue			
1999 Reveue from other local sources	24,094	30,668	6,574
Total receipts	<u>8,188,052</u>	<u>8,252,833</u>	<u>64,781</u>
Disbursements			
100 Instruction			
190 Instructional pupil activity			
100 Salaries	101,495	101,495	-
200 Employee Benefits	24,764	24,764	-
400 Supplies and Materials	4,201	4,201	-
600 Other Objects	4,400	4,400	-
Total instruction	<u>134,860</u>	<u>134,860</u>	<u>-</u>
200 Support services			
270 Support services - pupil activity			
271 Pupil service activities			
100 Salaries	259,027	259,027	-
200 Employee benefits	63,299	63,299	-
300 Purchased services	875,000	912,738	(37,738)
400 Supplies and materials	3,432,151	3,336,027	96,124
500 Capital outlay	80,000	160,706	(80,706)
600 Other objects	3,718,372	3,862,665	(144,293)
Total support services	<u>8,427,849</u>	<u>8,594,462</u>	<u>(166,613)</u>
Total disbursements	<u>8,562,709</u>	<u>8,729,322</u>	<u>(166,613)</u>
Other financing sources (uses)			
5210 Transfer from general fund	208,655	208,655	-
421-710 Transfer to special revenue fund	-	(941,873)	(941,873)
425-710 Transfer to food service fund	-	(19)	(19)
426-710 Transfer to private purpose trust fund	-	(2,023)	(2,023)
Total other financing sources (uses)	<u>208,655</u>	<u>(735,260)</u>	<u>(943,915)</u>
Excess of disbursements and other financing uses over receipts	<u>\$ (166,002)</u>	<u>(1,211,749)</u>	<u>\$ (1,045,747)</u>
Due to Student Organizations, beginning of year		<u>5,315,354</u>	
Due to Student Organizations, end of year		<u>\$ 4,103,605</u>	

Horry County Schools**Comparative Balance Sheets - Federal Program - Agency Fund****As of June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 1,055,576	\$ 1,059,544
Total assets	<u>\$ 1,055,576</u>	<u>\$ 1,059,544</u>
Liabilities		
Due to other governments	\$ 1,055,576	\$ 1,059,544
Total liabilities	<u>\$ 1,055,576</u>	<u>\$ 1,059,544</u>

Horry County Schools**Schedule of Changes in Assets and Liabilities - Federal Program - Agency Fund****For the year ended June 30, 2016**

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
Assets				
Cash and cash equivalents	\$ 1,059,544	\$ -	\$ 3,968	\$ 1,055,576
Total assets	<u>\$ 1,059,544</u>	<u>\$ -</u>	<u>\$ 3,968</u>	<u>\$ 1,055,576</u>
Liabilities				
Due to other governments	\$ 1,059,544	\$ -	\$ 3,968	\$ 1,055,576
Total liabilities	<u>\$ 1,059,544</u>	<u>\$ -</u>	<u>\$ 3,968</u>	<u>\$ 1,055,576</u>

COMPONENT UNITS:

WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

PALMETTO ACADEMY OF LEARNING AND SUCCESS

ACADEMY OF HOPE, INC.

PALMETTO ACADEMY FOR LEARNING MOTORSPORTS

Horry County Schools

Combining Schedule of Net Position - Charter Schools

As of June 30, 2016

	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	\$ 54,852	\$ 987,443	\$ 267,332	\$ 146,051	\$ 1,455,678
Restricted cash	-	-	7,079	-	7,079
Other receivables	-	1,089	-	-	1,089
Prepaid and other	20,707	9,981	10,335	6,075	47,098
Due from other governmental units	20,168	71,159	25,512	-	116,839
Non-current assets, net	1,829,033	86,734	85,809	128,596	2,130,172
Total assets	1,924,760	1,156,406	396,067	280,722	3,757,955
Deferred outflows of resources					
Deferred outflows related to pensions	93,560	210,107	1,073,843	-	1,377,510
Total deferred outflows of resources	93,560	210,107	1,073,843	-	1,377,510
Liabilities					
Accounts payable and other liabilities	357,525	80,583	137,322	57,040	632,470
Revenue received in advance	93,654	14,654	20,988	-	129,296
Non-current liabilities:					
Due within one year	69,738	18,509	5,164	34,756	128,167
Due in more than one year	1,517,043	17,645	-	236,622	1,771,310
Net pension liability	915,272	1,959,893	1,649,049	-	4,524,214
Total liabilities	2,953,232	2,091,284	1,812,523	328,418	7,185,457
Deferred inflows of resources					
Deferred inflows related to pensions	287,475	3,505	2,949	-	293,929
Total deferred inflows of resources	287,475	3,505	2,949	-	293,929
Net position (deficit)					
Net investment in capital assets	242,252	50,580	85,514	128,596	506,942
Restricted	-	-	7,079	-	7,079
Unrestricted	(1,464,639)	(778,856)	(438,155)	(176,292)	(2,857,942)
Total net position (deficit)	\$ (1,222,387)	\$ (728,276)	\$ (345,562)	\$ (47,696)	\$ (2,343,921)

Horry County Schools
Combining Statement of Activities - Charter Schools
For the year ended June 30, 2016

	<u>Waccamaw Park Public Charter School, Inc.</u>	<u>Palmetto Academy of Learning and Success</u>	<u>Academy of Hope, Inc.</u>	<u>Palmetto Academy for Learning Motorsports</u>	<u>Component Units Totals</u>
FUNCTIONS/PROGRAMS					
Governmental activities:					
Instruction:					
Expenses	\$ (871,272)	\$ (1,422,191)	\$ (1,203,122)	\$ (654,720)	\$ (4,151,305)
Revenues:					
Operating grants and contributions	1,404,052	2,561,444	1,751,459	1,270,472	6,987,427
Support services:					
Expenses	(791,967)	(1,624,526)	(851,808)	(523,012)	(3,791,313)
Interest and other charges	(93,016)	-	(899)	(17,161)	(111,076)
Total government activities	<u>(352,203)</u>	<u>(485,273)</u>	<u>(304,370)</u>	<u>75,579</u>	<u>(1,066,267)</u>
General revenues					
Miscellaneous revenues	<u>137,146</u>	<u>275,675</u>	<u>33,593</u>	<u>54,263</u>	<u>500,677</u>
Total general revenues	<u>137,146</u>	<u>275,675</u>	<u>33,593</u>	<u>54,263</u>	<u>500,677</u>
Change in Net Position	(215,057)	(209,598)	(270,777)	129,842	(565,590)
Net Position (Deficit) - Beginning	<u>(1,007,330)</u>	<u>(518,678)</u>	<u>(74,785)</u>	<u>(177,538)</u>	<u>(1,778,331)</u>
Net Position (Deficit) - Ending	<u>\$ (1,222,387)</u>	<u>\$ (728,276)</u>	<u>\$ (345,562)</u>	<u>\$ (47,696)</u>	<u>\$ (2,343,921)</u>

