

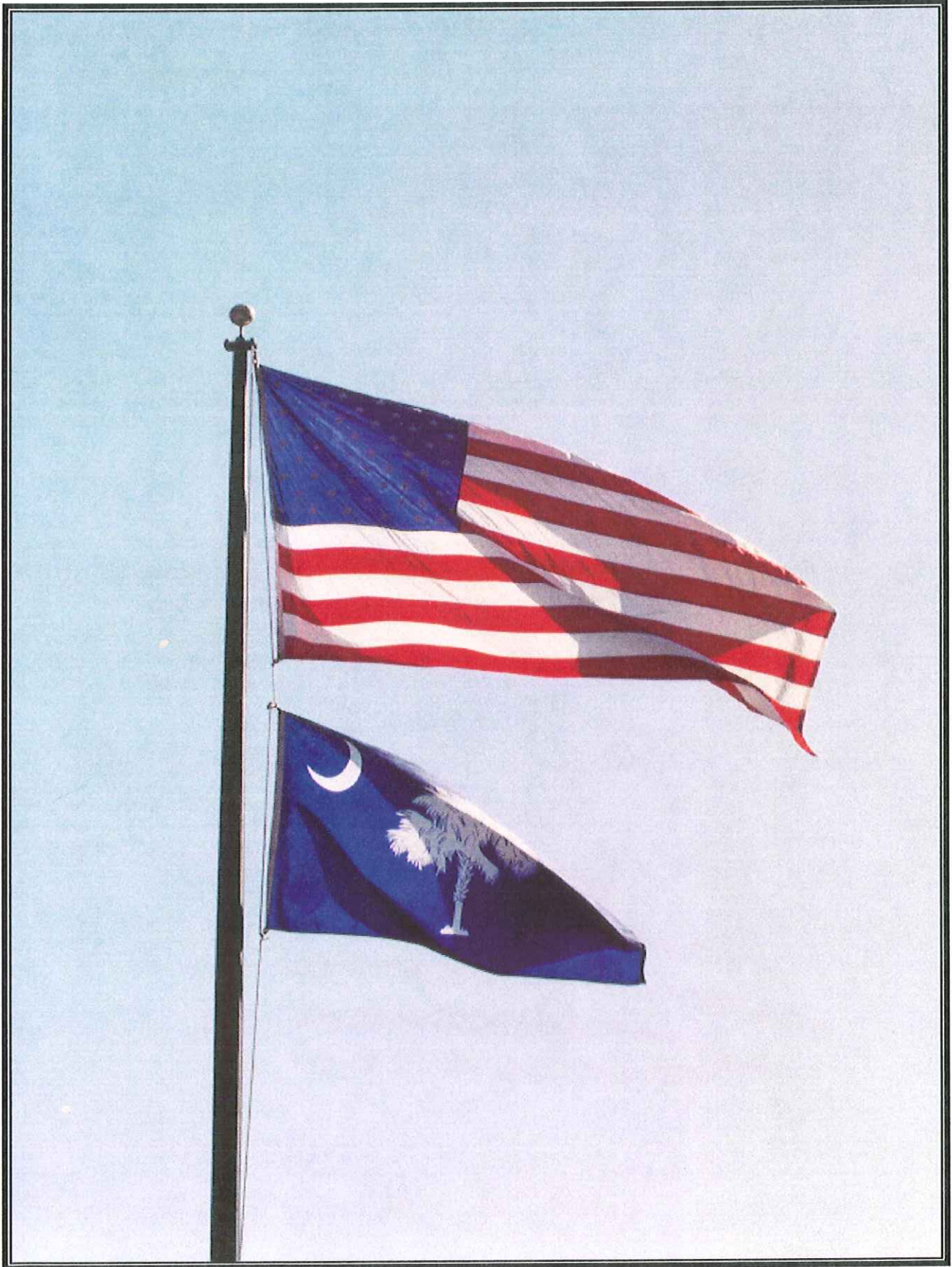
**HORRY COUNTY SCHOOLS
CONWAY, SOUTH CAROLINA
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

Prepared By:

Fiscal Services

**Jeffrey S. Riddle
Chief Finance and Human
Resources Officer**



**HORRY COUNTY SCHOOLS
CONWAY, SOUTH CAROLINA**

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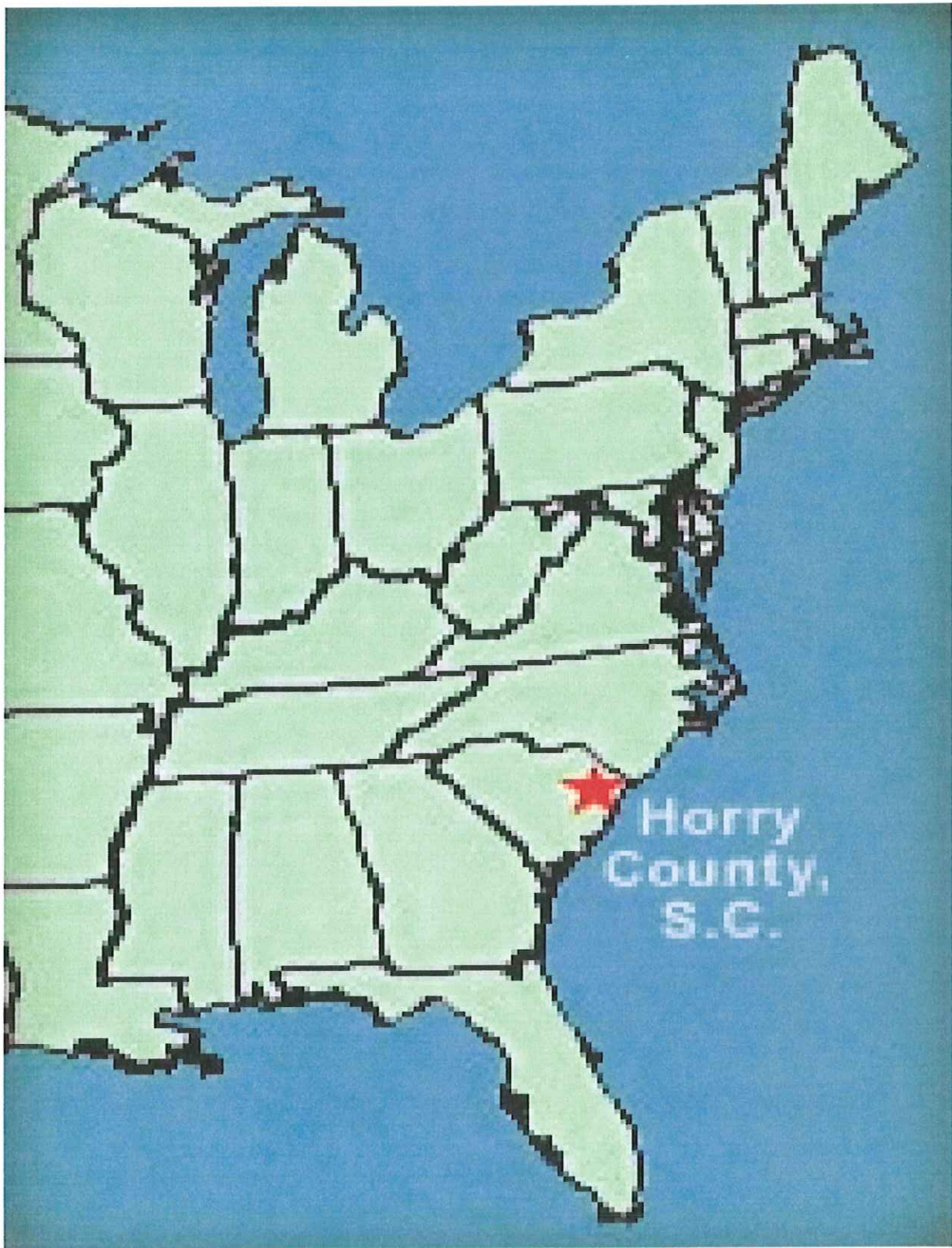
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Horry
County,
S.C.



Horry County Schools

November 30, 2011

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

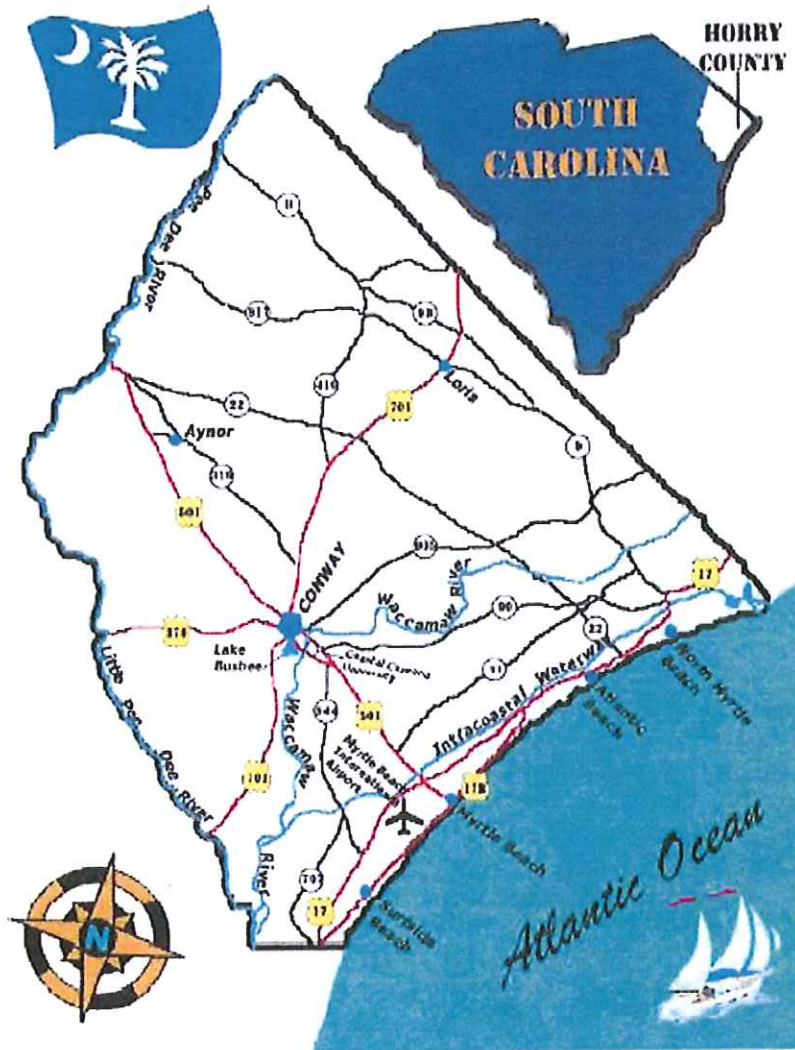
The Comprehensive Annual Financial Report (CAFR) of the Horry County Schools (the District) for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including all disclosures, rests with 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 and account groups 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 14, "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 269,291 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 37,927.

