HORRY COUNTY SCHOOLS CONWAY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

Prepared By:

Fiscal Services

John K. Gardner Chief Financial Officer



CONWAY, SOUTH CAROLINA

TABLE OF CONTENTS

| INTRODUCTORY SECTION | Reference | Page |
|---|------------------------|----------|
| Letter of Transmittal | | 1-18 |
| Board of Education and Administration | | 19-24 |
| Organizational Chart | | 25 |
| Certificate of Achievement for Excellence in Financial Reporting Certificate of Excellence in Financial Reporting | | 26 27 |
| FINANCIAL SECTION | | |
| Independent Auditors' Report | | 28-30 |
| Management's Discussion and Analysis | | 31-42 |
| Basic Financial Statements: Government-Wide and Fund Financial Statements: | | |
| Statement of Net Position Statement of Activities Fund Financial Statements: | Exhibit A Exhibit B | 43 44 |
| Balance Sheet - Governmental Funds Reconciliation of Balance Sheet of Governmental Funds | Exhibit C | 45 |
| to the Statement of Net Position Statement of Revenues, Expenditures, and Changes in | Exhibit D | 46 |
| Fund Balances - Governmental Funds Exhibit E Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental | | 47 |
| Funds to the Statement of Activities Statement of Revenues, Expenditures, and Changes in | Exhibit F | 48 |
| Fund Balances - Budget and Actual - General Fund Statement of Revenues, Expenditures, and Changes in | Exhibit G | 49 |
| Fund Balances - Budget and Actual - Special Projects Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Education | Exhibit H | 50 |
| Improvement Act Fund | Exhibit I | 51 |
| Statement of Net Position - Proprietary Fund | Exhibit J | 52 |
| Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund | Exhibit K | 53 |
| Statement of Cash Flows - Proprietary Fund | Exhibit L | 54 |
| Statement of Fiduciary Net Position - Fiduciary Funds Statement of Changes in Fiduciary Net Position - | Exhibit M | 55 |
| Fiduciary Funds | Exhibit N | 56 |
| Notes to Financial Statements | | 57-71 |

CONWAY, SOUTH CAROLINA

TABLE OF CONTENTS

| | Reference | Page |
|---|------------------------------|---------------|
| Supplemental Financial Statements and Schedules | | |
| Governmental Fund Types: | | |
| General Fund: Comparative Balance Sheets Comparative Schoolule of Bayonyas, Evpanditures, and Changes | Schedule A-1 | 72 |
| Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance Schedule of Revenues, Expenditures, and Changes in | Schedule A-2 | 73 |
| Fund Balance - Budget and Actual | Schedule A-3 | 74-82 |
| Special Revenue Fund - Special Projects Fund: Comparative Balance Sheets | Schedule B-1 | 83 |
| Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances Combining Schedule of Revenues, Expenditures, and Changes in | Schedule B-2 | 84 |
| Fund Balances Summary Schedule for Designated State Restricted Grants | Schedule B-3 Schedule B-4 | 85-92 93 |
| Summary Schedule of Other Special Revenue Programs | Schedule B-5 | 94 |
| Special Revenue Fund - Education Improvement Act Fund: Comparative Balance Sheets Comparative Schedule of Revenues, Expenditures, and Changes | Schedule B-6 | 95 |
| in Fund Balance | Schedule B-7 | 96 |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balance Summary Schedule by Program | Schedule B-8 Schedule B-9 | 97-102 103 |
| Debt Service Fund: Comparative Balance Sheets Comparative Schedule of Revenues, Expenditures, and Changes | Schedule C-1 | 104 |
| in Fund Balance | Schedule C-2 | 105 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Schedule of Revenues, Expenditures, and Changes in | Schedule C-3 | 106 |
| Fund Balance | Schedule C-4 | 107-108 |

CONWAY, SOUTH CAROLINA

TABLE OF CONTENTS

| | Reference | Page |
|--|------------------------------|------------|
| Supplemental Financial Statements and Schedules (Continued) | | |
| Governmental Fund Types: (Continued) | | |
| Capital Projects Fund: Comparative Balance Sheets Comparative Schedule of Revenues, Expenditures, and Changes | Schedule D-1 | 109 |
| in Fund Balance | Schedule D-2 | 110 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Schedule of Revenues, Expenditures, and Changes in | Schedule D-3 | 111 |
| Fund Balance | Schedule D-4 | 112-114 |
| Proprietary Fund Type: | | |
| Comparative Schedule of Revenues, Expenses, and Changes in Net Position Schedule of Revenues, Expenditures, and Changes in | Schedule E-1 | 115 |
| | Schedule E-2 | 116 |
| | Schedule E-3 | 117-118 |
| Fiduciary Fund Types: | | |
| Trust Funds: Private Purpose Trust Funds: Combining Statements of Fiduciary Net Position Combining Statements of Changes in Fiduciary Net Position | Schedule F-1 Schedule F-2 | 119 120 |
| Statement of Changes in Assets, Liabilities and Net Position | Schedule F-3 | 121 |
| Education Endowment Trust Fund: Comparative Schedule of Fiduciary Net Position Comparative Schedule of Additions, Deductions and Changes in Net Position | Schedule F-4 | 122 |
| | Schedule F-5 | 123 |
| Scholarship Endowment Fund: Comparative Schedule of Fiduciary Net Position Comparative Schedule of Additions, Deductions, and Changes in Net Position | Schedule F-6 | 124 |
| | Schedule F-7 | 125 |