Horry County Schools

Combining Balance Sheets - Charter Schools - Governmental Fund

As of June 30, 2016

	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	\$ 54,852	\$ 987,443	\$ 267,332	\$ 146,051	\$ 1,455,678
Restricted cash	-	-	7,079	-	7,079
Other receivables	-	1,089	-	-	1,089
Prepaid and other	20,707	9,981	10,335	6,075	47,098
Due from other funds	20,418	85,813	46,500	-	152,731
Due from other governmental units	20,168	71,159	25,512	-	116,839
Total assets	<u>\$ 116,145</u>	<u>\$ 1,155,485</u>	<u>\$ 356,758</u>	<u>\$ 152,126</u>	<u>\$ 1,780,514</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable and accrued liabilities	357,275	80,583	137,322	25,189	600,369
Accrued payroll related liabilities	-	-	-	9,551	9,551
Due to other funds	20,418	85,813	46,500	-	152,731
Due to other governmental units	250	-	4,869	-	5,119
Unearned revenue	93,654	14,654	20,988	-	129,296
Total liabilities	<u>471,597</u>	<u>181,050</u>	<u>209,679</u>	<u>34,740</u>	<u>897,066</u>
Fund balances					
Nonspendable	20,707	9,981	10,335	6,075	47,098
Restricted	-	-	7,079	-	7,079
Unassigned	(376,159)	964,454	129,665	111,311	829,271
Total fund balances	<u>(355,452)</u>	<u>974,435</u>	<u>147,079</u>	<u>117,386</u>	<u>883,448</u>
Total liabilities and fund balances	<u>\$ 116,145</u>	<u>\$ 1,155,485</u>	<u>\$ 356,758</u>	<u>\$ 152,126</u>	<u>\$ 1,780,514</u>
Total governmental fund balances	\$ (355,452)	\$ 974,435	\$ 147,079	\$ 117,386	\$ 883,448
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.	1,829,033	86,734	85,809	128,596	2,130,172
Some liabilities are not due and payable in the current period and are therefore not reported in the funds.					
Long-Term Debt	-	-	-	(271,378)	(271,378)
Notes Payable	(1,586,781)	-	(295)	-	(1,587,076)
Capital Leases	-	(36,154)	-	-	(36,154)
Accrued Interest	-	-	-	(22,300)	(22,300)
Net deferred in(out)flows related to pensions	(265,088)	94,574	990,681	-	820,167
Contributions to the pension plan in the current fiscal year	71,173	112,028	80,213	-	263,414
Pension Obligation	<u>(915,272)</u>	<u>(1,959,893)</u>	<u>(1,649,049)</u>	<u>-</u>	<u>(4,524,214)</u>
Net Position (Deficit) - Governmental Activities	<u>\$ (1,222,387)</u>	<u>\$ (728,276)</u>	<u>\$ (345,562)</u>	<u>\$ (47,696)</u>	<u>\$ (2,343,921)</u>

Horry County Schools

*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Governmental Fund
For the year ended June 30, 2016*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Revenues					
Local Sources	\$ 137,146	\$ 275,675	\$ 33,593	\$ 54,263	\$ 500,677
State Sources	1,184,894	2,534,528	1,490,265	1,171,317	6,381,004
Federal	219,158	26,916	261,194	99,155	606,423
Total Revenues	<u>1,541,198</u>	<u>2,837,119</u>	<u>1,785,052</u>	<u>1,324,735</u>	<u>7,488,104</u>
Expenditures					
Instruction	925,411	1,390,908	960,495	637,376	3,914,190
Support Services	613,360	1,532,209	724,270	486,321	3,356,160
Community Services	-	-	-	-	-
Capital Outlay	80,324	39,095	18,384	28,325	166,128
Debt Service	149,020	-	13,246	63,705	225,971
Total Expenditures	<u>1,768,115</u>	<u>2,962,212</u>	<u>1,716,395</u>	<u>1,215,727</u>	<u>7,662,449</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(226,917)	(125,093)	68,657	109,008	(174,345)
Other Financing Sources (Uses)					
Payments on Capital Lease	-	(17,765)	-	-	(17,765)
Proceeds from Long-Term Notes	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(17,765)</u>	<u>-</u>	<u>-</u>	<u>(17,765)</u>
Net Change in Fund Balance	(226,917)	(142,858)	68,657	109,008	(192,110)
Fund Balance - Beginning	(128,535)	1,117,293	78,422	8,378	1,075,558
Fund Balance - Ending	<u>\$ (355,452)</u>	<u>\$ 974,435</u>	<u>\$ 147,079</u>	<u>\$ 117,386</u>	<u>\$ 883,448</u>
Net Change in Fund Balance - Governmental Funds	\$ (226,917)	\$ (142,858)	\$ 68,657	\$ 109,008	\$ (192,110)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:					
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the period.					
	(122,290)	(37,315)	(11,895)	(23,950)	(195,450)
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.					
	-	-	-	(1,760)	(1,760)
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.					
	-	-	-	47,807	47,807
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.					
	-	-	-	(1,263)	(1,263)
Payments on debt is treated as an expenditure in the governmental funds but the proceeds increase long-term liabilities in the Statement of Activities.					
	56,004	-	12,347	-	68,351
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.					
	-	17,765	-	-	17,765
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities					
	71,173	112,028	80,213	-	263,414
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	6,973	(159,218)	(420,099)	-	(572,344)
Change in Net Position of Governmental Activities	<u>\$ (215,057)</u>	<u>\$ (209,598)</u>	<u>\$ (270,777)</u>	<u>\$ 129,842</u>	<u>\$ (565,590)</u>

Horry County Schools

*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund
For the year ended June 30, 2016*

	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	\$ 11	\$ 826	\$ -	\$ 355	\$ 1,192
1700 Student Activities:					
1730 Pupil Organization Membership Dues and Fees	-	-	415	-	415
1740 Student Fees	-	-	56	-	56
1790 Other	28,462	112,207	8,447	5,909	155,025
1900 Other Revenue from Local Sources:					
1910 Rentals	-	84,331	300	-	84,631
1920 Contributions & Donations from Private Sources	20,912	9,928	2,986	5,959	39,785
1950 Refund of Prior Year's Expenditures	-	-	750	-	750
1999 Revenue from Other Local Sources	81,966	1,146	16,406	32,663	132,181
Total Revenue from Local Sources	<u>131,351</u>	<u>208,438</u>	<u>29,360</u>	<u>44,886</u>	<u>414,035</u>
Revenues from State Sources:					
3300 Education Finance Act:					
3310 Full-Time Programs					
3311 Kindergarten	96,410	227,998	102,495	-	426,903
3312 Primary	230,090	612,750	311,034	-	1,153,874
3313 Elementary	337,656	1,053,027	324,218	-	1,714,901
3314 High School	-	-	-	2,535	2,535
3316 Speech Handicapped (Part-time)	177,277	98,996	122,962	-	399,235
3320 Part-Time Programs					
3322 Educable Mentally Handicapped	-	-	-	38,663	38,663
3323 Learning Disabilities	99,813	106,652	177,569	375,321	759,355
3327 Vocational	-	-	-	539,584	539,584
3330 Miscellaneous EFA Programs					
3331 Autism	-	16,290	14,172	-	30,462
3332 High Achieving	9,508	78,915	11,409	951	100,783
3334 Limited English Proficiency	15,213	13,945	-	2,535	31,693
3351 Academic Assistance	8,557	11,409	14,262	35,179	69,407
3352 Pupils in Poverty	139,525	210,466	158,147	103,915	612,053
Total Revenue from State Sources	<u>1,114,049</u>	<u>2,430,448</u>	<u>1,236,268</u>	<u>1,098,683</u>	<u>5,879,448</u>
Total Revenue from All Sources	<u>1,245,400</u>	<u>2,638,886</u>	<u>1,265,628</u>	<u>1,143,569</u>	<u>6,293,483</u>
Expenditures					
100 Instruction:					
110 General Instruction:					
111 Kindergarten Programs:					
100 Salaries	1,292	-	13,984	-	15,276
200 Employee Benefits	490	-	24,888	-	25,378
112 Primary Programs:					
100 Salaries	1,292	-	138,806	-	140,098
200 Employee Benefits	490	-	59,569	-	60,059
400 Supplies and Materials	-	367	-	-	367
113 Elementary Programs:					
100 Salaries	461,867	865,661	182,789	-	1,510,317
200 Employee Benefits	193,265	364,598	84,263	-	642,126
300 Purchased Services	-	2,341	-	-	2,341
400 Supplies and Materials	7,570	48,892	3,641	-	60,103
500 Capital Outlay	-	1,426	-	-	1,426
114 High School Programs:					
100 Salaries	-	-	-	13,115	13,115
200 Employee Benefits	-	-	1,088	3,544	4,632
400 Supplies and Materials	-	-	39	-	39
500 Capital Outlay	-	-	-	8,118	8,118

Horry County Schools

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund
For the year ended June 30, 2016