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, and Palmetto Academy of Learning and Success, also known as PALS 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, 2011, 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 unqualified opinion that the District's financial statements for the year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's 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 a reservation of fund balance. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Cash Management

All available cash resources of the District are invested by the Horry County Treasurer in compliance with state law. The County Treasurer maintains an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by instruments issued or guaranteed by the United States Government or the State of South Carolina.

Risk Management

The District participates in the South Carolina Insurance Reserve Fund. This fund provides coverage in the areas of property and casualty. This program is directed toward minimizing cost through the integration of system design, risk control and claims management. School Boards Insurance Trust/Workers Compensation Trust Fund provides workers' compensation coverage for the District.

Financial Policies

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

Pension/Retirement Plan

Substantially all School District employees are members of a pension plan. The South Carolina Retirement System administers five public pension plans; four are defined contribution plans and one is a defined benefit plan. The Retirement System is a division of the South Carolina Budget and Control Board. Currently, the majority of the District's employees are participants in the defined benefit plan. The Systems' defined benefit plan offers retirement and disability benefits, cost of living adjustments, life insurance, and survivor benefits. The plan's provisions are established under Title 9 of the SC Code of Laws. Comprehensive Annual Financial Reports are issued and publicly available by writing the SC Retirement System, 202 Arbor Lake Drive, Columbia, SC 29223. The Optional Retirement Plans are administered by independent companies selected by the South Carolina Retirement System.

ECONOMIC CONDITION AND OUTLOOK

Development of the County's predominantly tourist-based economy continues to expand. Most of the County's sixty (60) miles of beaches stretching from Little River to Pawley's Island have been developed residentially or commercially. Thirty-eight percent of the state's hotel and motel rooms are located in Horry County and forty percent of the state's second homes are also located within the county. The Myrtle Beach area is No. 1 out of about one million searches for a second home location according to *EscapeHomes.com*, a website for second-home buyers, followed by Maricopa, Arizona and Brunswick County, North Carolina.

Where to Retire magazine rated the Myrtle Beach area as one of the top 100 Best Retirement Towns in America. The magazine cites the Myrtle Beach area for its low cost of living and calls it one of the best beach towns in the nation. Persons 65 years old and older make up seventeen percent of the total population for Horry County. Horry County is among the top five regions in South Carolina where retirees are relocating.

Horry County was the third fastest growing county in South Carolina between 2000 and 2010. According to the U.S. Census Bureau, the population grew by 72,662 residents, or thirty seven percent, during that period to 269,291 people in 2009 from 196,629 in 2000.

Due to the amount of growth in Horry County, construction, both residential and commercial, has boomed over the past several years. From FY 2005 to FY 2006 Horry County received the largest increase in building permit revenue since we started permitting construction in the mid seventies. From FY 2004 to FY 2006 permit revenue increased from \$4.5 million to a peak of \$9.2 million. After the peak in 2006, permit revenue returned to the 2004 level by the end of FY 2008. For FY 2011, the revenue continued to fall to a new post boom low of \$2.1 million. In keeping with the revenue decline new construction permits for residential building dropped from FY 2010 by 23 percent and Commercial Building permits issued declined by five percent.

Horry County's condominium construction and sales experienced a similar increase for FY 2004 to FY 2006. However, the decline in the condo market has been worse than the single-family residential or commercial construction and continues to show no improvement through FY 2011. A record number of foreclosures since FY 2009 continue to plague the real estate market with an over abundance of inventory. With all this inventory on the market at discount prices either in anticipation of potential foreclosure or post foreclosure, many of the routine sales to accommodate a job relocation or natural upgrades cannot be completed due to the decline in

the value of the existing home property. A large part of home sales in the Myrtle Beach area are a result of relocations to the area from other sections of the country. The national economy issues have contributed significantly to the decline in sales related to locations to the area from the rest of the country.

Tourism continues to be the most important industry on the Grand Strand. Myrtle Beach is considered one of the nation's top vacation destinations and hosts an estimated 14 million visitors annually. Myrtle Beach has been named one of the nation's Top 10 Beaches by the *Travel Channel*, *Yahoo Travel*, and *National Geographic Traveler Magazine*. The beach, golf, shopping, and entertainment theaters are all major attractions for the region. Group market sales are also an increasing part of the visitor industry for the Grand Strand. The region now has more than 1,700 full service restaurants, more than 72,400 rooms available for overnight guests, nine entertainment theaters and 102 golf courses – not to mention miles of beachfront.

Although economic issues in the region are affecting the number of visitors as well as room rates, the Myrtle Beach area continues to experience significant tourism demand. Additionally, the recent 1% sale tax dedicated primarily to promotion of the area through the Myrtle Beach Chamber of Commerce has provided an infusion of cash to increase area promotion and advertising.

The Myrtle Beach area of South Carolina proves that it is worthy of the moniker "The Grand Strand" year after year by garnering prestigious awards and designations ranging from the "World's Best Beach" by *Yahoo Travel*, "Overall Value for Money Destination", and seven of the "America's 100 Greatest Public Golf Courses" by *Golf Digest*. *Smarter Travel* listed Myrtle Beach in its "ten Best Beach Towns in America". Both *National Geographic* and *Travel & Leisure* magazines have recognized the new Myrtle Beach boardwalk.

There are many amusement attractions spanning the Grand Strand, and the 100 plus golf courses located in the area constitute one of the largest concentrations of like facilities in the nation. Golfers are able to tee-off on any of 1,800 golf holes in the area. Vacationing golfers played approximately 3.4 million paid rounds. *Golf Week* listed Dunes Golf and Beach Club among their "Best Classic Courses" in the United States. Area golf courses have been designed by some of the best-known names in golf, including Jack Nicklaus, Arnold Palmer, Robert Trent Jones, Tom Fazio, Davis Love III, Greg Norman, Gary Player, and Pete and P.B. Dye. Many of the local courses host major professional and amateur golf tournaments including the Golf.com Superstore World Amateur Handicap Championship, Hootie and the Blowfish Monday After the Masters, Summer Family Golf Tournaments, the Veterans Golf Classic and the FDNY 9-11 Memorial Golf Outing. The Horry County area contributes a large portion of South Carolina's golf revenue. This industry has been instrumental in the expansion of the tourist season, including early spring and late fall in our regular May through October season.

Retail sales, employment and construction are all intimately tied to the tourism industry. The increasing diversity of geographic origin and economic profile of tourists will help alleviate any cyclical downturn in the national economy. Retail sales do, of course, show a seasonal pattern, but the first quarter of each year is noticeably below the other quarters. This pattern indicates that the Myrtle Beach area is becoming more of a year-round tourism destination.

As the recession has affected the tourism industry and tourism related revenues have suffered since FY 2008. The combined total of state and local accommodations tax and the hospitality fees have dipped from a high of \$40.5 million in FY 2008 and continued to decline through FY 2010 where they had fallen to \$36.7 million. During FY 2011, we began to see the return of

these combined revenues to the second highest aggregate ever. The county-wide 1.5% hospitality revenue collected in July 2010 by the merchants and remitted to the county in August set an all time one month record of \$5.4 million. The collection of this revenue moderated somewhat after July as expected but FY 2010 was still the third highest year on record for 1.5% hospitality fee. Once again, at the start of FY 2012, the collection for the 1.5% hospitality fee for July 2011 set a new record of \$5.6 million. This recent trend in tourism related revenues appear to confirm that the county has seen the bottom of the recession and have begun the road to recovery for our largest industry, tourism.

Unfortunately, the affects of the construction industry and real estate sales will continue to cause our economy to recover more slowly but it appears that the county has weathered the worst and is making positive steps toward recovery. Most of the economists in the nation are indicating that the recession has bottomed out. As the economists say, we can see the light at the end of the tunnel. The remaining question to be answered is how long it will take to begin a significant return toward better times. Horry County and Myrtle Beach in particular are working diligently to promote the area to ensure we are ready for the improvement in the economy. Hopefully the county tourism engine is on the way toward a return from the effects of the recession.

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 projected enrollment to increase from 37,421 students in fiscal year 2009-10 to over 49,152 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 November of 2008, voters in Horry County approved a Local Option Sales Tax for capital projects in Horry County Schools, Coastal Carolina University and Horry Georgetown Technical College. In December of 2009, a list of priority needs and budgets to be addressed in the District's next phase of construction were identified and approved by the Horry County School Board. Funding for these projects will come from bonds financed by the Local Option Sales Tax. The list includes a NEW elementary school in the Carolina Forest area to relieve overcrowding at Ocean Bay Elementary and Carolina Forest Elementary, additions/renovations to Carolina Forest Elementary, athletic improvements at several high schools including field houses and visitor side concessions/restrooms, corrections to drainage problems, playground upgrades and paving of gravel fire lanes across the District.

HONORS AND DISTINCTIONS

By placing a continuous emphasis on parent and community involvement in the education of our children, the students, parents, faculty and staff, and the community continued to make progress in the 2011 school year by winning numerous honors and awards.

- The Class of 2011 earned \$48.2 million in scholarships; 78 percent plan to attend a post-secondary school.
- 10 HCS seniors were named semifinalists in 2011 National Merit Scholarship Program.
- HCS students gained five points on the 2011 SAT. Three schools surpassed the national average on the 2011 SAT. They are Socastee High, North Myrtle Beach High, and Academy for Arts, Science and Technology.
- Four HCS high schools and one academy surpassed the national ACT composite. They are: the Academy for Arts, Science and Technology; Carolina Forest High; Myrtle Beach High; St. James High and Socastee High.
- In 2011, 100 percent of schools received Absolute ratings of Excellent, Good or Average on State Report cards. Seventy-one percent were rated *Excellent* or *Good*. Ninety-two percent received Growth ratings of *Excellent*, *Good* or *Average*. Fifty-eight percent were rated *Excellent* or *Good*. Fifteen schools (31 percent) scored *Excellent* in both Absolute and Growth ratings. As a district, Horry County Schools received a *Good* Absolute rating and an *Average* Growth rating.
- HCS met 94.6 percent of federal objectives for AYP, the same as 2010.
- HCS students out-performed the state average at every grade in every subject tested on PASS.