CONWAY, SOUTH CAROLINA

TABLE OF CONTENTS

| | Reference | Page | |
|--|------------------------------|------------|--|
| Supplemental Financial Statements and Schedules (Continued) | | | |
| Fiduciary Fund Types: (Continued) | | | |
| Agency Funds: | | | |
| Combining Statements of Fiduciary Assets and Liabilities Combined Statement of Changes in Assets and Liabilities | Schedule G-1 Schedule G-2 | 126 127 | |
| Pupil Activity Fund: | | | |
| Comparative Balance Sheets Schedule of Changes in Assets and Liabilities | Schedule G-3 Schedule G-4 | 128 129 | |
| Schedule of Receipts, Disbursements, and Changes in | Ochedule O-4 | 123 | |
| Amounts Due to Schools and School Organizations | Schedule G-5 | 130-131 | |
| Federal Program Fund: | | | |
| Comparative Balance Sheets | Schedule G-6 | 132 | |
| Schedule of Changes in Assets and Liabilities | Schedule G-7 | 133 | |
| Component Units: | Component Units: | | |
| Charter Schools Combining Schedule of Net Position | Schedule H-1 | 134 | |
| Charter Schools Combining Schedule of Activities | Schedule H-2 | 135 | |
| Charter Schools Combining Balance Sheet - | | | |
| Governmental Fund | Schedule H-3 | 136 | |
| Charter Schools Combining Schedule of Revenues, | | | |
| Expenditures, and Changes in Fund Balance - | | | |
| Governmental Fund | Schedule H-4 | 137 | |
| Charter Schools Combining Schedule of Revenues, | | | |
| Expenses, and Changes in Net Position - Proprietary Fund | Schedule H-5 | 138 | |
| Charter Schools Combining Schedule of Cash Flows - | | | |
| Proprietary Fund | Schedule H-6 | 139 | |
| Charter Schools General Fund Combining Schedule of | | | |
| Revenues, Expenditures, and Changes in Fund Balance | Schedule H-7 | 140-144 | |

CONWAY, SOUTH CAROLINA

TABLE OF CONTENTS

| | Reference | Page | |
|--|---------------|---------|--|
| Supplemental Financial Statements and Schedules (Continued) | | | |
| Component Units: (Continued) | | | |
| Charter Schools Special Projects Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance | Schedule H-8 | 145-148 | |
| Charter Schools Education Improvement Act Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance | Schedule H-9 | 149-150 | |
| Charter Schools Food Service Fund Combining Schedule of Revenues, Expenses, and Changes in Net Position | Schedule H-10 | 151 | |
| Additional Schedules Required by the South Carolina Department of Education | | | |
| Detailed Schedule of Due to State Department of Education/Federal Government | | 152 | |
| Location Reconciliation Schedule | | 153-154 | |
| STATISTICAL SECTION | | | |
| Net Position By Component, Last Ten Fiscal Years | Schedule 1 | 155 | |
| Expenses, Program Revenues, and Net (Expenses) Revenues, Last Ten Fiscal Years | Schedule 2 | 156 | |
| General Revenues and Total Change in Net Position, Last Ten Fiscal Years | Schedule 3 | 157 | |
| Fund Balances, Governmental Funds, Last Ten Fiscal Years | Schedule 4 | 158 | |
| Governmental Funds Revenues, Expenditures, Debt Service Ratio, Other Financing Sources and Uses and Change in Fund Balances, Last Ten Fiscal Years | Schedule 5 | 159 | |

CONWAY, SOUTH CAROLINA

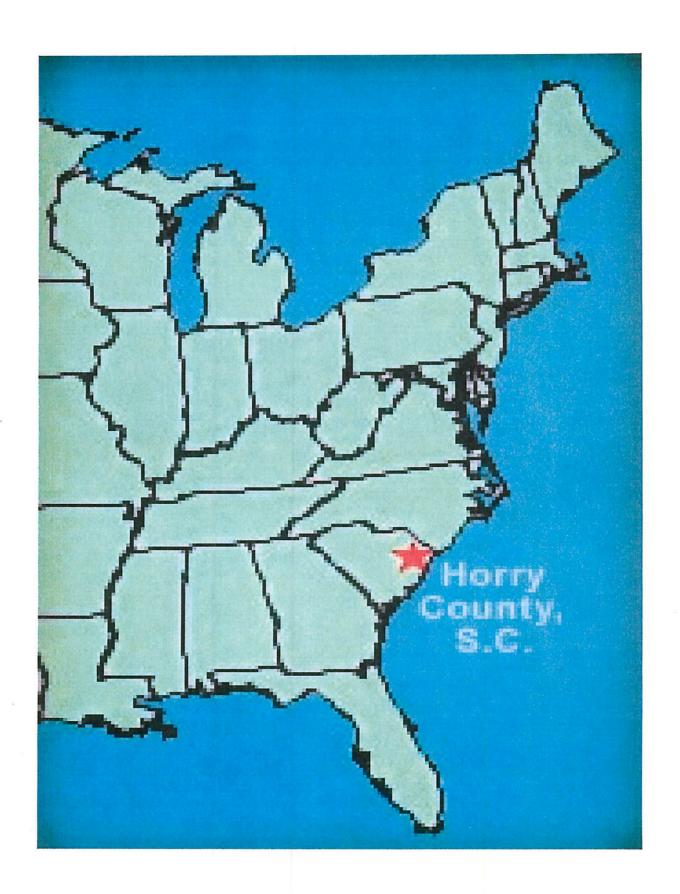
TABLE OF CONTENTS

| STATISTICAL SECTION (Continued) | Reference | Page |
|---|-------------|------|
| Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years | Schedule 6 | 160 |
| Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years | Schedule 7 | 161 |
| Property Tax Rates, School District and County, Last Ten Fiscal Years | Schedule 8 | 162 |
| Principal Property Taxpayers, Current Year and Nine Years Ago | Schedule 9 | 163 |
| Property Tax Levies and Collections, Last Ten Fiscal Years | Schedule 10 | 164 |
| Direct and Overlapping Governmental Activities Debt as of June 30, 2014 | Schedule 11 | 165 |
| Ratios of Outstanding Debt by Type, Last Ten Fiscal Years | Schedule 12 | 166 |
| Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years | Schedule 13 | 167 |
| Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures, Last Ten Fiscal Years | Schedule 14 | 168 |
| Legal Debt Margin Information, Last Ten Fiscal Years | Schedule 15 | 169 |
| Demographic and Economic Statistics, Last Ten Calendar Years | Schedule 16 | 170 |
| Principal Employers, Current Year and Nine Years Ago | Schedule 17 | 171 |
| Employee Staffing Levels and Staffing Ratios for Regular Teachers, Last Ten Fiscal Years | Schedule 18 | 172 |
| Operating Statistics, Last Ten Fiscal Years | Schedule 19 | 173 |
| Teacher Base Salaries, Last Ten Fiscal Years | Schedule 20 | 174 |
| Student Enrollment, Last Ten Fiscal Years | Schedule 21 | 175 |
| Capital Asset Information, Last Ten Fiscal Years | Schedule 22 | 176 |