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
115 Career and Technology Education Programs:					
100 Salaries	-	-	-	315,521	315,521
200 Employee Benefits	-	-	-	77,335	77,335
400 Supplies and Materials	-	-	-	40,267	40,267
120 Exceptional Programs:					
126 Speech Handicapped:					
300 Purchased Services	-	-	17,985	-	17,985
127 Learning Disabilities:					
100 Salaries	299	-	25,539	42,865	68,703
200 Employee Benefits	15,210	-	13,393	10,431	39,034
300 Purchased Services	16,575	-	-	-	16,575
400 Supplies and Materials	-	-	-	167	167
140 Special Programs:					
147 Full Day 4K:					
100 Salaries	-	-	7,443	-	7,443
200 Employee Benefits	-	-	22,184	-	22,184
170 Summer School Programs:					
175 Instructional Programs Beyond Regular School Day:					
100 Salaries	6,452	-	540	384	7,376
200 Employee Benefits	719	-	-	23	742
300 Purchased Services	-	-	-	337	337
400 Supplies and Materials	-	-	-	107	107
190 Instructional Pupil Activity					
100 Salaries	-	-	4,490	-	4,490
200 Employee Benefits	-	-	203	-	203
400 Supplies and Materials	-	-	2,173	-	2,173
Total Instruction	<u>705,521</u>	<u>1,283,285</u>	<u>603,017</u>	<u>512,214</u>	<u>3,104,037</u>
200 Supporting Services:					
210 Pupil Services:					
212 Guidance Services:					
100 Salaries	-	-	47,281	14,433	61,714
200 Employee Benefits	-	-	18,507	1,499	20,006
213 Health Services:					
100 Salaries	-	-	-	17,500	17,500
200 Employee Benefits	-	-	115	5,997	6,112
300 Purchased Services	-	-	-	224	224
400 Supplies and Materials	-	-	59	40	99
214 Psychological Services:					
300 Purchased Services	-	-	-	250	250
215 Exceptional Program Services:					
300 Purchased Services	-	22,337	-	-	22,337
220 Instructional Staff Services:					
221 Improvement of Instruction Curriculum Development					
100 Salaries	-	53,330	10,051	16,932	80,313
200 Employee Benefits	-	21,803	1,505	1,109	24,417
224 Improvement of Instruction - In-Service and Staff Training:					
300 Purchased Services	4,451	10,849	785	3,946	20,031
230 General Administrative Services:					
231 Board of Education:					
318 Audit Services	14,750	14,750	12,859	15,800	58,159
319 Legal Services	106,294	1,137	-	-	107,431
400 Supplies and Materials	9,921	1,281	2,504	753	14,459
600 Other Objects	9,460	13,593	2,353	12,541	37,947
233 School Administration:					
100 Salaries	151,431	138,187	105,740	101,500	496,858
200 Employee Benefits	54,121	48,683	32,694	15,407	150,905
300 Purchased Services	986	5,873	5,784	1,125	13,768
400 Supplies and Materials	2,725	12,673	4,269	6,959	26,626
500 Capital Outlay	8,435	16,319	-	-	24,754
250 Finance and Operations Services:					
252 Fiscal Services:					
300 Purchased Services	17,226	42,885	36,634	15,000	111,745
600 Other Objects	1,120	2,079	1,040	47	4,286

Horry County Schools

*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund
For the year ended June 30, 2016*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
253 Facilities Acquisition and Construction:					
500 Capital Outlay	63,462	-	-	4,494	67,956
254 Operation and Maintenance of Plant:					
100 Salaries	21,429	19,175	22,088	-	62,692
200 Employee Benefits	3,056	3,518	5,979	-	12,553
300 Purchased Services	75,648	718,543	118,018	114,481	1,026,690
321 Public Utilities	-	-	2,661	269	2,930
400 Supplies and Materials	6,654	49,097	27,173	3,408	86,332
470 Energy	44,072	83,401	33,085	31,246	191,804
500 Capital Outlay	5,652	-	18,384	-	24,036
255 Student Transportation (State Mandated):					
100 Salaries	-	3,225	27,552	-	30,777
200 Employee Benefits	-	234	2,644	-	2,878
300 Purchased Services	-	1,030	8,296	981	10,307
400 Supplies and Materials	-	-	10,818	-	10,818
258 Security:					
300 Purchased Services	725	5,117	-	1,932	7,774
260 Central Support Services:					
263 Information Services:					
100 Salaries	-	-	-	17,130	17,130
200 Employee Benefits	-	-	-	3,584	3,584
300 Purchased Services	873	118	2,249	13,844	17,084
264 Staff Services:					
300 Purchased Services	-	-	372	-	372
266 Technology and Data Processing Services:					
300 Purchased Services	210	-	49	3,790	4,049
270 Support Services Pupil Activity:					
271 Pupil Services Activities:					
300 Purchased Services	-	-	50	-	50
400 Supplies and Materials	-	-	2,612	-	2,612
600 Other Objects	16,201	83,761	6,977	5,099	112,038
272 Enterprise Activities:					
400 Supplies and Materials	-	-	3,057	-	3,057
Total - Supporting Services	<u>618,902</u>	<u>1,372,998</u>	<u>574,244</u>	<u>431,320</u>	<u>2,997,464</u>
500 Debt Service:					
610 Redemption of Principal	56,004	-	12,347	47,807	116,158
620 Interest	93,016	-	899	15,898	109,813
Total Debt Service	<u>149,020</u>	<u>-</u>	<u>13,246</u>	<u>63,705</u>	<u>225,971</u>
Total Expenditures	<u>1,473,443</u>	<u>2,656,283</u>	<u>1,190,507</u>	<u>1,007,239</u>	<u>6,327,472</u>
Other Financing Sources (Uses)					
421-710 Transfer from Special Revenue Fund	1,126	-	-	-	1,126
421-710 Transfer to Special Revenue Fund	-	(125,461)	(6,464)	(27,322)	(159,247)
Total Other Financing Sources (Uses)	<u>1,126</u>	<u>(125,461)</u>	<u>(6,464)</u>	<u>(27,322)</u>	<u>(158,121)</u>
Changes in Fund Balance	(226,917)	(142,858)	68,657	109,008	(192,110)
Fund Balance (Deficit) - July 1, 2015	(128,535)	1,117,293	78,422	8,378	1,075,558
Fund Balance (Deficit) - June 30, 2016	\$ (355,452)	\$ 974,435	\$ 147,079	\$ 117,386	\$ 883,448

Horry County Schools

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

For the year ended June 30, 2016

	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	\$ 5,795	\$ 67,237	\$ 4,233	\$ 9,377	\$ 86,642
Total Local Sources	<u>5,795</u>	<u>67,237</u>	<u>4,233</u>	<u>9,377</u>	<u>86,642</u>
Revenues from State Sources:					
3100 Restricted State Funding:					
3110 Occupational Education					
3118 EEDA Career Specialists	1,850	5,651	1,721	5,567	14,789
3120 General Education					
3127 Student Health and Fitness - PE Teachers	1,479	3,340	1,752	-	6,571
3130 Special Programs					
3134 CDEP Expansion	-	-	2,500	-	2,500
3135 Reading Coaches	-	-	90,308	-	90,308
3136 Student Health and Fitness - Nurses	-	-	7,680	-	7,680
3177 Summer Reading Camps	1,042	646	1,365	-	3,053
3190 Miscellaneous Restricted State Grants					
3198 Technology Professional Development	719	1,717	-	-	2,436
3600 Education Lottery Act Revenue					
3620 Digital Instruction Materials	1,411	-	-	-	1,411
3630 K-12 Technology Initiative	10,342	-	-	4,770	15,112
Total State Sources	<u>16,843</u>	<u>11,354</u>	<u>105,326</u>	<u>10,337</u>	<u>143,860</u>
Revenues from Federal Sources:					
4200 Occupational Education:					
4210 Perkins Aid	-	-	-	10,160	10,160
4300 Elementary & Secondary Education Act of 1965 (ESEA):					
4310 Title 1, Basic State Grant Programs	118,793	-	127,218	34,115	280,126
4500 Programs for Children with Disabilities:					
4510 Individuals with Disabilities Act (IDEA)	37,800	26,916	39,469	54,880	159,065
4900 Other Federal Sources:					
4810 School Lunch and After School Snacks Program	46,502	-	64,776	-	111,278
4830 School Breakfast Program	16,063	-	29,731	-	45,794
Total Federal Sources	<u>219,158</u>	<u>26,916</u>	<u>261,194</u>	<u>99,155</u>	<u>606,423</u>
Total Revenue - All Sources	<u>241,796</u>	<u>105,507</u>	<u>370,753</u>	<u>118,869</u>	<u>836,925</u>
Expenditures					
100 Instruction:					
112 Primary Programs:					
100 Salaries	-	-	1,365	-	1,365
113 Elementary Programs:					
100 Salaries	79,694	3,340	84,129	-	167,163
200 Employee Benefits	17,948	-	30,788	-	48,736
400 Supplies and Materials	33,420	646	55,634	-	89,700
500 Capital Outlay	2,775	-	-	-	2,775
114 High School Programs:					
100 Salaries	-	-	-	1,547	1,547
200 Employee Benefits	-	-	-	1,911	1,911
400 Supplies and Materials	-	-	-	15,208	15,208
500 Capital Outlay	-	-	-	15,713	15,713
127 Learning Disabilities:					
100 Salaries	37,295	20,209	39,469	47,135	144,108
200 Employee Benefits	505	-	-	7,745	8,250
140 Special Programs:					
147 Full Day 4K:					
400 Supplies and Materials	-	-	2,500	-	2,500
Total - Instruction	<u>171,637</u>	<u>24,195</u>	<u>213,885</u>	<u>89,259</u>	<u>498,976</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, 2016*