- Twenty-five Horry County Schools earned Palmetto Gold and Silver awards for academic improvement.
- HCS was named an Honorable Mention recipient in the American School Board Journal's (ASBJ) 17th annual Magna Awards program.
- HCS was recognized by SchoolMatch as a What Parents Want Award Winning School System.
- HCS was awarded District Accreditation Quality Achievement from AdvancEd, an accreditation review team.
- Homewood Elementary and Burgess Elementary were named to the S.C. School Improvement Council's 2011 Honor Roll.
- Loris Middle School was one of four schools across the state to be named Carolina First Palmetto's Finest.
- HCS showcased the work of more than 400 students and teachers at its second annual Technology Fair.
- Burgess and Homewood Elementary schools are among 12 South Carolina public schools named to the SC School Improvement Council's 2011 Honor Roll.
- HCS Early College High School won first place in the state for the High School Project Citizen Showcase sponsored by the S.C. Bar Association's Law Related Education (LRE) Division.
- Socastee High was listed among "America's Top Five Percent of High Schools" according to Newsweek for five consecutive years. Green Sea Floyds High and North Myrtle Beach High were two of 22 South Carolina high schools to make US News & World Report's annual ranking of "America's Best High Schools."
- Socastee High took first place in the Marine Advanced Technology Education Center's Carolina regional competition and competed internationally in Houston, Texas.
- Army JROTC Honor Units with Distinction: Aynor High; Green Sea Floyds High; Loris High; and St. James High. Air Force JROTC Distinguished Unit Award: Socastee High.
- North Myrtle Beach High won the S.C. High School Mock Trial State Championship.
- Fifty-one HCS teachers earned National Board Certification. HCS ranks first in the state for the number of teachers with this new designation.
- Lakewood Elementary was nominated by the South Carolina Department of Education for recognition in the 2011 National Blue Ribbon Schools Program.
- St. James High School is one of 13 schools in the nation to receive the national Outstanding High Schools That Work School Award.

- The Scholars Academy, We the People team, won the state championship, earning a trip to Washington, D.C., to compete in the national competition.
- Conway Middle School was one of ten schools selected as an "Apple Learning Snapshot" in a nationwide contest to showcase innovative ways Apple technology is used in the classroom.
- St. James High Sharks baseball team won the 2011 Class AAA State Championship.

Other Distinctions

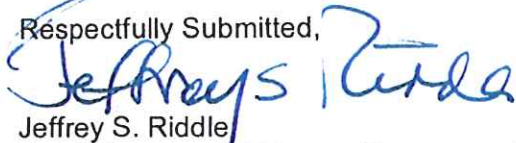
- All classrooms are networked to the Internet. The ratio of students to computers is just over 5:1. The use of wireless labs is expanding. During the last four years, more than \$4 million dollars has been allocated for a laptop initiative for teachers, giving them equipment and training to enhance the use of technology in instruction.
- The District has developed an accountability system for the Board of Education, principals, assistant principals and district office staff to ensure performance and focus on results.
- Since the mid-1990's, the District invested nearly \$500 million in new and renovated facilities. Twenty-one new schools have been built, and two new attendance areas have been added.
- 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.
- 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 ten 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 State 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 ten 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

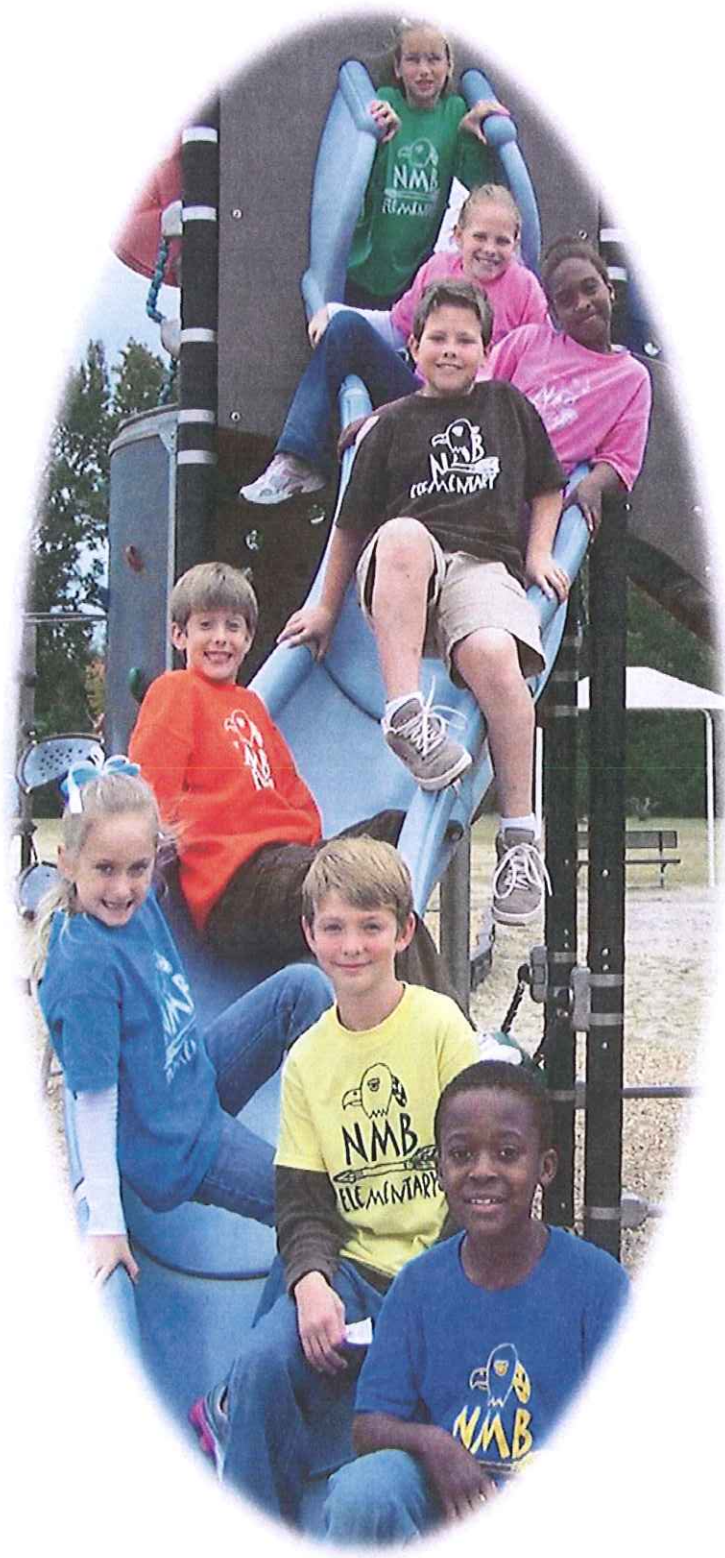
The completion of this Comprehensive Annual Financial Report could not have been accomplished without the professionalism and dedication of the entire Fiscal Services staff. Each staff member has our sincere appreciation for their contributions in the timely closing of financial records. We also acknowledge 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 2011 Comprehensive Annual Financial Report would not have been possible.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Jeffrey S. Riddle". The signature is written in a cursive style with a large, sweeping initial "J".

Jeffrey S. Riddle
Chief Finance and Human Resources Officer



HORRY COUNTY SCHOOLS
CONWAY, SOUTH CAROLINA

BOARD OF EDUCATION AND ADMINISTRATION

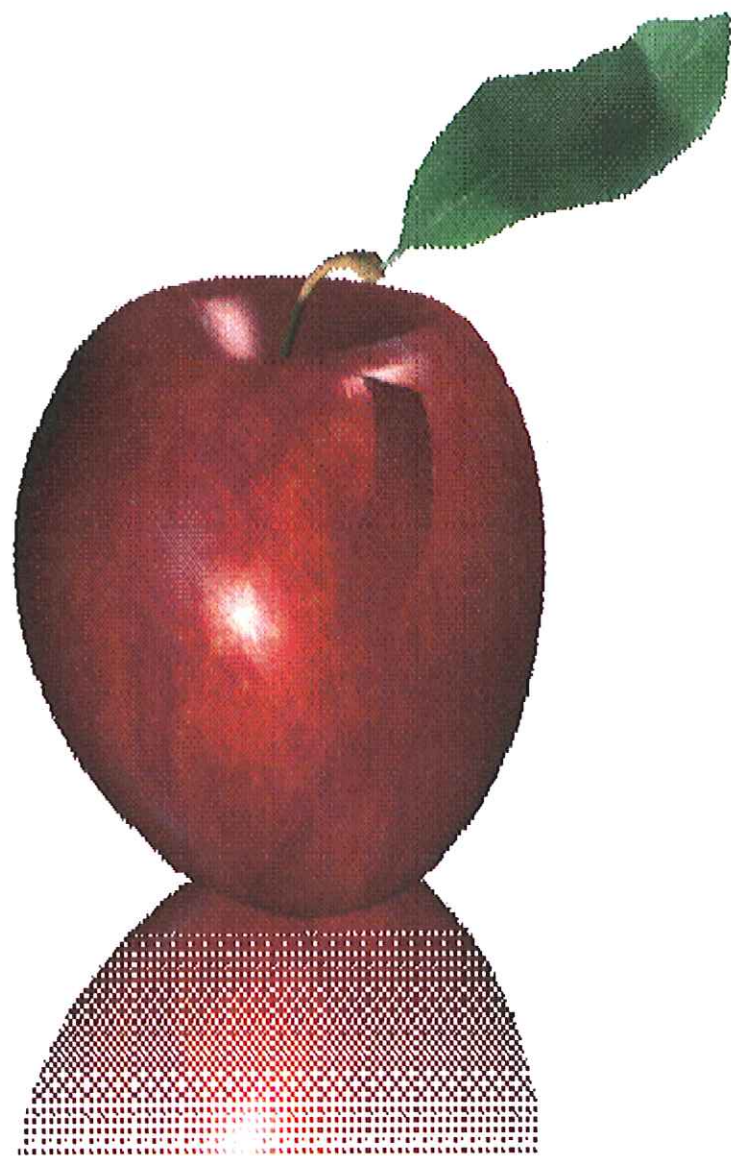
JUNE 30, 2011

BOARD OF EDUCATION

Will Garland Chairperson
Harvey Eisner..... District 1
Karen McIlrath..... District 2
Joe J. Defeo Vice Chairperson - District 3
Kay Loftus District 4
Dr. Paul Peterson..... District 5
Pamela C. Timms..... District 6
Paul B. Hudson District 7
John R. Poston..... District 8
David Cox District 9
Neil James District 10
Trent Hardee..... District 11

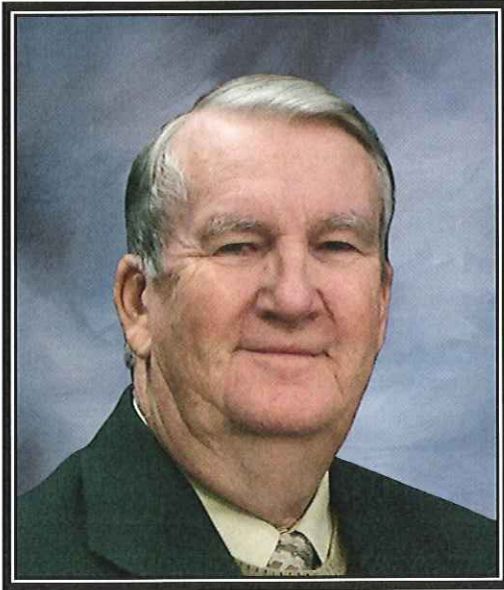
ADMINISTRATION OFFICIALS

Dr. Cynthia Elsberry Superintendent
Dr. Rick Maxey..... Chief Officer for Support Services
Cynthia Ambrose..... Chief Academics Officer
Jeffrey S. Riddle..... Chief Finance & Human Resources Officer
Edward Boyd..... Chief Information & Accountability Officer
Carolyn J. Chestnut..... Chief Instructional Support Officer