CONWAY, SOUTH CAROLINA

TABLE OF CONTENTS

| | Reference | Page |
|--|-----------|---------|
| SINGLE AUDIT SECTION | | |
| Independent Auditors' Report on Internal Control Over Financial Report and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Statements | cial | 177-178 |
| Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 | | 179-180 |
| Schedule of Findings and Questioned Costs | | 181-182 |
| Summary Schedule of Prior Audit Findings | | 183 |
| Schedule of Expenditures of Federal Awards | | 184-185 |



INTRODUCTORY SECTION



November 25, 2014

THE CITIZENS OF HORRY COUNTY,
HORRY COUNTY BOARD OF EDUCATION, AND
DR. CYNTHIA C. ELSBERRY SUPERINTENDENT OF SCHOOLS

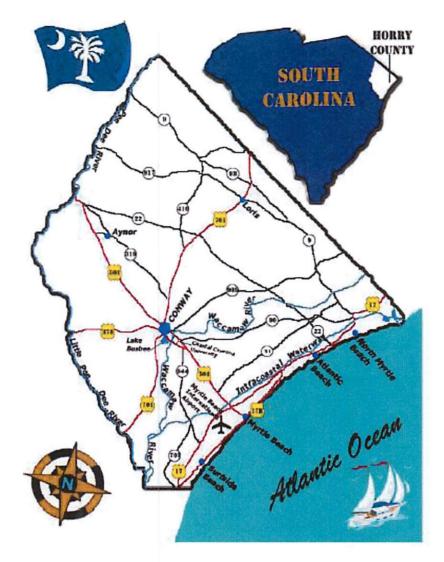
The Comprehensive Annual Financial Report (CAFR) of the Horry County Schools (the District) for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including all disclosures, rests with 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 289,650 people.



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

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

The District has nine attendance areas: Myrtle Beach, Conway, Socastee, North Myrtle Beach, Loris, Aynor, Green Sea-Floyds, St. James, and Carolina Forest. Each area consists of a high school and the middle and elementary schools that feed into it. The District operates a total of 51 schools. All schools in the District are fully accredited by the South Carolina Department of Education and the Southern Association of Colleges and Schools. The District is the third largest of the State's eighty-five school districts and ranks second in the State in student enrollment growth during the past ten years. According to the 135-day average daily membership, the District has a student population of 40,256.



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

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

FINANCIAL INFORMATION

Internal Controls

The administration of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow 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 McGregor and Company, LLP, Certified Public Accountants, was selected to perform this audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the Financial Section of this report.

Single Audit

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

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

Budgetary Control

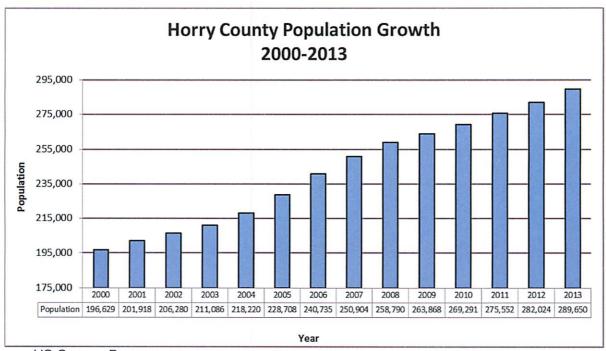
The District approves an annual budget which acts as the financial operating plan for the entire fiscal year and provides budgetary controls for all components of the District. The objective of these budgetary controls is to ensure compliance with the annual appropriated budget approved by the Board of Education. Activities of the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund are included in the annual appropriated budget. The legal level of budgetary control is the fund level. To ensure compliance, the budgetary controls are established by function and activity within each individual fund. All annual appropriations lapse at year-end with the exception of those indicated as an assignment of fund balance. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

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 72,662 residents, or 37 percent. For years 2011-2013, population data is estimated.

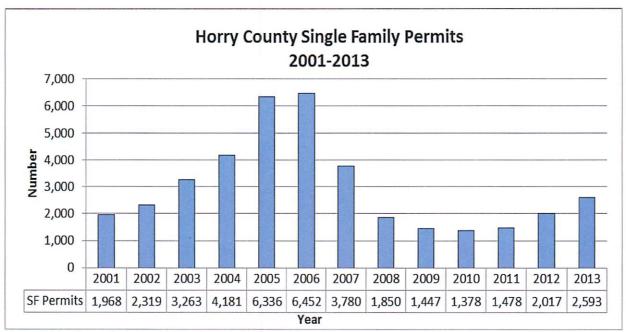


Source: US Census Bureau

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 2013, the HCS student population consisted of 64 percent White, 20.3 percent African-American, and 15.7 percent Other Race. In 2013, 8.9 percent of students were of Hispanic origin. According to the U.S. Census Bureau 2013 American Community Survey, the median household income estimate in Horry County was \$42,075, compared to the US median estimate of \$52,250. Estimate of per capita income in 2013 for Horry County was \$23,021, compared to the US per capita income estimate of \$28,184.

Horry County experienced the largest building bust in its history, with 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, since 2006 the national economic situation has affected Horry County significantly with 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 building permits in 2006 totaled 10,303. This was a decrease over 2005 of 10 percent as the downward slide began. Permitting in 2007 ended with 5,235 units, or a decrease of almost 50 percent over 2006. Permitting for 2008 finished with 2,980 permits, another annual drop of 43 percent. Continuing this trend, permitting in 2009 finished with 1,701 units or another annual drop of 43 percent. In 2010, a total of 1,498 permits were issued, a drop from 2009 of approximately 12 percent and the lowest year on record since 1991. In 2011 the permitting began to rebound with 2,043 units but was still well below previous years. Although this was a 36 percent increase from 2010, it still represented an 82 percent drop from the high point in 2005. In 2012 permits totaled 2,304, an increase of 13 percent over the previous year. In 2013, Horry County issued 3,091 permits, which was a 34 percent rise over 2012. Sales of real estate significantly slowed in 2007, 2008, 2009, and 2010 with drops in both single family home sales and condo sales, according to the Multiple Listing Service. Sales of existing properties are 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 \$17.6 billion was spent on travel or on behalf of tourism in 2012, up 6.8 percent over 2011. In 2012, tourism supported nearly one in ten South Carolina jobs and had a total fiscal impact in state and local revenues of \$1.3 billion. (Source: U.S. Travel Association, January, 2013)

Visitor estimates to Horry County totaled some 15.2 million in 2012. 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 2013. Domestic travel expenditures in Horry County were nearly \$3.6 billion in 2013, more than 31 percent of the total spent on domestic travel in the State. Domestic travel expenditures generated over \$667 million in payroll and over 38,400 jobs for County residents. In 2013, Domestic travel in Horry County generated \$216 million in state sales tax receipts and over \$135 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)