	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	1,850	5,651	1,721	5,567	14,789
213 Health Services:					
100 Salaries	-	-	7,672	-	7,672
200 Employee Benefits	-	-	9	-	9
215 Exceptional Program Services:					
300 Purchased Services	-	6,707	-	-	6,707
220 Instructional Staff Services:					
221 Improvement of Instruction Curriculum:					
100 Salaries	-	-	38,727	8,000	46,727
200 Employee Benefits	-	-	9,999	1,896	11,895
224 Improvement of Instruction - In-Service and Staff Training:					
300 Purchased Services	2,105	1,717	-	-	3,822
230 General Administrative Services:					
233 School Administration:					
100 Salaries	120	-	-	-	120
200 Employee Benefits	163	-	-	-	163
400 Supplies and materials	874	-	-	-	874
250 Finance and Operations Services:					
254 Operation and Maintenance of Plant:					
200 Employee Benefits	9	93	-	-	102
256 Food Service:					
100 Salaries	23,274	26,376	39,264	-	88,914
200 Employee Benefits	3,172	13,266	10,918	-	27,356
300 Purchased Services	-	-	-	36,699	36,699
400 Supplies and Materials	37,466	113,848	55,022	-	206,336
500 Capital Outlay	-	21,350	-	-	21,350
260 Central Support Services:					
266 Technology and Data Processing Services:					
300 Purchased Services	-	-	-	4,770	4,770
Total - Supporting Services	69,033	189,008	163,332	56,932	478,305
Total Expenditures	240,670	213,203	377,217	146,191	977,281
Other Financing Sources (Uses)					
5500 Payments on Capital Lease	-	(17,765)	-	-	(17,765)
5210 Transfer from General Fund	-	125,461	6,464	27,322	159,247
420-710 Transfer to General Fund	(1,126)	-	-	-	(1,126)
Total Other Financing Sources (Uses)	(1,126)	107,696	6,464	27,322	140,356
Excess/(Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balance, July 1, 2015	-	-	-	-	-
Fund Balance, June 30, 2016	\$ -	\$ -	\$ -	\$ -	\$ -

Horry County Schools

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Education Improvement Act
For the year ended June 30, 2016

	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	\$ 709	\$ 1,751	\$ 792	\$ 570	\$ 3,822
3512 Technology Professional Development	687	1,698	-	553	2,938
3518 Formative Assessment	654	1,616	-	526	2,796
3526 Refurbishment of K-8 Science Kits	570	1,409	-	-	1,979
3532 National Board Certification (NBC) Salary Supplement	9,303	9,301	-	-	18,604
3538 Students at Risk of School Failure	8,785	11,713	14,641	36,115	71,254
3541 Child Development Education Program	-	-	84,360	-	84,360
3550 Teacher Salary Increase	22,323	43,671	31,008	16,639	113,641
3555 School Employer Contributions	5,366	10,498	7,454	4,000	27,318
3558 Reading	565	1,396	631	454	3,046
3577 Teacher Supplies	3,250	5,250	3,750	2,000	14,250
3578 High Schools that Work/Making Middle Grades Work	-	-	200	-	200
3581 Student Health and Fitness - Nurses	-	-	4,086	-	4,086
3595 EEDA - Supplies and Materials - Career Awareness	-	554	-	180	734
3597 Aid to Districts	1,566	3,869	1,749	1,260	8,444
3599 Other EIA	224	-	-	-	224
Total State Sources	<u>54,002</u>	<u>92,726</u>	<u>148,671</u>	<u>62,297</u>	<u>357,696</u>
Total Revenue - All Sources	<u>54,002</u>	<u>92,726</u>	<u>148,671</u>	<u>62,297</u>	<u>357,696</u>
Expenditures:					
100 Instruction:					
111 Kindergarten Programs:					
100 Salaries	-	-	45,649	-	45,649
200 Employee Benefits	-	-	7,454	-	7,454
400 Supplies and Materials	-	-	500	-	500
112 Primary Programs:					
100 Salaries	-	-	1,749	-	1,749
400 Supplies and Materials	-	-	1,000	-	1,000
113 Elementary Programs:					
100 Salaries	38,608	62,884	715	-	102,207
200 Employee Benefits	7,169	12,299	1,041	-	20,509
400 Supplies and Materials	5,251	9,671	2,000	-	16,922
114 High School Programs:					
100 Salaries	-	-	-	52,754	52,754
200 Employee Benefits	-	-	-	4,000	4,000
400 Supplies and Materials	-	-	-	2,980	2,980
140 Special Programs:					
147 Full Day 4K:					
100 Salaries	-	-	66,059	-	66,059
200 Employee Benefits	-	-	17,176	-	17,176
400 Supplies and Materials	-	-	250	-	250
Total - Instruction	<u>51,028</u>	<u>84,854</u>	<u>143,593</u>	<u>59,734</u>	<u>339,209</u>
200 Supporting Services:					
210 Pupil Services:					
212 Guidance Services:					
400 Supplies and Materials	224	-	-	-	224
213 Health Services:					
100 Salaries	-	-	2,904	-	2,904
200 Employee Benefits	-	-	1,182	-	1,182
215 Exceptional Program Services:					
300 Purchased Services	-	1,883	-	-	1,883
224 Improvement of Instruction - In-Service and Staff Training:					
300 Purchased Services	1,306	4,003	792	1,303	7,404
230 General Administrative Services:					
231 Board of Education:					
600 Other Objects	90	-	-	-	90
250 Finance and Operations Services:					
252 Fiscal Services:					
300 Purchased Services	-	-	200	-	200
254 Operational and Maintenance of Plant:					
300 Purchased Services	-	1,440	-	-	1,440
260 Central Support Services:					
263 Information Services:					
300 Purchased Services	-	-	-	1,260	1,260
266 Technology and Data Processing Services:					
300 Purchased Services	1,354	546	-	-	1,900
Total - Supporting Services	<u>2,974</u>	<u>7,872</u>	<u>5,078</u>	<u>2,563</u>	<u>18,487</u>
Total Expenditures	<u>54,002</u>	<u>92,726</u>	<u>148,671</u>	<u>62,297</u>	<u>357,696</u>
Excess/(Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balance, July 1, 2015	-	-	-	-	-
Fund Balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Horry County Schools*Detailed Schedule of Due to State Department of Education**As of June 30, 2016*

Program	Revenue/ Subfund Code	Description	Total Due	Status of Amount Due to Grantors
National Board Salary Supplement	3532/332	Refund of Overpayment	\$ 11,285	Repaid 08/30/16
Reading Coaches	3535/335	Unspent Allocation	31,365	Repaid 08/19/16
Student Health & Fitness	3581/381	Unspent Allocation	60,999	Repaid 08/26/16
Student Health & Fitness - Nurses	3136/936	Unspent Allocation	15,359	Repaid 08/26/16
			<u>\$ 119,008</u>	