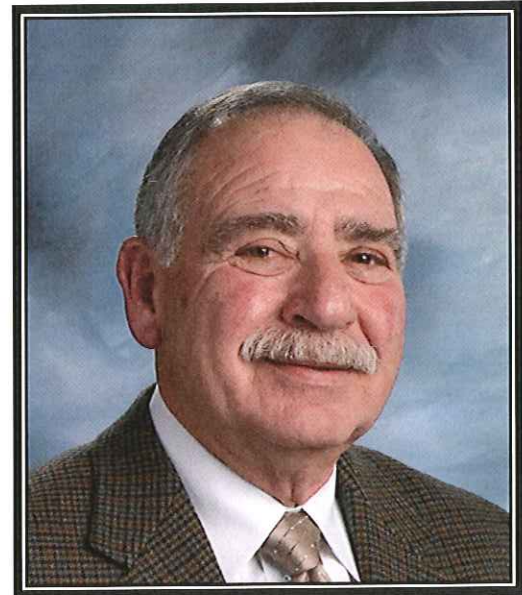


Dr. Cynthia Elsberry, Superintendent - *Dr. Elsberry was appointed Superintendent by the Horry County Schools Board of Education on July 1, 2008. Dr. Elsberry has 30 years of experience in public education which includes serving as a teacher, assistant principal, principal, coordinator, and Superintendent 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.*



Will Garland, Chairperson - Will Garland was elected to the Board in November, 2000 and was elected Chair in November, 2002. He completed 25 years of service at CCU and retired as Professor Emeritus from the Wall College of Business Administration in 1999. He received his Bachelor's degree in Industrial Mgmt. (GSIM) from the Georgia Institute of Technology and a Master's degree in Business Administration (MBA) from Georgia State University. In addition, Mr. Garland completed all necessary coursework for the PhD. Degree in business administration from Georgia State and 18 graduate hours in education from USC. Mr. Garland and his wife, Audrey have two children, Jeffrey and Melissa and three grandchildren.

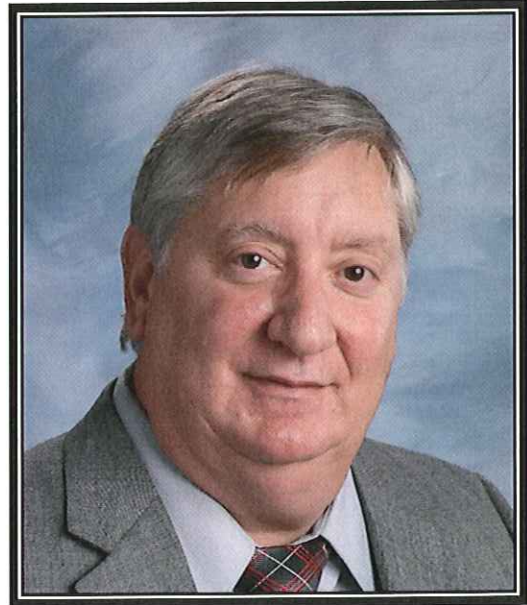
Harvey Eisner, District 1 – Harvey Eisner was elected to the Board in November 2006. He is a graduate of Carleton College with a BA in History. He received his MS in School Administration from Northern Illinois University, and has additional post graduate courses from Oregon State University. He is retired 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 and also worked as a trauma nurse in the Emergency Department at Grand Strand Medical Center. She and her husband, James, have three children, Heather, CJ, and Ian.



Joe J. Defeo, Vice Chair, District 3 – 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 Management and is a Commercial Helicopter/Fixed Wing Pilot - Aircraft Mechanic. He is married to Rebecca and has 3 children, Megan, Joseph and Suzannah.



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.

Paul Peterson, District 5 – Paul Peterson was elected to the Board in November 2000. He has been a professor of Political Science at CCU since 1982. He has a Bachelor of Arts degree in Political Science from Brigham Young University, an M. A. from the University of California, Riverside, and a Ph.D. in Government from Claremont Graduate School. He has served two terms on the Executive Board of the S. C. Humanities Council, and in 1999-2000 was President of the S. C. Political Science Association. Paul and his wife, Pam have one daughter, Elizabeth.





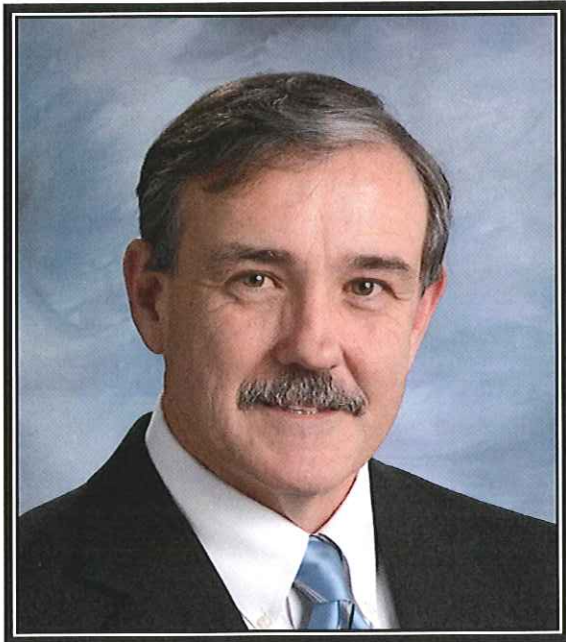
Pamela C. Timms, District 6 – Pam Timms has been a member of the Horry County Schools Board of Education since November, 1998. A native of Horry County, Mrs. Timms is a 1972 graduate of Myrtle Beach High School and attended Coastal Carolina’s school of nursing program from 1973-76. She is employed as Activities Director at Reflections Assisted Living Center. Mrs. Timms has one daughter, Sarah Elizabeth.



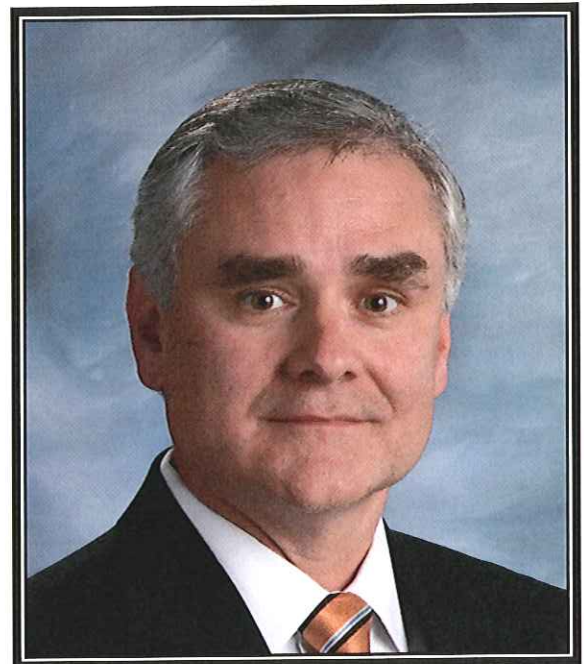
Paul B. Hudson, District 7 – Paul Hudson has been a member of the Horry County School Board since August, 2001 and serves as treasurer of the SCSBA Caucus of Black School Board Members. He is employed at Wood Forest Bank in Carolina Forest. Mr. Hudson is a member of the S. C. Banker’s Association. He has been a resident of Horry County all his life and is a member of the Greater St. James AME Church in Conway. Mr. Hudson and his late wife, Darlene, have two children, Craig and Jaleesa.

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.

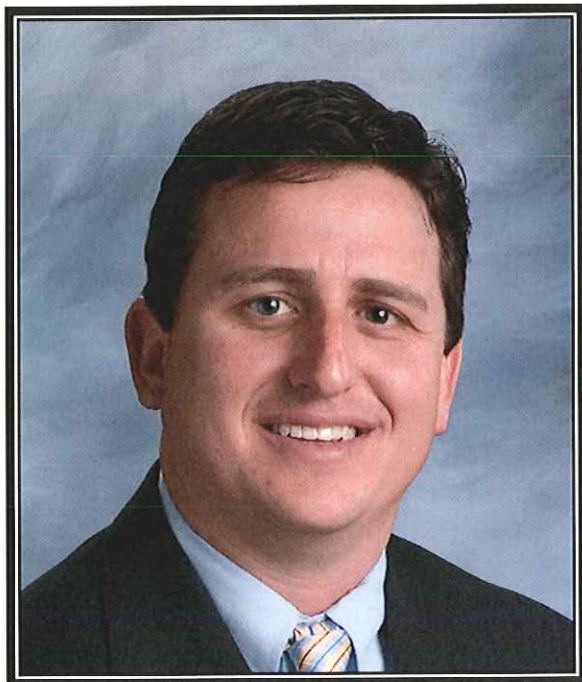




David Cox, District 9 – David Cox was elected to the Board of Education in November 2008. Mr. Cox is presently self-employed. He is a graduate of the University of South Carolina with a Bachelor of Arts degree in Journalism. He is married with children and grandchildren.