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 3.4 million rounds of golf in Horry County during 2012. 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 25 destinations. In 2015, there are plans to add two additional gates and spend an additional \$20 million to resurface the runway at Myrtle Beach International. Presently, there are seven airlines servicing MYR: Allegiant, Delta, Porter, Spirit Airlines, United, US Airways and WestJet. The aviation industry at Myrtle Beach International Airport continues to bring new technical jobs to the County. Currently, twenty-five different companies employ over 730 people at the airport with a direct annual payroll of over \$17.5 million. The airport and its tenants contribute more than \$42.1 million a year in direct operation expenses to the local economy. 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, data provided every 5 years)

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 2012, Myrtle Beach hosted 2,892 teams on its athletic fields. Presently under construction is the 100,000 square-foot Myrtle Beach Sports Center to be completed in 2015. This indoor facility includes eight basketball courts and 16 volleyball courts that can be configured for a variety of sports events.

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. 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** 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.

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. 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. This sales tax expired on August 30, 2014 which during that time, \$446 million was collected.

The RIDE III committee is looking to collect up to \$550 million to address high-traffic areas in the county. This committee will pass its findings and recommendations on to a six-person commission made up of three members from Horry County League of Cities and three members appointed by the Horry Council. That commission's recommendation would then go to the full County Council before it is brought to voters for another one-cent sales tax referendum.

AREA ACCOLADES

TRAVEL CHANNEL

"Top 10 Vacation Spots"

Travel Channel listed Myrtle Beach, South Carolina, as one of the *Top 10 Vacation Spots*. The site listed the destination as a town that "teems with summertime action along the Strand with beaches, amusement and water parks, restaurants and live entertainment and a host of hotels ready to pamper guests young and old."

TRIPADVISOR

"2012 TripAdvisor Travelers' Choice Awards"

TripAdvisor named Myrtle Beach as the #3 Best Beach in the United States, and also one of the Top 11 Best in the World. 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.

NATIONAL GEOGRAPHIC

"Top 10 U.S. Boardwalks"

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

TRAVEL + LEISURE MAGAZINE

"America's Best Beach Boardwalks"

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

GOLF WORLD

"2010 Reader's Choice Awards"

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

LONG-TERM PLANNING

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

The District's strategic planning process represents a collaborative effort of engaging educators and citizens in the decision-making process for their schools. Each of the District's schools has developed a strategic plan, following the same process of involving stakeholders as used by the District's planning process. More than 5,000 teachers, parents, community members and students have served as planning or action team members at the District or school level. The District is currently in the process of updating the Strategic Plan which was last completed in spring 2005. Through this planning process, the needs and challenges facing the District through 2015 will be met.

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

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

In the last ten years, Horry County Schools' enrollment has grown over 10,000 students. Of the District's 51 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 District anticipates the enrollment to increase from 40,256 students in fiscal year 2013-14 to over 41,015 students by fiscal year 2014-15.

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

In 2012-13, the District completed a coordinated planning effort where facility condition assessments will provide objective analytical assessments of each district facility and its physical condition. This project also includes Educational Adequacy Assessments and Educational Specification Assistance to determine how district schools are equipped and designed to provide the desired educational programs. Athletic Facility Condition Assessments and Master Planning provide objective analytical assessments of each district athletic facility and provide master planning assistance with recommendations for each facility. 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.

HONORS AND DISTINCTIONS

"OF THE YEAR"

Socastee High's Ainsworth named SC Teacher of the Year

Jennifer Ainsworth made history as the first teacher from HCS to be named the South Carolina Teacher of the Year. The Socastee High School special education teacher received a \$25,000 cash award and a new BMW to use for one year while she serves as a statewide ambassador for the teaching profession.

Kayla Maxwell named HCS Teacher of the Year

Forestbrook Middle School's Kayla Maxwell was named the HCS Teacher of the Year. Maxwell teaches 6th grade math and will represent HCS for the 2014-2015 school year.

Marcus Bennett named HCS Support Staff of the Year

Loris Elementary School's custodian supervisor, Marcus Bennett, was named the HCS Support Staff of the Year.

"NATIONAL HONORS AND AWARDS"

Socastee Elementary awarded National Blue Ribbon Award

Horry County Schools' Socastee Elementary was named a National Blue Ribbon School in a broadcast announcement made by US Secretary of Education Arne Duncan. Socastee Elementary is one of five South Carolina schools to win this prestigious recognition as Exemplary High-Performing schools. The National Blue Ribbon Schools program awards public and private schools for overall academic excellence or progress made in closing achievement gaps among student subgroups.

Forestbrook Middle and Midland Elementary win Palmetto's Finest Award

For the first time in history, two Horry County schools won the prestigious Palmetto's Finest Award in the same year. The South Carolina Association of School Administrators presents the awards each year to schools that offer the best in innovative and effective educational programs.

Burgess Elementary Named a National School of Character

Burgess Elementary School is among 29 schools in the country to be named a National School of Character (NCOS) by the Character Education Partnership. Each winning school or school district is recognized for its commitment to character education and for fostering a positive environment for social and academic learning. The National Schools of Character were featured at the National Forum on Character Education that took place October 24-27, 2013, in Washington, DC, where they shared their secrets to success.

Homewood named a Distinguished Title I School

Homewood Elementary was named a Distinguished Title I School by the South Carolina Association of Title I Administrators. Homewood Elementary received a \$10,000 grant and will attend the National Title I Association Fall Conference in San Diego, California, in February of next year. As a Distinguished Title I School, Homewood Elementary is the highest performing Title I school in South Carolina for progress in student achievement.

State Report Cards show gains for HCS

State Report cards issued by the South Carolina Department of Education for 2013 show 100 percent of Horry County schools earned Absolute ratings of *Excellent, Good,* or *Average*, an increase over 98 percent that earned these ratings last year. Ninety percent of schools earned Growth ratings of *Excellent, Good,* or *Average*, a slight decrease from 96 percent earning the same rating last year.

As a district, Horry County Schools' ratings remained the same as last year, holding a *Good* Absolute rating and an *Average* Growth rating. Of the 50 schools with State Report Cards, 28 earned *Excellent* Absolute ratings, while 16 earned *Excellent* Growth ratings. Eleven schools earned *Good* Absolute ratings, while 12 earned *Good* Growth ratings. Fifteen schools earned both *Excellent* Absolute and Growth ratings.