Horry County Schools**Location Reconciliation Schedule****For the year ended June 30, 2016**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
001	Aynor High	High School	School	\$ 9,083,920
002	North Myrtle Beach High	High School	School	12,468,237
004	Conway High	High School	School	14,774,119
006	Green Sea Floyds High	Middle-High School	School	9,938,213
008	Loris High	High School	School	11,456,268
010	Myrtle Beach High	High School	School	12,671,002
011	Socastee High	High School	School	14,946,268
013	Whittemore Park Middle	Middle School	School	8,225,902
014	Aynor Elementary	Elementary School	School	8,290,487
016	Myrtle Beach Middle	Middle School	School	17,109,379
017	Conway Middle	Middle School	School	5,405,982
021	Daisy Elementary	Elementary School	School	7,472,646
023	Green Sea Floyds Elementary	Elementary School	School	6,784,406
025	Homewood Elementary	Elementary School	School	6,405,809
027	Loris Middle	Middle School	School	7,276,531
028	Kingston Elementary	Elementary School	School	5,666,023
029	Lakewood Elementary	Elementary School	School	8,801,476
030	St. James Elementary	Elementary School	School	7,766,165
031	Loris Education Annex	Various	Central	12,584
032	Loris Elementary	Elementary School	School	7,679,986
033	Midland Elementary	Elementary School	School	5,276,565
034	Myrtle Beach Elementary	Elementary School	School	6,280,561
035	Myrtle Beach Primary	Primary School	School	10,944,653
036	Conway Elementary	Elementary School	School	6,085,921
037	North Myrtle Beach Middle	Middle School	School	9,851,390
039	Pee Dee Elementary	Elementary School	School	7,743,616
042	Waccamaw Elementary	Elementary School	School	7,831,564
045	South Conway Elementary	Elementary School	School	7,898,568
046	Forestbrook Elementary	Elementary School	School	9,113,050
047	St. James Middle	Middle School	School	9,754,641
049	Carolina Forest Elementary	Elementary School	School	8,263,372
050	Seaside Elementary	Elementary School	School	9,024,416
051	Forestbrook Middle	Middle School	School	9,516,172
052	Carolina Forest High	High School	School	17,966,717
053	Myrtle Beach Intermediate	Elementary School	School	5,989,159
054	Socastee Elementary	Elementary School	School	15,324,523
056	Palmetto Bays Elementary	Elementary School	School	6,686,290
057	Aynor Middle School	Middle School	School	6,430,628
058	St. James High School	High School	School	14,367,104
060	Ocean Bay Elementary School	Elementary School	School	6,299,576
061	Ocean Bay Middle School	Middle School	School	9,275,083
062	Black Water Middle School	Middle School	School	6,522,488
063	Burgess Elementary School	Elementary School	School	7,214,051
064	HCS Early College High School	High School	School	3,752,919
065	River Oaks Elementary	Elementary School	School	7,402,392
066	Ocean Drive Elementary	Elementary School	School	7,571,691
067	Waterway Elementary	Elementary School	School	6,747,948
068	Riverside Elementary	Elementary School	School	6,935,461

Horry County Schools

Location Reconciliation Schedule

For the year ended June 30, 2016

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
069	New Intermediate for St. James	Elementary School	School	11,000,596
070	New Middle School for CF Area	Middle School	School	13,359,539
071	New Middle School for Socastee Area	Middle School	School	6,752,787
096	Academy of Arts, Science and Technology	High School	School	6,052,290
098	Academy of Technology and Academics	High School	School	6,574,390
0170	Old Myrtle Beach Elementary	Elementary School	School	128
0172	Conway Education Center	Various	School	212,366
0173	Myrtle Beach Education Center	Various	School	233,073
0174	Saint Andrews	Various	School	1,504
0175	Chabad Academy	Various	Central	20,103
0176	Conway Alternative School	Various	School	3,412,685
0177	Loris Alternative School	Various	School	5,263
0178	CCU Scholars Academy	High School	School	1,899,591
0179	Bridgewater Academy	Charter School	Central	1,415,943
0180	Playcard Environmental Center	Various	School	122,236
0181	Palmetto Academy of Learning and Success	Charter School	Central	2,574,132
0182	Therapeutic Learning Center	Various	School	1,032,651
0183	Palmetto Academy for Learning Motorsports	Charter School	Central	1,270,471
0184	Academy of Hope	Charter School	Central	1,737,557
0185	Saint Michaels	Various	School	1,925
0187	Light House	Various	School	58,880
0189	Seacoast Youth Academy	Various	School	165,227
0190	Waccamaw Youth Center	Various	School	13,199
0192	Sea Haven, Inc.	Various	Central	15,002
0193	NMB Christian	Various	Central	1,324
1100	Office of Superintendent	Various	Central	627,422
1200	Board of Education	Various	Central	728,843
1300	Policy and Legal	Various	Central	415,868
2100	Academics	Various	Central	4,418,300
3100	Support Services	Various	Central	7,349,421
4100	Fiscal Services	Various	Central	3,288,118
4600	Personnel Services	Various	Central	2,746,911
4900	Debt Service	Various	Central	36,022,896
5100	Facilities Management	Various	Central	6,549,401
8100	Information & Accountability Services	Various	Central	4,794,305
9100	Instructional Support Services	Various	Central	2,561,071
Total expenditures for all funds				\$ 545,741,340

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

General Fund	\$ 359,107,685
Special Projects Fund	33,659,558
Education Improvement Act Fund	16,339,925
Debt Service	36,022,896
Capital Projects Fund	70,790,298
Proprietary Fund	21,026,315
Agency Funds	8,733,290
Trust and Other Private Purpose Funds	61,373
Total expenditures for all funds	\$ 545,741,340

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.	160-164
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the School District's ability to generate its property taxes.	165-168
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.	169-173
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.	174-176
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.	177-180

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

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 111,071	\$ 93,916	\$ 126,186	\$ 165,674	\$ 195,460	\$ 233,111	\$ 268,586	\$ 286,007	\$ 308,891	\$ 140,199
Restricted	59,646	100,048	94,786	101,572	102,769	89,869	82,185	83,606	87,927	302,737
Unrestricted	50,549	64,759	63,460	60,803	72,512	82,353	86,608	90,920	(335,482)	(328,140)
Total governmental activities net position	\$ 221,266	\$ 258,723	\$ 284,432	\$ 328,049	\$ 370,741	\$ 405,333	\$ 437,379	\$ 460,533	\$ 61,336	\$ 114,796
Business-type activities										
Net investment in capital assets	\$ 733	\$ 1,283	\$ 2,711	\$ 2,525	\$ 2,341	\$ 2,347	\$ 2,286	\$ 2,310	\$ 2,162	\$ 2,038
Unrestricted	2,168	2,208	2,457	3,228	3,684	4,162	4,302	4,251	(2,009)	(1,920)
Total business-type activities net position	\$ 2,901	\$ 3,491	\$ 5,168	\$ 5,753	\$ 6,025	\$ 6,509	\$ 6,588	\$ 6,561	\$ 153	\$ 118
Total primary government net position	\$ 224,167	\$ 262,214	\$ 289,600	\$ 333,802	\$ 376,766	\$ 411,842	\$ 443,967	\$ 467,094	\$ 61,489	\$ 114,914
Component units										
Net investment in capital assets	\$ 201	\$ 181	\$ 172	\$ 181	\$ 413	\$ 505	\$ 411	\$ 465	\$ 604	\$ 507
Restricted	1	-	-	-	-	-	-	8	9	7
Unrestricted	120	297	409	435	268	552	641	533	(2,391)	(2,858)
Total component units net position (deficit)	\$ 322	\$ 478	\$ 581	\$ 616	\$ 681	\$ 1,057	\$ 1,052	\$ 1,006	\$ (1,778)	\$ (2,344)