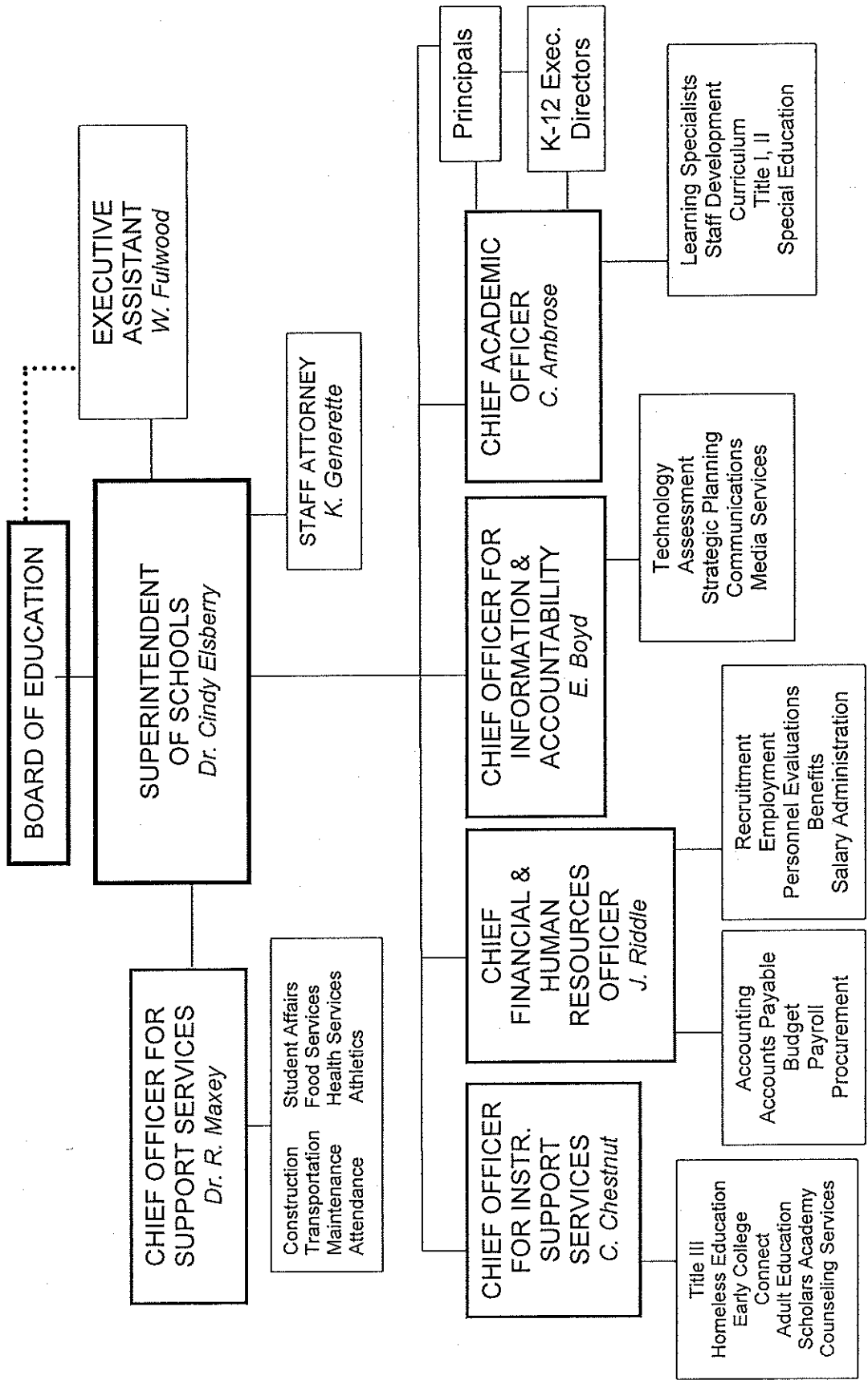
Neil James, District 10 – Neil James was appointed to the Board of Education in November 2009. Mr. James is employed by Santee Cooper. He is a graduate of Clemson University and Webster University where he earned a Master's degree in Business Administration (MBA). Neil and his wife, Felicia, have two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



Trent Hardee, District 11 – Trent Hardee was elected to the Board of Education in November 2008. Mr. Hardee is a native of Horry County and is employed at Hardee Auto Sales. He earned a Civil Engineering degree from Clemson University in 1997. Mr. Hardee and wife, Amanda have three daughters.

Organizational Chart

Horry County Schools



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, 2010

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

HORRY COUNTY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

McGregor & COMPANY^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS		ASSOCIATES	
C.C. McGregor, CPA 1906-1968	W.C. Stevenson, CPA B.T. Kight, CPA G.D. Skipper, CPA L.R. Leaphart, Jr, CPA M.J. Binnicker, CPA W.W. Francis, CPA	D.L. Richardson, CPA E.C. Inabinet, CPA S.S. Luoma, CPA T.M. McCall, CPA H.D. Brown, Jr, CPA L.B. Salley, CPA	D.K. Strickland, CPA J.P. McGuire, CPA L.H. Kelly, CPA V.K. Laroche, CPA G.N. Mundy, CPA M.L. Layman, CPA P.A. Betette, Jr, CPA S. Wo, CPA C.D. Hinchee, CPA J.R. Matthews, II, CPA D.E. Knobloch, CPA L.M. Harrelson, CPA M.J. Binnicker, Jr., CPA

INDEPENDENT AUDITORS' REPORT

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

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, and budgetary comparison information of Horry County Schools as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in U. S. *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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, and budgetary comparison information of Horry County Schools as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2011, on our consideration of Horry County Schools' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 through 35 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.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Horry County Schools' financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and 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. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Horry County Schools' basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

M^cGregor & Company, LLP

Columbia, South Carolina
November 30, 2011

**HORRY COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

The discussion and analysis of Horry County School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. We encourage readers to consider this information in conjunction with the additional information in the District's financial statements, and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The District's total net assets increased \$43 million which represents a 12.9 percent increase from fiscal year 2010.
- The District has implemented Governmental Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Implementation of this standard required a change in fund balance definitions in all governmental funds from reserved and unreserved to nonspendable, restricted, committed, assigned and unassigned. Detailed information of fund balance can be found in Note 1 of this report.
- Our principal operating fund, the General Fund, had \$287.2 million in fiscal year 2011 revenues, which primarily consisted of state aid and property taxes. In addition, the General Fund had \$7.1 million in other financing sources, which consisted of transfers from the Special Revenue Fund in the form of indirect cost and teacher salary supplement transfers. The General Fund incurred \$281.3 million in expenditures, as well as \$2.7 million in other financing uses.
- The General Fund's fund balance increased from \$51.7 million as of June 30, 2010 to \$62 million as of June 30, 2011. This increase can be attributed to the prudent utilization of the funding flexibility provided under *Joint Resolution H. 4299* and the State Fiscal Stabilization funds (SFSF) provided under the American Recovery & Reinvestment Act of 2009 (ARRA). In 2011, the District utilized \$13.7 million in State Fiscal Stabilization funds.
- The District's total debt decreased by \$26.3 million during fiscal year 2011. The key factor in this change was principal payments of \$22.2 million on existing debt and the advance refunding of the 2002A issue. The advance refunding resulted in a \$6.9 million net interest savings or a net present value savings of 10.4% of the refunded principal.
- The District currently has a Standard & Poor's underlying rating of AA and a Moody's Investor Services underlying rating of Aa2.
- In continuation of the \$240 million Phase III Building Program, one elementary school and the district office renovation was completed and capitalized during fiscal year 2011. The District expects to capitalize the remaining four schools during fiscal year 2012.
- The District's only Proprietary Fund is the Food Service Fund. The fund ended the year with revenues and transfers exceeding expenses by \$.3 million and total net assets equaling \$6 million.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

The government-wide financial statements include not only the District itself (known as the primary government), but also component units, Waccamaw Park Public Charter Schools, Inc. (also known as Bridgewater Academy) and Palmetto Academy of Learning and Success (also known as PALS). Bridgewater Academy and PALS are charter schools sponsored by the District. Financial information for the charter schools is reported separately from the financial information presented for the primary government itself. Additional information on the District's component units can be found on page 50.

The government-wide financial statements are included on pages 36 and 37 of this report.

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

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

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 39 and 41.

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

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

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

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 50 – 63.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets. Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$376.8 million as of June 30, 2011.

The following table presents a comparative analysis of the District's net assets for the fiscal years ended June 30, 2011 and June 30, 2010.

Net Assets (Amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 235,393	\$ 211,383	\$ 5,081	\$ 3,429	\$ 240,474	\$ 214,812
Capital assets, net	596,668	590,129	2,341	2,525	599,009	592,654
Total assets	832,061	801,512	7,422	5,954	839,483	807,466
Current liabilities	77,611	70,256	1,365	171	78,976	70,427
Long-term liabilities	383,709	403,207	32	29	383,741	403,236
Total liabilities	461,320	473,463	1,397	200	462,717	473,663
Net assets						
Invested in capital assets, net of related debt	195,460	165,675	2,341	2,525	197,801	168,200
Restricted	102,769	101,572	-	-	102,769	101,572
Unrestricted	72,512	60,802	3,684	3,229	76,196	64,031
Total net assets	\$ 370,741	\$ 328,049	\$ 6,025	\$ 5,754	\$ 376,766	\$ 333,803

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a five year comparative analysis of the District's net assets for the fiscal years ended 2007 through 2011.

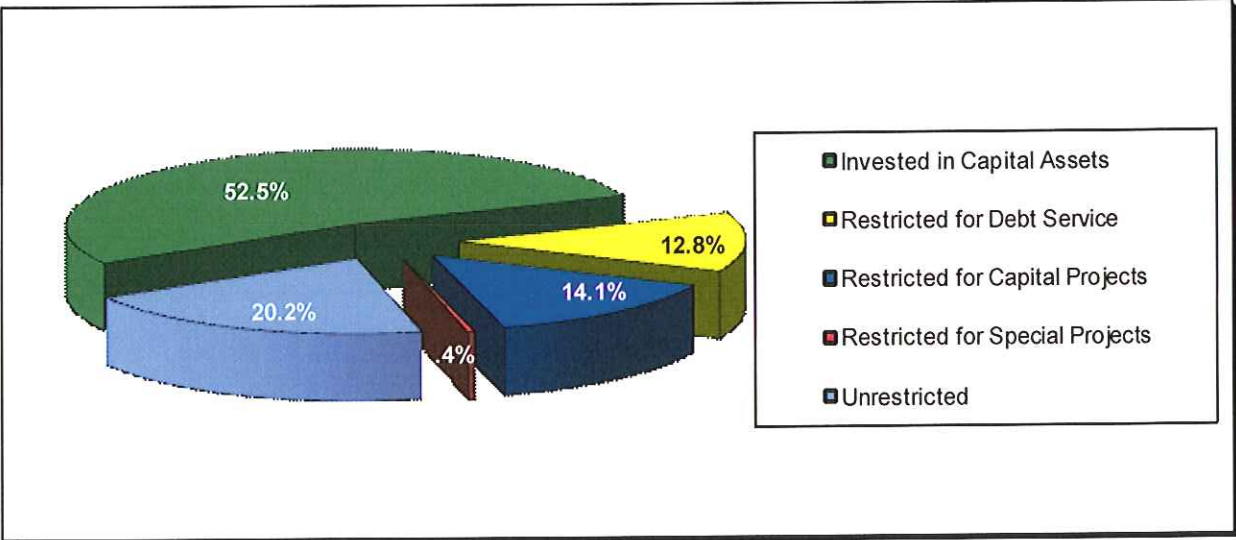
Net Assets By Component (Amounts expressed in thousands)

	2007	2008	2009	2010	2011
Governmental Activities	\$ 221,266	\$ 258,723	\$ 284,431	\$ 328,049	\$ 370,741
Business - Type Activities	2,901	3,491	5,168	5,754	6,025
Total Primary Government	\$ 224,167	\$ 262,214	\$ 289,599	\$ 333,803	\$ 376,766

By far, the largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restriction for Capital Projects represents residual funding for building construction scheduled in fiscal year 2012. As previously mentioned, the District is currently completing a major building program. The Phase III Building Program funded from a voter approved \$240 million bond referendum will provide six new schools and renovations to twenty others.

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

As the graph below illustrates, the largest portion of net assets is invested in capital assets.