HCS named to Advanced Placement District Honor Roll

HCS was named to the College Board's 4th Annual Advanced Placement (AP) District Honor Roll for significant gains in the number of students participating in AP courses and successfully passing course exams. Performance data used to determine eligibility includes three academic years, from 2011 to 2013.

The number of students taking AP courses increased by 25 percent and the number of students taking AP exams grew by 28 percent. The number of students scoring between 3-5 on AP exams increased 41 percent.

District schools earn 51 Palmetto Gold and Silver Awards

Horry County schools were awarded 51 Palmetto Gold and Silver Awards for having attained high levels of absolute performance, high rates of growth and substantial progress in closing achievement gaps between groups of students. The awards are determined by the South Carolina Department of Education and South Carolina Education Oversight Committee. Schools receive awards for General Performance based on both their absolute and growth ratings and the growth index found on school report cards. Palmetto Gold Award winners for General Performance are: The Academy for Arts, Science and Technology, the Academy for Technology and Academics, Aynor Elementary, Aynor High, Burgess Elementary, Carolina Forest Elementary, Carolina Forest High, Forestbrook Elementary, Forestbrook Middle, Green Sea Floyds Elementary, Homewood Elementary, Lakewood Elementary, Loris Elementary, Loris High, Midland Elementary, Myrtle Beach High, North Myrtle Beach High, North Myrtle Beach Intermediate, North Myrtle Beach Middle, Ocean Bay Elementary, Ocean Bay Middle, Palmetto Bays Elementary, River Oaks Elementary, Seaside Elementary, Socastee Elementary, Socastee High, St. James Elementary, St. James Middle, St. James High, Academy of Hope Charter, Bridgewater Academy Charter (middle), Palmetto Academy for Learning Success (elementary and middle). Conway High received a Silver Award.

Closing the Achievement Gap awards are based on academic gains made by students who fall into four subgroups -- African American students, Hispanic students, students receiving free or reduced-price meals, and students with disabilities, other than speech. Palmetto Gold Award winners for Closing the Achievement Gap are: Burgess Elementary, Carolina Forest Elementary, Forestbrook Elementary, Lakewood Elementary, Ocean Bay Elementary, and Socastee Elementary. Silver Award winners are: Homewood Elementary, Forestbrook Middle, Carolina Forest High, St. James Middle, Loris Elementary, Loris Middle, North Myrtle Beach Intermediate, Whittemore Park Middle, and Bridgewater Academy Charter (middle).

SAT scores soar over national average

Horry County Schools made a historic leap in SAT scores with a one-year gain of 30-points. The three-part composite for the 2013 tests for Critical Reading, math and writing is 1512, which is 14 points above the national average of 1498 and is 76 points above the state average of 1436. Eight district schools have SAT scores higher than the national average. They are: Socastee High, 1573; Aynor High, 1546; St. James High, 1524; North Myrtle Beach High, 1520; Carolina Forest High, 1514; Loris High, 1513; the Academy for Arts, Science and Technology, 1508; and the Academy for Technology and Academics, 1504.

HCS makes historic gains on the ACT

HCS students made the highest one-year gain on the 2013 ACT in history. The district composite increased six-tenths of one point, bringing the district composite to 20.8, one-tenth of one point below the national average of 20.9.

HCS exceeded the state composite for both public and private schools. Four high schools exceeded the national ACT composite. They are: Socastee High (22.5); St. James High (21.8); Carolina Forest High (21.4); and North Myrtle Beach High (21.0). The HCS Early College High School and the Academy for Arts, Science technology tied with the national composite of (20.9).

Aynor and Socastee high schools ranked among South Carolina's best

The 2014 rankings of U.S. News and World Report's America's Best High Schools show two district high schools among the best in South Carolina. Only 14 of the state's 214 high schools earned gold or silver medals in this national review. Aynor High is listed at #12, and Socastee High is at #13. While only schools earning gold and silver medals made the state ranking, Myrtle Beach High and North Myrtle Beach High earned bronze medals in this annual analysis of student success in Advanced Placement or International Baccalaureate programs.

AAST wins Platinum High Achievement Award

The Academy for Arts, Science, and Technology is one of 15 schools throughout the United States to earn the Platinum High Achievement Award by High Schools That Work (HSTW), the nation's largest school improvement initiative for secondary leaders and teachers. The HSTW Platinum High Achievement Award is the highest award the Southern Regional Education Board offers to schools where 85 percent or more of students meet readiness goals, complete recommended curriculum with an area of concentration, and complete at least one recommended concentration. Schools must achieve "high implementation" status of key practices, have a graduation rate of 85 percent or higher, and meet state goals for academic growth.

Five HCS seniors earn awards in National Merit Scholarship Program Four others among Semifinalists.

The National Merit Scholarship Corporation (NMSC) completed its series of scholarship announcements by naming students earning College-Sponsored Merit Scholarships. Three Horry County Schools (HCS) students were among the new scholarship recipients. In earlier announcements, one District student was named a National Merit Scholarship winner and another earned a National Achievement Scholarship. In addition to the five scholarship recipients, four other District students were named Semifinalists in the prestigious annual competition.

Myrtle Beach High claims HCS Academic Olympics title

Myrtle Beach High claimed the annual HCS Academic Olympics, a fast-paced competition that challenges teams of students in core curriculum areas, as well as fine arts and current events.

"INNOVATION"

Whittemore Park Middle among 35 schools tapped for TransformSC

Thirty-five schools representing 19 school districts selected to participate in the TransformSC initiative. Whittemore Park Middle is among the schools identified that is piloting new approaches for learning and assessments to help lead the way for change in educational policy. Among the practices already in place at Whittemore are 100-minute classes, stations within two classrooms for english and math, more virtual classes, e-books, media carts, more staff development and digital techbooks. After two years, the TransformSC coalition will make connections with South Carolina legislators to initiate conversations about changes that could be made to educational policy and legislation.

Pee Dee Elementary School awarded 21st Century Learning Grant

Pee Dee Elementary received a 21st Century Community Learning Center grant that will bring in \$507,000 over the next four years. The award is one of 11 grants awarded statewide to provide academic enrichment activities to students before school, after school, and during the summer. The federally funded grants are awarded through a competitive process.