Table 2

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities										
Instructional services	\$ 201,947	\$ 223,015	\$ 234,511	\$ 236,394	\$ 236,524	\$ 251,284	\$ 256,028	\$ 267,754	\$ 273,224	\$ 276,465
Supporting services	109,570	126,447	130,780	127,351	128,715	133,424	140,253	152,291	155,900	157,822
Community services	1,013	1,123	1,087	1,218	961	943	956	1,000	1,285	1,344
Intergovernmental	2,824	-	-	-	-	-	-	-	-	-
Interest and other charges	17,849	20,084	21,042	19,980	17,516	14,182	13,646	15,908	13,707	9,406
Pupil activities	335	470	133	341	457	529	656	646	716	-
Total governmental activities expenses	<u>333,538</u>	<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>
Business-type activities:										
Food service	15,869	17,668	18,831	19,092	20,088	20,857	21,315	21,189	21,376	21,026
Total business-type activities expenses	<u>15,869</u>	<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>
Total primary government expenses	<u>\$ 349,407</u>	<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>
Program revenues:										
Governmental activities										
Charges for services:										
Instruction	\$ 225	\$ 116	\$ 86	\$ 94	\$ 117	\$ 114	\$ 116	\$ 43	\$ 36	\$ 611
Supporting services	4,472	4,079	3,696	3,530	3,567	3,627	3,547	3,862	3,389	-
Community services	-	-	-	-	-	-	-	-	-	151
Intergovernmental services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	132,668	139,410	123,701	112,481	121,586	132,408	137,520	147,407	156,393	171,374
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>137,365</u>	<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>
Business-type activities										
Charges for services	5,773	5,956	5,933	5,357	5,259	5,272	5,068	5,033	4,824	4,381
Operating grants and contributions	10,294	11,263	12,425	14,023	15,056	15,726	16,044	15,559	16,422	16,455
Total business-type activities program revenues	<u>16,067</u>	<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>
Total primary government program revenues	<u>\$ 153,432</u>	<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>

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (expense) revenue										
Governmental activities net (expense) revenue	\$ (196,173)	\$ (227,534)	\$ (260,070)	\$ (269,179)	\$ (258,903)	\$ (264,213)	\$ (270,356)	\$ (286,287)	\$ (285,014)	\$ (272,901)
Business-type activities net (expense) revenue	198	(449)	(473)	288	227	141	(203)	(597)	(130)	(190)
Total primary government (net expense)	<u>(195,975)</u>	<u>(227,983)</u>	<u>(260,543)</u>	<u>(268,891)</u>	<u>(258,676)</u>	<u>(264,072)</u>	<u>(270,559)</u>	<u>(286,884)</u>	<u>(285,144)</u>	<u>(273,091)</u>
General revenues and other:										
Governmental activities:										
Property taxes	194,652	208,069	237,110	265,424	254,328	251,240	253,568	259,884	262,613	272,056
State aid	18,991	43,941	45,150	46,155	46,367	47,045	48,496	49,642	51,292	52,369
Other	10,099	14,020	5,557	1,504	941	860	614	481	680	1,122
Transfers	(230)	(1,039)	(2,039)	(287)	(41)	(340)	(276)	(566)	(485)	813
Total governmental activities general revenues and other	<u>223,512</u>	<u>264,991</u>	<u>285,778</u>	<u>312,796</u>	<u>301,595</u>	<u>298,805</u>	<u>302,402</u>	<u>309,441</u>	<u>314,100</u>	<u>326,360</u>
Business-type activities:										
Other	\$ 16	\$ 2	\$ 111	\$ 11	\$ 3	\$ 3	\$ 6	\$ 3	\$ 9	\$ 235
Transfers	230	1,039	2,039	287	41	340	276	566	485	(79)
Total business-type activities general revenues and other	<u>246</u>	<u>1,041</u>	<u>2,150</u>	<u>298</u>	<u>44</u>	<u>343</u>	<u>282</u>	<u>569</u>	<u>494</u>	<u>156</u>
Total Primary Government change in net position	<u>\$ 223,758</u>	<u>\$ 266,032</u>	<u>\$ 287,928</u>	<u>\$ 313,094</u>	<u>\$ 301,639</u>	<u>\$ 299,148</u>	<u>\$ 302,684</u>	<u>\$ 310,010</u>	<u>\$ 314,594</u>	<u>\$ 326,516</u>
Total Component Units										
Total Expenses	\$ 977	\$ 1,157	\$ 1,280	\$ 1,340	\$ 2,620	\$ 4,068	\$ 5,194	\$ 6,912	\$ 7,076	\$ 8,054
Program Revenues:										
Charges for Services	32	54	70	73	55	54	58	-	-	-
Operating Grants and Contributions	36	29	15	13	2,548	4,067	5,126	6,473	7,015	6,987
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total program revenues	<u>68</u>	<u>83</u>	<u>85</u>	<u>86</u>	<u>2,603</u>	<u>4,121</u>	<u>5,184</u>	<u>6,473</u>	<u>7,015</u>	<u>6,987</u>
Net (expense) revenue	(909)	(1,074)	(1,195)	(1,254)	(17)	53	(10)	(439)	(61)	(1,067)
General revenues - state aid/grants (unrestricted)	1,043	1,230	1,298	1,289	77	294	126	394	442	501
Change in net position - component units	<u>\$ 134</u>	<u>\$ 156</u>	<u>\$ 103</u>	<u>\$ 35</u>	<u>\$ 60</u>	<u>\$ 347</u>	<u>\$ 116</u>	<u>\$ (45)</u>	<u>\$ 381</u>	<u>\$ (566)</u>

Source: Horry County Schools' Audit Reports

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Reserved	\$ 2,420	\$ 2,021	\$ 2,158	\$ 2,181	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved	43,265	58,290	53,610	49,529	N/A	N/A	N/A	N/A	N/A	N/A
Total general fund	<u>45,685</u>	<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>
General fund**										
Non-spendable:										
Inventories	N/A	N/A	N/A	N/A	475	614	534	580	570	518
Prepaid Expenditures	N/A	N/A	N/A	N/A	1,941	2,154	5,491	1,946	1,896	1,987
Committed:										
10-15% Reserve	N/A	N/A	N/A	N/A	-	-	-	-	-	-
Assigned:										
Carryover School Budgets	N/A	N/A	N/A	N/A	433	502	420	552	495	497
Subsequent Year Expenditures	N/A	N/A	N/A	N/A	2,473	2,726	2,925	4,698	14,134	11,345
Encumbered Operating Expenditures	N/A	N/A	N/A	N/A	54	59	59	-	-	-
Unassigned	N/A	N/A	N/A	N/A	56,676	64,112	65,377	75,919	71,806	77,600
Total general fund	<u>-</u>	<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>
All other governmental funds										
Reserved	59,646	100,047	94,785	101,572	N/A	N/A	N/A	N/A	N/A	N/A
Total all other governmental funds	<u>59,646</u>	<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>
All other governmental funds**										
Non-spendable	N/A	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 761,532
Restricted:										
Special Projects	N/A	N/A	N/A	N/A	1,496	-	-	-	-	677
Debt Service	N/A	N/A	N/A	N/A	48,212	32,355	27,229	25,080	24,318	34,590
Capital Projects	N/A	N/A	N/A	N/A	53,060	57,514	54,957	56,408	61,496	265,227
Total all other governmental funds	<u>N/A</u>	<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>

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 2006-2010 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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Local sources	\$ 211,185,440	\$ 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
Intergovernmental	316	1,562	20,745	66,970	101,110.00	284,647	225,530	98,407.00	36,536	1,651,625
State sources	127,376,580	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
Federal sources	22,324,981	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
Total revenue	360,887,317	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
Expenditures:										
Current:										
Instructional services	189,211,709	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
Supporting services	102,649,771	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
Community services	949,467	1,055,713	1,028,109	1,144,979	891,076	871,428	883,415	885,554	1,138,889	1,219,662
Pupil activities	-	-	-	-	456,962	528,974	656,605	646,784	715,943	-
Intergovernmental	2,646,037	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
Capital outlay	130,683,130	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
Debt Service:										
Principal	18,728,860	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
Interest and Legal Fees	17,557,229	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
Total expenditures	462,426,203	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
Excess (deficiency) of revenues over expenditures	(101,538,886)	(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)
Other financing sources (uses):										
Premium on bonds sold	3,393,526	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	128,710,000	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	180,836	6,920,373	11,832	66,980	269,318	18,874	25,376	240,239	150,850	29,883
Other financing sources	365,137	-	-	-	-	-	-	-	160,926	-
Transfers in	6,651,267	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
Transfers out	(7,216,891)	(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)
Total other financing sources (uses)	132,083,875	97,449,809	16,019,946	(384,828)	398,879	(123,716)	(132,751)	(325,852)	334,564	239,735,888
Change in fund balances	\$ 30,544,989	\$ 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
Debt service as a percentage of non capital expenditures	10.9%	15.4%	10.0%	13.9%	10.9%	9.0%	8.7%	8.5%	8.5%	8.1%