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

- The \$3.4 million decrease in receivables from the Federal and State government. This decrease is due to the resolution of the State's severe cash flow issues that occurred in fiscal year 2010.
- The \$1.1 million decrease in property taxes receivable. This is due to taxes receivable recognized under the accrual basis.

- The net addition of \$21.9 million in capital assets through construction of school improvements, and purchases of furniture, equipment and vehicles less current depreciation of \$16.5 million.
- The \$26.3 million decrease in outstanding general obligation debt.
- The \$10.8 million increase in accounts and other liabilities is largely attributed to the accrual of employee salaries and related benefits.

Changes in net assets. The District's total revenues for the fiscal year ended June 30, 2011 were \$447.2 million. The total cost of all programs and services before transfers was \$404.2 million.

The following table presents a comparative analysis of changes in net assets for the fiscal years ended June 30, 2011 and June 30, 2010.

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues						
Charges for services	\$ 3,684	\$ 3,625	\$ 5,259	\$ 5,357	\$ 8,943	\$ 8,982
Operating grants and contributions	121,586	112,481	15,056	14,023	136,642	126,504
General revenues						
Property taxes	254,328	265,424	-	-	254,328	265,424
State aid	46,367	46,155	-	-	46,367	46,155
Other	941	1,504	3	11	944	1,515
Total revenues	<u>426,906</u>	<u>429,189</u>	<u>20,318</u>	<u>19,391</u>	<u>447,224</u>	<u>448,580</u>
Expenses						
Instruction	236,524	236,394	-	-	236,524	236,394
Support services	128,715	127,351	-	-	128,715	127,351
Community services	961	1,218	-	-	961	1,218
Pupil Activities	457	341	-	-	457	341
Interest on long-term debt	17,516	19,980	-	-	17,516	19,980
Food service	-	-	20,088	19,092	20,088	19,092
Total expenses	<u>384,173</u>	<u>385,284</u>	<u>20,088</u>	<u>19,092</u>	<u>404,261</u>	<u>404,376</u>
Increase (decrease) in net assets before transfers	42,733	43,905	230	299	42,963	44,204
Transfers	(41)	(287)	41	287	-	-
Increase (decrease) in net assets	42,692	43,618	271	586	42,963	44,204
Net assets July 1	<u>328,049</u>	<u>284,431</u>	<u>5,754</u>	<u>5,168</u>	<u>333,803</u>	<u>289,599</u>
Net assets June 30	<u>\$ 370,741</u>	<u>\$ 328,049</u>	<u>\$ 6,025</u>	<u>\$ 5,754</u>	<u>\$ 376,766</u>	<u>\$ 333,803</u>

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

- Operating grants and contributions increased primarily due influx of funds from the American Recovery & Reinvestment Act of 2009 (ARRA). The District utilized \$22.9 million in ARRA funds in fiscal year 2011 compared to \$11.1 million in 2010. As ARRA funds will sunset in September 2011, the District has positioned itself to fully utilize the allocations. As a result, certain other federal awards were carried forward for future initiatives. In addition, the District received \$2.7 million more in Education Finance Act

(EFA) revenues. EFA is the State of South Carolina's primary vehicle for financing public education.

- State Aid increased due to ACT 388. The ACT provides a 100 percent exemption from school operating tax for residential owner occupied property. In fiscal year 2008, the State fully reimbursed districts the foregone amount. The District received \$24.8 million in fiscal year 2008; however, future payments will be "frozen" at the 2008 actual reimbursement with a proportionate share of the growth in the State entitlement. The District received an additional \$.1 million as its proportionate share of the fiscal year 2011 entitlement. If the total properties were subject to operational millage, the District would have received \$11.4 million in additional revenue.
- Debt Service property tax revenue decreased by \$10.1 million due to planned reduction in debt service millage from 20 mills to 14 mills. The District utilizes the collection of the Education Capital Improvements Sales tax (additional penny sales tax) for debt service and the funding of capital improvement projects. Fiscal year 2010 was the first complete year of collections for the additional one cent sales tax. The District collected \$40.1 million in fiscal year 2010 compared to \$41.2 million in 2011. In addition, the District also incurred a \$1.1 million decrease 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.
- Other revenue decreased due to the interest earned on investments. The District earned \$.7 million less in fiscal year 2011 on investments due significant rate decreases and the planned utilization of reserves.
- The District did incur additional operating expenses for the 2011 fiscal year. These include property insurance, employee benefits, utilities, and maintenance of facilities.

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, 2011 and June 30, 2010. 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.

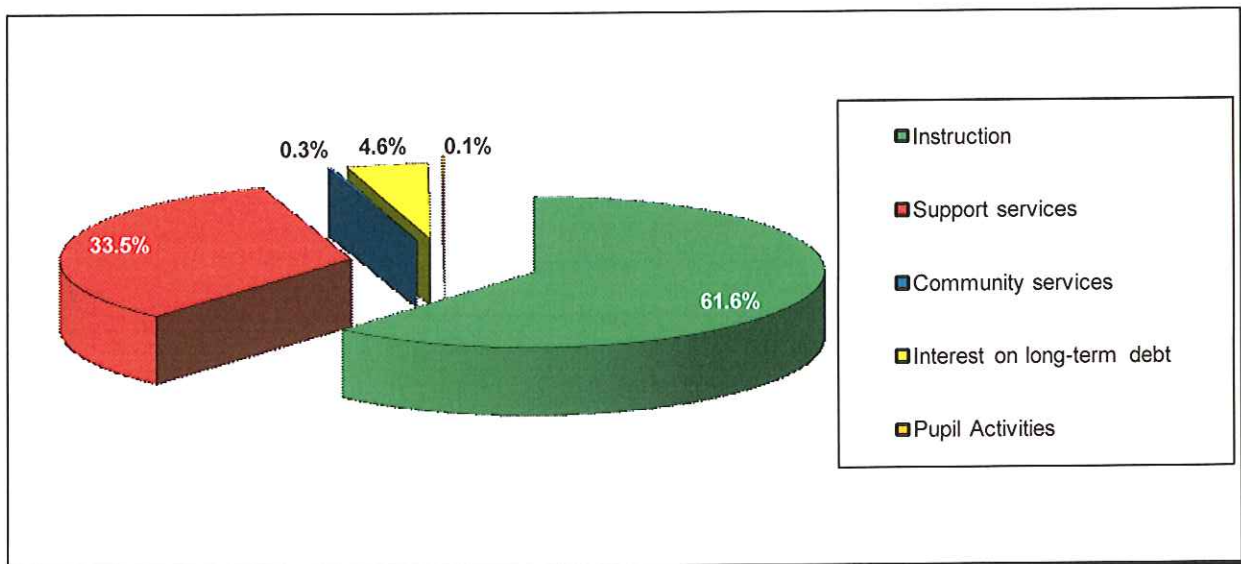
Governmental Activities

(Amounts expressed in thousands)

	2011		2010	
	Total Expenses	Net (Expense) Revenue	Total Expenses	Net (Expense) Revenue
Instruction	\$ 236,524	\$ (157,894)	\$ 236,394	\$ (163,493)
Support services	128,715	(82,402)	127,351	(84,526)
Community services	961	(634)	1,218	(839)
Pupil Activities	457	(457)	341	(341)
Interest on long-term debt	17,516	(17,516)	19,980	(19,980)
Total expenses	\$ 384,173	\$ (258,903)	\$ 385,284	\$ (269,179)

- The cost of all governmental activities this fiscal year was \$384.2 million.
- Operating grants, capital grants, and charges for services subsidized certain programs in the amount of \$125.3 million.
- Net cost of governmental activities, \$258.9 million was financed by general revenues, which are made up primarily of property taxes in the amount of \$254.3 million and state aid of \$46.4 million. Unrestricted grants/other contributions and other revenue accounted for \$.9 million. In addition, a net transfer of \$.04 million was made to the Proprietary Fund.

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



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The General Fund is the principal operating fund of the District. As mentioned previously, the increase in fund balance in the General Fund for the fiscal year was \$10.3 million. Incorporating *nonspendable categories* that include inventories and prepaid expenditures; *assigned categories* that include encumbrances and subsequent years' expenditures; the remaining fund balance was \$56.7 million. It is the policy of the Board of Education to designate 10 percent of the prior year's General Fund expenditures as a minimum fund balance designation as advised by the District's bond counsel and financial advisors. Therefore, \$28.4 million was *committed* leaving the *unassigned* fund balance of \$28.3 million is available for future Board initiatives.

The Debt Service fund balance showed a decrease of \$26.2 million from the prior year. This decrease is primarily due to the transfer of funds provided from the Education Capital Improvements tax. 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 14 mills over fiscal years' 2009 - 2011. Furthermore, the District plans to reduce millage to 10 mills in 2012. In addition to rolling-back property taxes and broadening the tax base, the penny sales tax will enable Horry County Schools, Coastal Carolina University, and Horry Georgetown Technical College to collaborate on more shared initiatives to increase access and services to students of all ages. The penny sales tax does not apply to groceries, gasoline or prescription drugs.

The District maintains sufficient fund balance in the Debt Service Fund to pay the ensuing six-month principal and interest payments on general obligation debt. By statute, only funds received and certified as of June 30 could be considered in the establishment of millage for 2010-11 principal and interest payments.

The Capital Projects fund balance increased from \$27.1 million to \$53.1 million. This increase was anticipated due to the beginning of the "new" Phase IV Building Program and the substantive completion of the Phase III Building Program. Currently there remain 4 renovation projects in the final stages of completion from Phase III Building Program and over \$112.7 million of work to be completed under the Phase IV Building Program. In addition, the District has an annual \$5 million maintenance and capital improvement plan and an annual \$3.1 million technology refresh cycle. Funding for these projects is provided from the Education Capital Improvements tax. In 2011, \$55.4 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 reserved for these commitments.

Proprietary funds. The Proprietary Fund (Food Service Fund) showed an increase in fund net assets of \$.3 million. The increase is primarily due to increased participation.

GENERAL FUND BUDGETARY HIGHLIGHTS

The net change between the General Fund's expenditure original budget and final budget (\$4.2 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	\$ 1,305,256
Insurance Claims	46,284
Contributions and Donations	78,916
School Carryover Budgets and Enrollment Adjustments	375,326
Therapeutic Learning Center Start Up Costs	1,022,031
Subsequent Years Expenditures	1,365,081
Total Changes	<u>\$ 4,192,894</u>

The net change between the General Fund's revenue and other financing sources' original budget and final budget (\$916,439) is due to receipts for insurance claims, contributions and donations, and the projected Medicaid reimbursement for students served in the new Therapeutic Learning Center.

The table below indicates the changes:

Contributions and Donations	\$	78,916
Insurance Claims		46,284
Projected Medicaid Reimbursement for Therapeutic Learning Center		791,239
Total Changes	\$	916,439

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as part of the basic financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2011, the District had invested \$768.9 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 \$169.9 million including current depreciation expense of \$16.5 million for the year.