"FINE ARTS"

HCS nationally recognized for music education

HCS has earned national honors as one of 2014's Best Communities for Music Education designated by the National Association of Music Merchants (NAMM) Foundation. HCS is only one of two school districts in South Carolina earning distinction this year from more than 2,000 districts and schools surveyed throughout the United States.

Hertel's wins Congressional Art Competition

Socastee High's Emma Hertel was named the winner of the 2014 Congressional Art Competition for South Carolina's Seventh Congressional District. Her mixed-media piece, "Step Into the Liquid" will be displayed in the halls of the United States Capitol.

All State Chorus

Fourteen students from Aynor High were selected for the All-State Chorus

All-State Orchestra

Five students from Myrtle Beach High, one student from Socastee High, and one student from Aynor High were selected for the All-State Orchestra.

All-State Band

One student from Carolina Forest High, one student from Socastee High, one student from Loris High, one student from North Myrtle Beach High, and two students from St. James High, were selected for the All-State Band.

"TECHNOLOGY & CAREER EDUCATION"

HCS 5th Annual Technology Fair set new records

Now in its fifth year, more than 1,400 students participated in a day-long display of innovation and imagination at the HCS Technology Fair, an increase of 400 percent in participation. Forty-two schools submitted a total of 380 entries, including teams for the FIRST LEGO Robotics Challenge. In addition to grade-level winners in seven categories, two Best in Show awards were presented.

Superintendent, administrators and student honored for leadership in technology

The Grand Strand Technology Council recognized the superintendent, administrators and a student at its annual Leadership and Innovation Awards program. Superintendent Cindy Elsberry was presented the 2013 Chairman's Grand Leadership Award for her commitment to integrate technology throughout the District. Edi Cox, director of online learning, was presented the Technology in Education Award for her efforts to establish the District's Virtual School program and to implement a Personalized Digital Learning (PDL) program. Anthony Kroll, a career transition specialist for the HCS Adult Education program, was named a finalist in this category for helping adult education students use technology to prepare for careers and for his work to develop the annual HCS Technology Literacy Conference at the Beach.

AAST wins Verizon Innovative App Challenge

The Academy for the Arts, Science, and Technology won Best in the State in the 2014 Verizon Innovative App Challenge. The "Dangerous Animals" app designed by students earned top points for its creativity, innovative design, and application of STEM principles to the development process.

North Myrtle Beach High named to Hospitality 100

North Myrtle Beach High was named to the Hospitality 100 list of secondary school culinary programs in the United States for the 2013-2014 school year. Each year, the Hospitality 100 list recognizes those secondary schools that have demonstrated a commitment to excellence in culinary arts education.

CATE organizations and competitive events

Distributive Education Clubs of America (DECA) prepares emerging leaders and entrepreneurs in sales, marketing, finance, hospitality and management. Loris and Socastee high schools DECA Chapters won state events and advanced to international competition.

The National FFA Organization (FFA) enables students to develop their potential for premier leadership, personal growth, and career success through agricultural education. Members of Aynor High's FFA Chapter won first place in state and will advance to national competitions.

Family, Career, and Community Leaders of America (FCCLA) is a national career and technical student organization that provides personal growth, leadership development, and career preparation opportunities for students in Family and Consumer Sciences education. Students from the Academy for Technology and Academics took top honors at their state competition and advanced to the national contest.

Future Business Leaders of America (FBLA) is a premier business education association preparing students for careers in business. Students from Ocean Bay Middle and St. James High schools won events at the SC FBLA Competition and advanced to the national event.

Health Occupations Students of America (HOSA) provides a unique program of leadership development, motivation, and recognition exclusively for students enrolled in health science education and biomedical science programs. Students from St. James High, the Academy for Technology and Academics, the Academy for Arts, Science, and Technology, and Myrtle Beach High placed in state contests; top place winners will advance to national competition.

Virtual Enterprise (VE) places emphasis on college and career readiness through in-school, live, global business simulation through project-based, collaborative learning. Students from St. James High School won state events and advanced to international competition.

The Technology Student Association (TSA) provides leadership development training and opportunities for students in technology, innovation, design and engineering. Members apply science, technology, engineering and mathematics concepts through co-curricular programs and competitive events. Students from the Academy for Arts, Science and Technology were first place winners in state events and will advance to national competition.

Robotics

Schools throughout the district participate in FIRST Robotics events in hands-on learning that inspires building science, engineering and technology skills.

Aluminum Assault advances to national FIRST Robotics competition

The Academy for Arts, Science and Technology's Aluminum Assault Robotics Team (#1287) was on the winning alliance at the North Carolina Regional FIRST Robotics Competition and advanced to the FIRST International Championship in St. Louis, Missouri, where they competed against 400 teams representing 25 countries.

Bay Lighting wins regional, places second in state Lego League event

Ocean Bay Elementary's Bay Lighting FIRST Lego League Team won their regional competition and won 2nd place in the state for their robotics project in which students worked with Horry County Fire and Rescue personnel to design and create a new nozzle, called the "Foam Flooder" to use to fight wild fires.

Sellers celebrated for his contribution to teaching

Bucky Sellers, a pre-engineering teacher at the Academy for Arts, Science and Technology, was awarded the "Barbara H. James Teacher Award" for outstanding contributions to Career and Technology Education during the annual South Carolina Business and Education Summit held in Greenville. Bucky received this state honor for his continuing efforts in promotion of rigor and relevance within his curriculum and for his work toward the promotion of robotics not only within Horry County Schools, but also throughout the state of South Carolina.

"CHARACTER EDUCATION"

HCS dominates law-related education events

Horry County schools swept most of the competitive events sponsored by the South Carolina Bar Association's Law-Related Education (LRE) Division.

2013-2014 State Championships, honors and awards include the following:

Forestbrook Middle, State Champion, South Carolina Middle School Mock Trial;

Ocean Bay Middle, first runner-up, South Carolina Middle School Mock Trial;

North Myrtle Beach High, State Champion, South Carolina High School Mock Trial;

Carolina Forest High, State Champion, We the People: The Citizen and the Constitution:

HCS Early College High, State Champion, We the People: Project Citizen;

HCS Early College High, LRE High School of the Year;

Norman McQueen, program director of the Scholars Academy, LRE Citizen of the Year;

Forestbrook Middle, champion of the inaugural Battle of the Carolinas,

Ocean Bay Middle, first runner-up, Battle of the Carolinas; and

North Myrtle Beach High, second place, 2014 National High School Mock Trial

Hixenbaugh earns national honors for service to others

Isabella Hixenbaugh of Forestbrook Middle was named SC youth volunteer for the 2014 Prudential Spirit of Community Award and qualified for the President's Volunteer Service Award.