Source: Horry County Schools' Audit Reports

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

Fiscal Year Ended June 30,	Real Property		Personal Property		Total		Total Direct Rate **	Ratio of Total Assessed to Total Estimated Actual Value
	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated		
	Value	Value	Value	Value	Value	Value		
2007	\$ 1,312,131	\$ 23,024,263	\$ 294,434	\$ 5,166,501	\$ 1,606,565	\$ 28,190,764	135.3	5.70%
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%

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<i>Direct Rates:</i>										
Horry County Schools										
General Fund	107.3	115.3	115.3	119.3	118.2	120.2	120.2	120.2	123.1	123.1
Debt Service	28.0	28.0	28.0	20.0	14.0	10.0	10.0	10.0	10.0	10.0
Total	<u>135.3</u>	<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>
<i>Overlapping Rates:</i>										
Horry County	46.3	47.3	47.3	47.3	44.9	45.2	45.2	45.2	45.2	52.4
Town of Atlantic Beach	90.0	94.5	94.5	94.5	94.5	84.5	84.5	84.5	84.5	84.5
Town of Aynor	70.8	72.2	72.2	72.2	60.8	60.8	60.8	60.8	60.8	60.8
Town of Briarcliffe Acres	50.0	52.8	55.6	55.6	50.8	50.8	50.8	50.8	50.8	50.8
City of Conway	86.6	86.6	86.6	86.6	79.3	79.3	79.3	79.3	82.4	82.4
City of Loris	105.0	105.0	105.0	105.0	103.7	103.7	103.7	103.2	111.7	115.0
City of Myrtle Beach	61.4	61.4	64.4	64.4	66.1	66.1	66.1	66.1	74.5	74.5
City of North Myrtle Beach	30.5	30.5	32.2	32.2	32.0	38.0	38.0	38.0	39.3	39.3
Town of Surfside Beach	44.0	44.0	44.0	44.0	40.0	40.0	40.0	40.0	46.2	46.2

Source: Horry County Auditor

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

Taxpayer	Fiscal Year Ended June 30, 2016			Fiscal Year Ended June 30, 2007		
	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	\$ 19,052,370	1	0.96%			
Horry Electric Coop. Inc.	18,068,760	2	0.91%	\$ 13,294,970	2	0.83%
HRP Myrtle Beach Operations LLC	6,156,280	3	0.31%			
Lawyers Title Insurance Corp.	5,255,230	4	0.26%	4,419,612	6	0.28%
Bluegreen Vacations Unlimited, Inc.	4,897,510	5	0.25%	2,525,278	9	0.16%
Marriott Ownership Resorts Inc.	4,068,990	6	0.20%			
South Carolina Electric & Gas	3,795,170	7	0.19%			
AVX Corporation	3,716,146	8	0.19%	3,920,944	8	0.24%
Ocean Lakes Family Campground	3,407,060	9	0.17%	2,497,521	10	0.16%
Frontier Communications of the Carolinas	3,353,340	10	0.17%			
Myrtle Beach Farms/Burroughs & Chapin				22,745,806	1	1.42%
Horry Telephone Coop.				7,810,720	3	0.49%
Verizon				7,411,370	4	0.46%
Burroughs & Chapin				4,982,963	5	0.31%
Broadway at the Beach				4,389,076	7	0.27%
				-		
Totals	<u>\$ 71,770,856</u>		<u>3.61%</u>	<u>\$ 73,998,260</u>		<u>4.62%</u>

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
2007	\$ 193,782	\$ 186,784	96.39%	\$ 5,833	\$ 192,617	99.40%
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%	-	207,122	97.99%

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>
2007	\$ 410,277	\$ 31,799	\$ 378,478	\$ 1,606,565	238	25.54%	\$ 1,724
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

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>
2007	\$ 410,277	\$ 6,751,737	238	6.08%	\$ 1,724
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	Unavailable	299	Unavailable	1,106
2016	543,301	Unavailable	309	Unavailable	1,758

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)***

Fiscal Year	Principal	Interest and Fiscal Charges	Total	Total Governmental Expenditures	Ratio of Debt Service to Total Expenditures
2007	\$ 18,728,861	\$ 17,557,229	\$ 36,286,090	\$ 462,426,203	7.85%
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%

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, 2016 (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	\$ 543,301	100%	\$ 543,301
Direct Debt	<u>543,301</u>		<u>543,301</u>
Horry County Government	255,122	100%	255,122
City of Myrtle Beach	184,337	100%	184,337
City of North Myrtle Beach	8,080	100%	8,080
City of Conway	8,625	100%	8,625
City of Loris	1,315	100%	1,315
Town of Surfside Beach	<u>394</u>	100%	<u>394</u>
Total Overlapping Debt	<u>457,873</u>		<u>457,873</u>
Total Direct and Overlapping Debt			<u><u>\$ 1,001,174</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)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 128,763	\$ 142,677	\$ 158,990	\$ 160,862	\$ 164,213	\$ 166,459	\$ 166,313	\$ 164,364	\$ 167,760	\$ 168,635
Total net debt applicable to limit	21,195	36,547	42,265	20,200	13,435	9,160	5,620	4,355	3,035	125,000
Legal debt margin	<u>\$ 107,568</u>	<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>
Total net debt applicable to limit as a percentage of debt limit	22.77%	25.62%	26.58%	12.56%	8.18%	5.50%	3.38%	2.65%	1.81%	74.12%
<u>Legal debt margin calculation for fiscal year 2016</u>										
Assessed value	\$ 2,107,936									
Debt limit (8% of assessed value)	168,635									
Debt applicable to limit	(125,000)									
Legal debt margin	<u>\$ 43,635</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*

Fiscal Year Ended June 30,	Population (1)	Per Capita Income County (2)	Personal Income (3)	County Unemployment Rate (4)	School Enrollment (5)
2007	238,493	\$ 28,310	\$ 6,751,737	4.1%	36,068
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	N/A	N/A	6.7%	41,195
2016	309,199	N/A	N/A	5.6%	42,174

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, 2016			Fiscal Year Ended June 30, 2007		
	Approximate Numbers of Employees	Rank	Percentage of Total District Employment	Approximate Numbers of Employees	Rank	Percentage of Total District Employment
Horry County School District	5,636	1	4.13%	4,853	1	3.79%
Wal-Mart Associates, Inc.	Not Available	2	Not Available	2,100	3	1.64%
Horry County Government	2,105	3	1.54%	1,934	4	1.51%
Conway Medical Center	1,500	4	1.10%	1,050	6	0.82%
Coastal Carolina University	1,436	5	1.05%			
Grand Strand Regional Medical Center	1,360	6	1.00%	975	7	0.76%
Food Lion	Not Available	7	Not Available			
McLeod Health (Loris & Seacoast)	1,100	8	0.81%			
City of Myrtle Beach	897	9	0.66%	927	8	0.72%
Horry Telephone Cooperative	665	10	0.49%	700	9	0.55%
Burroughs and Chapin				3,000	2	2.34%
AVX Corporation				1,200	5	0.94%
Conbraco				400	10	0.31%
Totals	<u>14,699</u>		<u>10.78%</u>	<u>17,139</u>		<u>13.38%</u>