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2011 and June 30, 2010.

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 21,060	\$ 21,276	\$ -	\$ -	\$ 21,060	\$ 21,276
Buildings and improvements	509,000	499,040	-	-	509,000	499,040
Improvements other than buildings	13,473	13,275	-	-	13,473	13,275
Autos and trucks	936	1,036	11	12	947	1,048
Machinery and equipment	10,960	7,321	2,330	2,513	13,290	9,834
Construction in progress	41,239	48,181	-	-	41,239	48,181
Total	\$ 596,668	\$ 590,129	\$ 2,341	\$ 2,525	\$ 599,009	\$ 592,654

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

Debt Administration: At year-end, the District had \$386.3 million in general obligation bonds outstanding, of which \$35.8 million in principal and interest payments are due within one year. The following table presents a summary of the District's outstanding long-term debt for the fiscal years ended June 30, 2011 and June 30, 2010.

(Amounts expressed in millions)

	2011	2010
8% General obligation debt	\$ 13.4	\$ 20.2
Referendum general obligation debt	372.9	392.4
Total	<u>\$ 386.3</u>	<u>\$ 412.6</u>

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 District is \$150.8 million. Additional information on the District's long-term debt can be found in Note 10 of this report.

NEXT YEAR'S BUDGET

The 2011-12 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 2011-12 fiscal year:

- The District will provide curriculum programs and instructional support which have proven to be effective for students.
- The District must provide the instructional support essential to meet the adequate yearly progress (AYP) standards of No Child Left Behind.
- The District must provide resources for unfunded mandates including but not limited to services to special needs and non-English speaking students.
- The support services and operational aspects of the District will be maintained such that the essential services provided to students and staff will be continued.

The 2011-12 State funding plan for public education has once again presented unique challenges for all school districts in South Carolina. With the sunset of the American Recovery and Reinvestment Act (ARRA), school districts are relying on a combination of budget reductions, additional state revenue, and reserves to help balance their respective budgets.

During initial planning, a \$19.8 million problem was identified for 2011-12. The majority of the problem was due to the elimination of \$13.7 million of the State Fiscal Stabilization funds. To present a balanced budget, the administration examined all programs (regardless of funding source) to assure alignment with our core beliefs. In addition, an extensive study of high school and middle school scheduling was conducted; as well as, the impact of class size increases at the various education levels. Although staffing at certain positions, programs, and schools were eliminated, no adjustments to the personnel formulae for 2011-12 was made due to the Board's preliminary approval of a 2 mill increase for operations and the utilization of up to \$6 million from fund balance.

Projecting student growth has been a challenge in recent years as the economy has impacted the workforce. In 2010-11, the District expected to enroll 51 additional students due to the flat increase of 79 additional students experienced in 2009-10. The 2010-11 actual growth in students was 612. Although the student growth has not reached the 1,000 plus per year

historical levels, the District expects to serve approximately 706 new students when school begins in August. Funding is included in the budget to accommodate the instructional needs of these students as well as to provide services to newly identified special needs, gifted, and non-English speaking students. The District will incur additional operating expenses for the 2011-12 fiscal year. These include property insurance, health insurance, utilities, and maintenance of facilities. Additionally, the 2011-12 funding plan incorporates a step increase for all eligible employees.

Revenue projections are generally based on the House version of the state budget, where appropriate. Otherwise, projections are based on the current year allocations. ACT 388 limits millage increases to the percent of growth in CPI and the population growth of the County. Based on recent information, the CPI is 1.64% and the population increase for the County is 1.74%. Under this statute, the District cannot exceed a 3.39% or 4 mill increase for operations.

As we look to the future, there remain many uncertainties regarding the economy. At the national and state level, there had been much hope placed on impact of the stimulus package. Although the state funding has increased, it may take several years to return to the levels of 2008-09. Adequate fund balance becomes critical as the District may continue to experience delays in the flow of reimbursement monies from the State and/or additional revenue reductions.

The district administration is pleased to provide to the Board of Education the comprehensive budget for 2011-12. Although this budget includes a millage increase for operations of 2.0 mills, the administration proposes to reduce debt service millage by an additional 4.0 mills. The impact on the average homeowner will be a 4.0 mill reduction on their property taxes. The business/rental property owner will experience a 2.0 reduction on their taxes

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

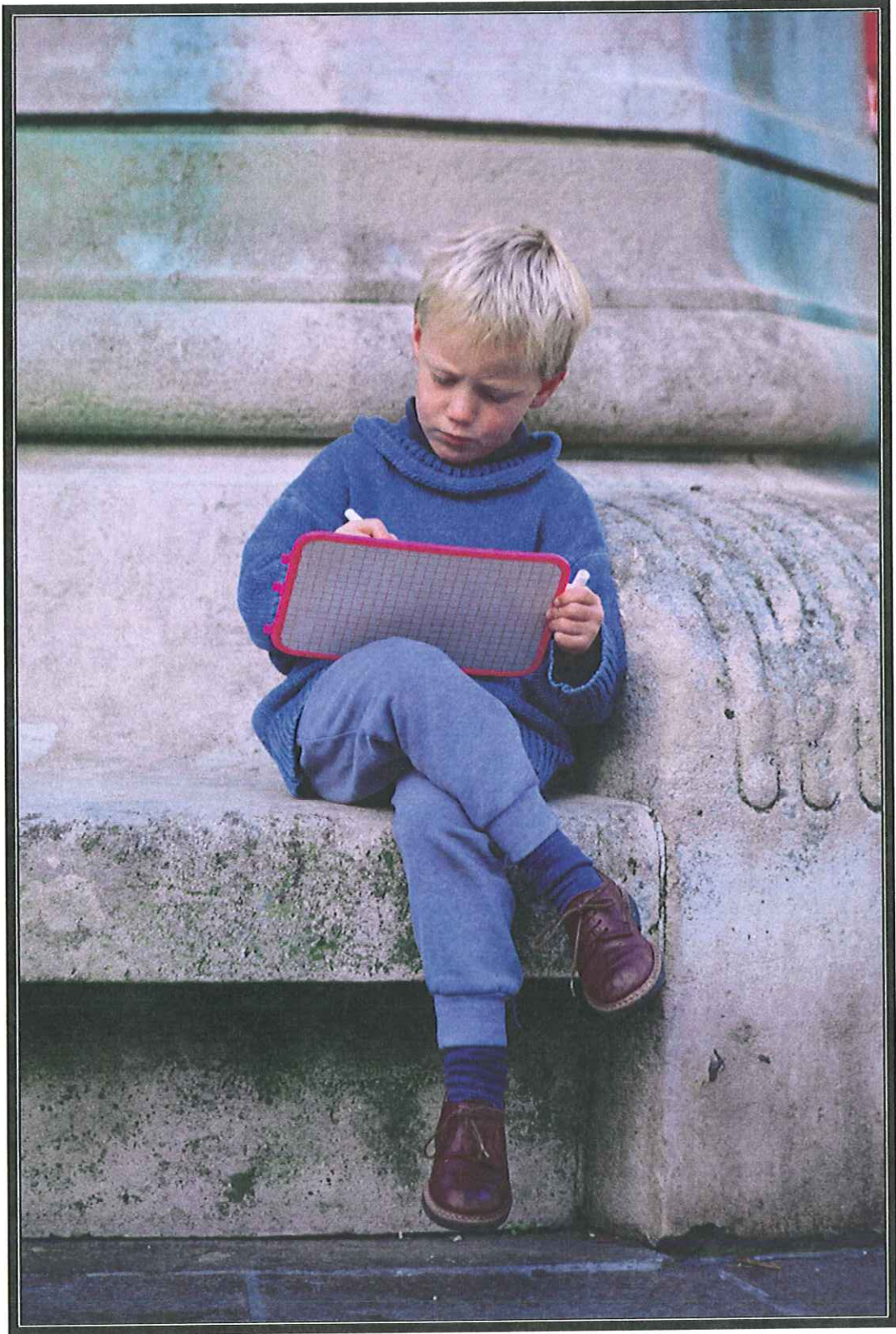
The following table presents a summary of the budgets for the District's Government Funds for the years 2011-12 and 2010-11.

	2011-12	2010-11	Change
Governmental Funds Budget (total)	\$486,253,299	\$520,767,168	\$(34,513,869)
General Fund	312,067,818	290,695,399	21,372,419
Special Projects Fund	32,586,975	53,902,259	(21,315,284)
Education Improvement Act Fund (EIA)	21,116,906	17,878,121	3,238,785
Debt Service Fund	72,251,094	95,339,290	(23,088,196)
Capital Projects Fund	48,230,506	62,952,099	(14,721,593)
Millage required for General Fund	120.2 mills	118.2 mills	2.0 mills
Millage required for Debt Service	10.0 mills	14.0 mills	(4.0 mills)
Total millage required	130.2 mills	132.2 mills	(2.0 mills)
Student enrollment	38,912	38,206	706

* Actual 2010-11 45-day average daily membership

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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



**BASIC FINANCIAL
STATEMENTS**

**GOVERNMENT-WIDE AND FUND
FINANCIAL STATEMENTS**

HORRY COUNTY SCHOOLS

STATEMENT OF NET ASSETS

JUNE 30, 2011

	Primary Government			Component
	Governmental Activities	Business- Type Activities	Total	Units Charter Schools
Assets				
Cash and Investments	\$ 193,515,708	\$ 4,636,672	\$ 198,152,380	\$ 345,899
Property Taxes Receivable, Current	19,982,681		19,982,681	
Accrued Interest	27,582		27,582	
Other Receivables	108,811	133,445	242,256	57,718
Due from Other State Agencies	7,648,051		7,648,051	
Due from Federal Government	6,589,297		6,589,297	
Due from State Department of Education	3,621,937		3,621,937	
Inventories	475,387	311,279	786,666	
Prepaid Expenses	1,941,371		1,941,371	
Deferred Charges	1,481,825		1,481,825	
Utility Deposits				
Capital Assets Not Being Depreciated:				
Land	21,059,945		21,059,945	
Construction in Progress	41,239,165		41,239,165	379,509
Capital Assets Net of Depreciation:				
Buildings and Improvements	508,999,709		508,999,709	
Land Improvements	13,472,751		13,472,751	
Vehicles	936,064	10,420	946,484	
Machinery and Equipment	10,960,429	2,330,284	13,290,713	33,058
Total Assets	832,060,713	7,422,100	839,482,813	816,184
Liabilities				
Accounts Payable and Other Liabilities	40,536,624	1,208,065	41,744,689	69,595
Retainage Payable	429,815		429,815	
Due to State Department of Education	26,396		26,396	
Due to Other State Agencies	207,912		207,912	
Unearned Revenue	9,442,917	136,012	9,578,929	34,907
Accrued Interest	5,597,596		5,597,596	
Noncurrent Liabilities:				
Due within One Year	21,370,213	21,172	21,391,385	
Due in More Than One Year	383,708,523	31,759	383,740,282	30,978
Total Liabilities	461,319,996	1,397,008	462,717,004	135,480
Net Assets				
Invested in Capital Assets, Net of Related Debt	195,460,337	2,340,704	197,801,041	412,567
Restricted for:				
Special Projects	1,495,724		1,495,724	
Debt Service	48,212,422		48,212,422	
Capital Projects	53,060,106		53,060,106	
Net Assets - Unrestricted	72,512,128	3,684,388	76,196,516	268,137
Total Net Assets	370,740,717	6,025,092	376,765,809	680,704

The notes to the basic financial statements are an integral part of this statement.