HCS wins big at National History Day

District students swept 85 percent of all awards presented at the National History Day Pee Dee Regional competition and claimed one third of all awards at the state competition. Thirty-one students are eligible to advance to the 2014 Kenneth E. Behring National History Day Contest in College Park, Maryland.

Teachers Waylon Ross of St. James Middle School and Adam Powley of the HCS Early College High School were named Patricia Behring 2014 Teacher of the Year for South Carolina.

Two students selected for Rural Service Youth Tour

Loris High School's Holly Edwards and Dalton Trout (also of the Scholars Academy) were chosen to attend the 20th Annual Foundation for Rural Service Youth Tour in Washington DC to learn about the impact of legislative and judicial decisions on telecommunications in rural America. They will have the opportunity to visit the United States Supreme Court, the United States Capitol Building and meet with a member of Congress.

Bailey recognized for helping the homeless

Forestbrook Middle's Mariah Bailey is the local winner and advances to state competition in the Kohl's Cares Scholarship Contest. She started a non-profit organization to support the homeless in the Myrtle Beach area called, Trending Change.

Slagle to attend Breakfast on Capitol Hill

Tanner Slagle of the Scholars Academy was chosen as one of 20 in the nation to attend Breakfast on Capitol Hill hosted by the National Endowment for the Humanities. The honor stems from his work and advocacy with the National History Day project and for mentoring other students.

Horry County Solid Waste Authority's recognizes schools and students for recycling efforts

Each year, fourth grade HCS students participate in monthly *Talkin' Trash* recycling contests focused around the collection of different recyclables, such as paper, metals, and plastics. At the end of the year, three schools are named Grand Prize winners for total collections. Three categories of awards allow schools to compete with others with similar enrollment numbers. The total weight of yearlong collections is divided by the number of fourth grade students to determine Grand Prize winners. Winners are: Daisy Elementary, recycled 19,737 pounds per 4th grade student; Conway Elementary, recycled 24,128 pounds per 4th grade student; and Lakewood Elementary, recycled 23,490 pounds per 4th grade student.

JROTC Honors and Awards

Socastee High School's Air Force JROTC was awarded its twelfth consecutive Air Force Distinguished United Award with Merit.

Loris High School's Army JROTC received the Honor Unit with Distinction Award.

St. James Leadership and Academic team Champions/8th in the nation.

"DISTRICT OPERATIONS"

HCS earns 11 awards for exemplary communications

HCS swept nearly 20 percent of district awards presented in the Rewards for Excellence program sponsored by the South Carolina Chapter of the National School Public Relations Association. The annual awards program celebrates exemplary works in the area of school communications. Entries are judged by public relations professionals from another state chapter of the National School Public Relations Association.

Among the honors presented to HCS were three Golden Achievement Awards which recognizes model public relations activities, programs, and projects. Golden Achievement Awards were presented for the HCS Mobile App, the HCS Technology Fair, and the HCS Principal for a Day event. HCS received eight Publications and Electronic Media Awards for the following: "4 Years Can Change Forever", a guide to secondary program options; "Quick Facts", an at-a-glance tool that provides an overview of HCS; the 2013-14 Student Calendar, Planning Calendar, and Parent Student Guide; the 2013 Annual Report; the HCS Website; and for marketing and electronic marketing of 2013 SAT scores through outdoor advertising.

HCS awarded Energy Star Award

HCS was presented the Energy Star Award from the United States Environmental Protections Agency for superior performance in energy efficiency at Aynor Middle, Conway Middle, Ocean Bay Elementary, Ocean Bay Middle and Palmetto Bays Elementary.

HCS awarded Budget Awards

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

HCS awarded Certificate of Achievement for Excellence on Financial Reporting

The Association of School Business Officials International (ASBO) awarded a Certificate of Achievement for Excellence on Financial Reporting to Horry County School District for its comprehensive annual financial report for the past twelve fiscal years. 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 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 on Financial Reporting to Horry County School District for its comprehensive annual financial report for the past twelve 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 2014 Comprehensive Annual Financial Report would not have been possible.

Respectfully Submitted,

wkgardner

Chief Financial Officer

CONWAY, SOUTH CAROLINA

BOARD OF EDUCATION AND ADMINISTRATION

JUNE 30, 2014

BOARD OF EDUCATION

| Joe J. Defeo | Chairperson |
|-------------------------------|--|
| Harvey Eisner | District 1 |
| Karen McIlrath | District 2 |
| Jimmy Washington | District 3 |
| Kay Loftus | District 4 |
| Janice Morreale | District 5 |
| Pamela C. Timms | District 6 |
| Janet P. Graham | District 7 |
| John R. Poston | District 8 |
| David Cox | District 9 |
| Neil James – Vice Chairperson | District 10 |
| Jeffrey Garland | District 11 |
| | |
| ADMINISTRATION | OFFICIALS |
| Dr. Cynthia Elsberry | Superintendent |
| | |
| Dr. Rick Maxey | Deputy Superintendent |
| Cynthia Ambrose | Chief Academics Officer |
| John K. Gardner | Chief Financial Officer |
| Dr. Addie Swinney | Chief Human Resources Officer |
| Edward Boyd | Chief Information & Accountability Officer |
| Carolyn J. Chestnut | Chief Instructional Support Officer |

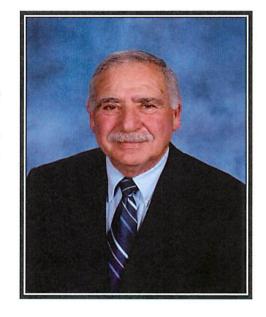


Dr. Cynthia Elsberry, Superintendent - Dr. Elsberry was appointed Superintendent by the Horry County Schools Board of Education on July 1, 2008. Dr. Elsberry has 30 years of experience in public education which includes serving as a teacher, assistant principal, principal, coordinator, and Superintendent within various school systems. Prior to coming to Horry County Schools, Dr. Elsberry was the Superintendent of Talladega County Schools in Alabama for six years. She graduated from the University of Alabama with a Bachelor of Science in Physical Education in 1975. Dr. Elsberry also served as Assistant Comptroller for First Federal Savings & Loan Association before graduating with an Accounting Certificate and Masters degree in Physical Education from Jacksonville State University. Dr. Elsberry later earned a Doctor of Education degree from the University of Alabama in 1993.