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Teachers (1)	2,404	2,558	2,658	2,577	2,514	2,537	2,690	2,667	2,726	2,829
Classified Instructional Aides	675	726	762	756	730	733	730	774	769	783
Principals and Assistant Principals	123	134	137	128	130	133	137	137	137	144
Supervisors and Directors	38	39	37	34	32	32	33	33	39	40
Coordinators and Learning Specialists	97	111	112	106	99	101	114	114	115	116
Counselors and Guidance	98	96	100	87	87	87	88	89	99	108
Librarians and Media Specialists	52	54	54	48	47	47	48	48	48	49
Nurses	48	57	67	61	59	57	59	60	59	60
Psychologists	28	33	32	30	29	29	31	31	31	31
Special Education Therapists	57	62	69	67	66	66	66	66	65	65
Technology	21	22	23	23	24	23	23	23	25	20
Transportation	380	358	386	386	384	401	411	423	429	452
Cafeteria	330	339	345	342	349	351	355	355	341	331
Custodians	144	163	195	208	214	223	238	241	247	277
Clerical	262	274	274	271	266	268	270	271	270	281
Maintenance	67	74	75	73	72	74	75	72	77	48
Miscellaneous (2)	89	92	95	93	91	95	99	107	114	139
Totals	4,913	5,192	5,421	5,290	5,193	5,257	5,467	5,511	5,591	5,773

Budgeted Staffing Ratios	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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 to 1	25.5 to 1	25.5 to 1
Primary - Grade 1	20 to 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
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 to 1	21.5 to 1	21.5 to 1
Elementary - Grades 4-5	24 to 1	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
Middle - Grade 6	21 to 1	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
Middle - Grades 7-8	22 to 1	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
High - Grades 9-12 (Smallest Schools)	20 to 1	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
High - Grades 9-12 (Largest Schools)	23 to 1	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

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
2007	36,068	\$ 333,538	\$ 9,247		2,404	15.00	55.55%
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%

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

Note: Enrollment reflects grades K 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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Buildings:										
Primary Schools										
Number	2	2	2	2	2	2	2	1	1	1
Square feet	224,185	224,185	224,185	224,185	224,185	224,185	224,185	113,650	113,650	113,650
Capacity	1,834	1,834	1,994	1,994	1,994	1,994	1,994	850	850	826
Enrollment	1,673	1,666	1,600	1,600	1,712	1,726	1,760	910	884	830
Elementary Schools										
Number	21	22	22	22	22	22	23	25	25	25
Square feet	1,903,606	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
Capacity	13,612	14,680	18,249	18,249	18,249	18,249	18,249	20,347	20,347	20,290
Enrollment	14,631	15,192	15,571	15,571	14,747	15,863	16,234	18,621	19,130	19,301
Intermediate Schools										
Number	2	2	2	2	2	2	2	1	1	1
Square feet	177,465	177,465	177,465	177,465	177,465	177,465	177,465	78,290	78,290	78,290
Capacity	1,658	1,658	1,968	1,968	1,968	1,968	1,968	735	735	735
Enrollment	1,140	1,176	1,207	1,207	1,812	1,375	1,327	648	692	720
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	1,382,274	1,393,714	1,393,714	1,393,714	1,393,714	1,393,714
Capacity	8,837	8,837	10,436	10,436	10,436	10,436	10,436	8,912	8,912	8,610
Enrollment	7,694	1,809	7,961	7,961	8,850	8,427	9,107	9,115	9,127	9,338
High Schools										
Number	9	9	9	9	9	9	9	9	9	10
Square feet	2,284,279	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
Capacity	12,202	12,202	14,702	14,702	14,702	14,702	14,702	14,457	14,457	15,075
Enrollment	10,777	11,003	11,292	10,806	10,806	11,274	10,893	12,196	12,632	12,999
Other										
Buildings	8	8	8	10	9	10	10	14	14	12
Square Feet	435,269	435,269	520,559	653,002	609,149	689,002	727,002	786,002	786,002	679,825
Capacity	1,610	1,610	1,752	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
2007	1,462	2,911	21,428	10,267	36,068
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

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>
2007	\$ 31,943	\$ 70,074	\$ 42,246	\$ 44,336
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

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

SINGLE AUDIT SECTION

Horry County Schools
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2016

LEA Subfund Fund Code	Fed. Grantor/Pass-Through Grantor/Program of Cluster Title	Federal CFDA Number	Pass - Through Grantor's Number	Total Federal Expenditures
	Title I			
	US Department of Education			
	Passed through S.C. Department of Education			
201	Title I Grants to LEAs - Carryover from Prior Year	84.010	N/A	\$ 3,036,246
201	Title I Grants to LEAs	84.010A	H63010100116	10,676,644
221	Title I N&D - Prior Year	84.010A	H63010100115	92,110
221	Title I N&D - Current Year	84.010A	H63010100116	167,431
237	Title I - Focus	84.010	N/A	247,165
	Total Title I			<u>14,219,596</u>
	Special Education Cluster (IDEA)			
	US Department of Education			
	Passed through S.C. Department of Education			
203	IDEA - Current Year	84.027	H63010100916	2,097,093
205	IDEA Pre-school Grants Current Year-Handicapped Capacity	84.173	H63010100816	263,584
206	IDEA - Current Year	84.027	H63010100915	6,425,988
208	IDEA Pre-school Grants Current Year-Handicapped Capacity	84.173	H63010100815	100,640
	Total Special Education Cluster (IDEA)			<u>8,887,305</u>
	Child Nutrition Cluster			
	US Department of Agriculture			
	Passed through S.C. Department of Education			
600	School Breakfast Program	10.582	N/A	4,256,714
600	School Lunch Program	10.582	N/A	10,746,721
600	Summer Food Service	10.582	N/A	78,377
600	USDA Commodities	10.582	N/A	1,339,783
600	Fresh Fruits and Vegetables Grant	10.582	H6301002116	32,226
	Total Child Nutrition Cluster			<u>16,453,821</u>
	OTHER PROGRAMS			
	US Department of Education			
	Passed through S.C. Department of Education			
207	Vocational Education	84.048	N/A	622,654
212	IDEA - ESY	84.027A	H6304510E	62,990
224	21st Century Community Learning Center-Community in Schools	84.287C	H63010006916	180,305
225	Math and Science Partnership Grant	84.366B	H63010008216	100,372
243	Adult Education	84.002	H63010101015	932
243	Adult Education	84.002A	H63010101016	330,688
264	Title III - Language Instr. for Limited English Proficient & Immigrant Students	84.365A	H63010006715	133,334
264	Title III - Language Instr. for Limited English Proficient & Immigrant Students	84.365A	H63010006716	76,730
267	Improving Teacher Quality - Current Year	84.367A	H630100006816	973,604
267	Improving Teacher Quality - Prior Year	84.367A	H630100006816	215,702
602	Agricultural Education and Occupational Preparation Project	10.226	2014-38414-22582	36,698
603	IDEA - Private Placement	84.027A	H630S80010	191,235
610	Gear Up	84.334S	P334S110019	44,265
	Total of U.S. Department of Education			<u>2,969,509</u>
	US Department of Defense - Direct Program			
100	ROTC	N/A	N/A	701,570
100	FEMA - Flood Damage	N/A	N/A	22,618
	Total US Department of Defense			<u>724,188</u>
	Total federal awards			<u>\$ 43,254,419</u>

Horry County Schools

Notes to Schedule of Expenditures of Federal Awards

June 30, 2016

I. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Horry County Schools (the School District) under programs of the federal government for the year ended June 30, 2016. 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 accounting standards generally accepted in the United States of America basis of accounting. 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. 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 Standard***

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, 2016, 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, 2016.

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 Decosimo, LLC". The signature is written in a cursive, flowing style.

Charleston, South Carolina
November 30, 2016



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by The Uniform Guidance (Includes Reporting on Schedule of Expenditures of Federal Awards)

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, 2016. 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.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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, 2016.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited 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 the School District as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated November 30, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Elliott Davis Decosimo, LLC

Charleston, South Carolina
November 30, 2016

Horry County Schools
Schedule of Findings and Questioned Costs
June 30, 2016

I. Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

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

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

- (e.) Dollar threshold used to distinguish between type A and type B Programs: \$750,000
- (f.) Auditee qualified as low risk auditee? Yes

II. Findings Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards*: No matters were reported

III. Findings and Questioned Costs Relating to Federal Awards: No matters were reported