Joe J. Defeo, Chairperson – Joe 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 27 years ago and currently owns Beach Aircraft Maintenance and is a Commercial Helicopter/Fixed Wing Pilot - Aircraft Mechanic. He has 3 children, Megan, Joseph and Annah and is engaged to Sandra Lucas-Hyde.

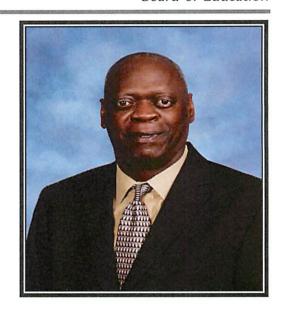
Harvey Eisner, District 1 – Harvey Eisner was elected to the Board in November 2006. He is a graduate of Carleton College with a BA in History. He received his MS in School Administration from Northern Illinois University, and has additional post graduate courses from Oregon State University. He is retired after 34 years in education. He is married and has two daughters and four grandchildren.





Karen McIlrath, District 2 – Karen McIlrath was elected as a member of the Board of Education in November 2010. Mrs. McIlrath is a graduate of San Francisco State University where she received a Bachelor of Science in Nursing. She is a licensed RN in both California and South Carolina. Mrs. McIlrath served as a Captain in the US Air Force Nurse Corp. She is employed at Conway Medical Center. She and her husband, James, have three children, Heather, CJ, and Ian.

Jimmy Washington, District 3 – Jimmy Washington was appointed to the Board in February 2013. He is a lifetime resident of Horry County and a graduate of Myrtle Beach High School. He attended Benedict College. He is employed at Jimmy Buffett Margaritaville, where he is a manager and a corporate trainer. Mr. Washington and his wife Ronetta have two children and two grandchildren.





Kay Loftus, District 4 – Kay Loftus was elected as a member of the Board of Education in November 2002. Mrs. Loftus is a recent management retiree of a successful family business. She is a 1967 graduate of Summerville High School and attended Massey Junior College from 1967-68. For the past fifteen years, she has been involved in various capacities with the local Myrtle Beach Area Hospitality Association, the Myrtle Beach Area Chamber of Commerce, and the S.C Hotel-Motel Association. Mrs. Loftus and husband, Gary have two sons, Kyle and Keith.

Janice Morreale, District 5 — Janice Morreale was elected to the Board of Education in November 2012. She is a graduate of Horry-Georgetown Technical College with an Associates 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 – Pam 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.

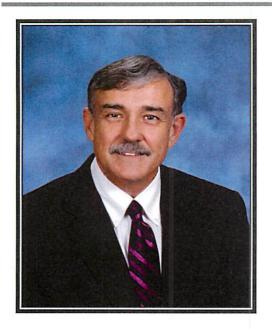




Janet P. Graham, District 7 – Janet P. Graham was appointed to the Board of Education in September 2012. She is an Area Supervisor for the Small Business Development Center and a Teacher Associate at Coastal Carolina University. Ms. Graham received her Bachelor Degree in Finance from Coastal Carolina University in 2000 and a Master of Business Administration from Winthrop University in 2004.

John R. Poston, District 8 – John Poston has served on the Board of Education since November 2008. He is a professional land surveyor and an 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.

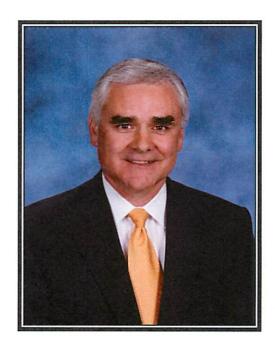




David Cox, District 9 – David Cox was elected to the Board of Education in November 2008. Mr. Cox is presently self-employed. He is a graduate of the University of South Carolina with a Bachelor of Arts degree in Journalism. He is married with children and grandchildren.

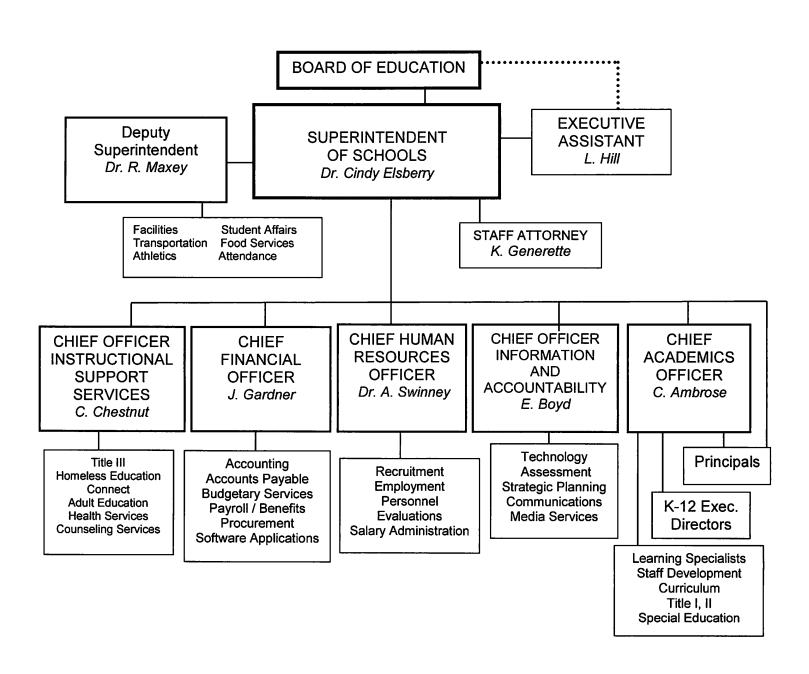
Neil James, Vice-Chair, District 10 – Neil James was appointed to the Board of Education in November 2009. Mr. James is employed by Santee Cooper. He is a graduate of Clemson University and Webster where he earned a Master's degree in Business Administration (MBA). Mr. James and his wife, Felicia, have two daughters.





Jeffrey Garland, District 11 – Jeffrey Garland was elected to the Board 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 and his wife, Wendy, have two children, Alex and Brooke.

HORRY COUNTY SCHOOLS CONWAY, SOUTH CAROLINA ORGANIZATIONAL CHART JUNE 30, 2014





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, 2013

Executive Director/CEO

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, 2013

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



Terrie S. Simmons, RSBA, CSBO President John D. Musso, CAE, RSBA Executive Director