HORRY COUNTY SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets			Component Units	
				Governmental Activities	Primary Government			Charter Schools
					Business-Type Activities	Total		
Primary Government								
Governmental Activities:								
Instruction	\$ 236,524,036	\$ 116,902	\$ 78,512,851	\$ (157,894,283)	-	\$ (157,894,283)		
Support Services	128,715,350	3,567,118	42,746,325	(82,401,907)	-	(82,401,907)		
Community Services	961,070		327,050	(634,020)	-	(634,020)		
Pupil Activities	456,962			(456,962)	-	(456,962)		
Interest on Long-Term Debt	17,516,183			(17,516,183)	-	(17,516,183)		
Total Governmental Activities	384,173,601	3,684,020	121,586,226	(258,903,355)		(258,903,355)		
Business-Type Activities:								
Food Service	20,087,615	5,259,321	15,055,822	-	\$ 227,528	227,528		
Total Business-Type Activities	20,087,615	5,259,321	15,055,822	-	227,528	227,528		
Total Primary Government	404,261,216	8,943,341	136,642,048	(258,903,355)	227,528	(258,675,827)		
Component Units	2,620,249	54,881	2,548,627			\$ (16,741)		
General Revenues								
Taxes:								
Property Taxes, Levied for General Purposes				184,729,635		184,729,635		
Property Taxes, Levied for Debt Service				69,598,419		69,598,419		
State Aid/Grants (Unrestricted)				46,367,092		46,367,092		
Miscellaneous Revenues				384,235		384,235	31,064	
Unrestricted Investment Earnings				556,300	3,224	559,524	44,776	
Transfers				(40,716)	40,716	-	1,042	
Total General Revenues and Transfers				301,594,965	43,940	301,638,905	76,882	
Change in Net Assets				42,691,610	271,468	42,963,078	60,141	
Net Assets - Beginning				328,049,107	5,753,624	333,802,731	620,563	
Net Assets - Ending				370,740,717	6,025,092	376,765,809	680,704	

The notes to the basic financial statements are an integral part of this statement.

HORRY COUNTY SCHOOLS

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2011

Assets	Major Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Services	Capital Projects	
Cash and Investments	\$ 83,971,884		\$ 6,359,888	\$44,129,857	\$59,054,079	\$ 193,515,708
Receivables:						
Property Taxes, Current	16,923,545			3,059,136		19,982,681
Accrued Interest	27,582					27,582
Other	49,459	\$ 6,957	969	18,527	32,899	108,811
Due from Special Projects Fund	32,434					32,434
Due from Other State Agencies	3,745,495	4,700		3,897,856		7,648,051
Due from Federal Government	107,320	6,481,977				6,589,297
Due from State Department of Education	682,896	404,537	2,534,504			3,621,937
Inventories	475,387					475,387
Prepaid Expenditures	1,941,371					1,941,371
Total Assets	107,957,373	6,898,171	8,895,361	51,105,376	59,086,978	233,943,259
Liabilities and Fund Balances						
Accounts Payable	2,057,873	1,101,055	609,666		5,591,840	9,360,434
Retainage Payable					429,815	429,815
Accrued Salaries	18,278,778	1,808,920	723,728		4,846	20,816,272
Accrued Liabilities	9,591,300	553,309	214,938		371	10,359,918
Due to State Department of Education		17,549	8,847			26,396
Due to Other State Agencies	185,957			21,955		207,912
Due to General Fund		32,434				32,434
Deferred Revenue	15,791,665	1,889,180	7,338,182	2,870,999		27,890,026
Total Liabilities	45,905,573	5,402,447	8,895,361	2,892,954	6,026,872	69,123,207
Fund Balances						
Nonspendable:						
Inventories	475,387					475,387
Prepaid Expenditures	1,941,371					1,941,371
Restricted:						
Special Projects		1,495,724				1,495,724
Debt Service				48,212,422		48,212,422
Capital Projects					53,060,106	53,060,106
Committed:						
10% Reserve	28,400,862					28,400,862
Assigned:						
Carryover School Budgets	433,126					433,126
Subsequent Year Expenditures	2,472,459					2,472,459
Encumbrances	54,085					54,085
Unassigned	28,274,510					28,274,510
Total Fund Balances	62,051,800	1,495,724	-	48,212,422	53,060,106	164,820,052
Total Liabilities and Fund Balances	107,957,373	6,898,171	8,895,361	51,105,376	59,086,978	233,943,259

The notes to the basic financial statements are an integral part of this statement.

HORRY COUNTY SCHOOLS

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS

JUNE 30, 2011

Amounts Reported for Governmental Activities in the Statement of Net Assets
are Different Because:

Ending Fund Balance - Governmental Fund Financial Statements	\$ 164,820,052
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	596,668,063
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period expenditures and, therefore, are deferred in the fund financial statements.	18,447,109
Interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.	(5,597,596)
Deferred charges are not reported in the funds because they are not current financial resources, but they are reported in the statement of net assets. This is the amount that debt issuance costs exceeds accumulated amortization.	1,481,825
Long-term liabilities, including bonds payable \$(386,305,000), unamortized bond premium \$(25,283,063), amount on deferred refunding \$10,380,337, and compensated absences \$(3,871,010) are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	<u>(405,078,736)</u>
Net Assets of Governmental Activities	<u><u>370,740,717</u></u>

The notes to the basic financial statements are an integral part of this statement.

HORRY COUNTY SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2011

	Major Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Services	Capital Projects	
Revenues						
Local Sources	\$ 188,471,433	\$ 1,500,971		\$ 70,262,290	\$ 143,746	\$ 260,378,440
Intergovernmental	101,110					101,110
State Sources	98,005,374	8,732,815	\$ 17,813,755	926,182	777,591	126,255,717
Federal Sources	644,716	39,112,505				39,757,221
Total Revenues	287,222,633	49,346,291	17,813,755	71,188,472	921,337	426,492,488
Expenditures						
Current:						
Instruction	182,125,557	26,221,165	11,486,243		8,993	219,841,958
Support Services	93,657,243	19,766,082	1,601,946		4,662,468	119,687,739
Community Services	4,345	886,731				891,076
Pupil Activities	114,300	342,662				456,962
Intergovernmental	3,067,246	217,859	80,735			3,365,840
Capital Outlay	2,309,370	541,232	126,165		25,946,255	28,923,022
Debt Service:						
Principal				22,210,000		22,210,000
Interest and Fiscal Charges				19,976,914		19,976,914
Total Expenditures	281,278,061	47,975,731	13,295,089	42,186,914	30,617,716	415,353,511
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,944,572	1,370,560	4,518,666	29,001,558	(29,696,379)	11,138,977
Other Financing Sources (Uses)						
Premium on Bonds Sold				9,867,454		9,867,454
Proceeds from Refunding Debt				54,965,000		54,965,000
Payments to Refunded Debt Escrow Agent				(64,662,177)		(64,662,177)
Sale of Capital Assets	44,568				224,750	269,318
Transfers In	7,083,344	1,495,724			55,408,220	63,987,288
Transfers Out	(2,730,558)	(1,370,560)	(4,518,666)	(55,408,220)		(64,028,004)
Total Other Financing Sources (Uses)	4,397,354	125,164	(4,518,666)	(55,237,943)	55,632,970	398,879
Net Change in Fund Balances	10,341,926	1,495,724	-	(26,236,385)	25,936,591	11,537,856
Fund Balance - Beginning	51,709,874	-	-	74,448,807	27,123,515	153,282,196
Fund Balance - Ending	62,051,800	1,495,724	-	48,212,422	53,060,106	164,820,052

The notes to the basic financial statements are an integral part of this statement.

HORRY COUNTY SCHOOLS

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2011

**Amounts Reported for Governmental Activities in the Statement of Net Assets are
Different Because:**

Net Change in Fund Balances - Total Governmental Funds:	\$ 11,537,856
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. This is the amount that the current period cost of assets \$23,348,275 exceeds the depreciation \$16,217,627.	7,130,648
Certain deferred revenues reported in the governmental funds are recognized subject to a reserve for uncollectible amounts in the statement of activities. This is the change in the amount of taxes receivable recognized under the accrual basis.	413,440
Deferred charges are not reported in the funds because they are not current financial resources, but they are reported in the statement of net assets. This is the amount that debt issuance amortization \$151,448 differs from cost \$170,277; bond premium amortization \$1,943,880 differs from bond premium \$9,867,454; and amount deferred on refunding amortization \$736,239.	(8,640,984)
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental fund, however, expenditures for these items are measured by the amount of financial resources used. This year the amount earned exceeded the compensated absences used by \$298,925.	(298,925)
In the statement of activities the gain/(loss) on the sale of capital assets is reported, whereas in the governmental funds the proceeds from the sale increase financial resources. Thus the change in net assets differs from the change in fund balance by the cost of capital assets sold.	(591,862)
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. Interest on long-term debt is not recognized in the governmental funds statement until due, however, it is recognized in the statement of activities as it accrues. The amount presented is the difference in the accounting for these costs during the current year.	1,234,260
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The amount paid during the year \$86,872,177 exceeds bonds issued during the year \$54,965,000.	31,907,177
Change in Net Assets - Governmental Activities	<u><u>42,691,610</u></u>

The notes to the basic financial statements are an integral part of this statement.

HORRY COUNTY SCHOOLS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local Sources	\$ 192,176,699	\$ 193,016,121	\$ 188,471,433	\$ (4,544,688)
Intergovernmental	20,745	20,745	101,110	80,365
State Sources	92,923,250	92,923,250	98,005,374	5,082,124
Federal Sources	614,088	614,088	644,716	30,628
Total Revenues	<u>285,734,782</u>	<u>286,574,204</u>	<u>287,222,633</u>	<u>648,429</u>
Expenditures				
Instruction	186,470,103	187,922,569	182,125,557	5,797,012
Support Services	97,666,256	98,458,455	93,657,243	4,801,212
Community Services	2,567	4,720	4,345	375
Pupil Activities	114,300	114,300	114,300	-
Intergovernmental	4,037,700	3,870,686	3,067,246	803,440
Capital Outlay	917,760	3,030,850	2,309,370	721,480
Total Expenditures	<u>289,208,686</u>	<u>293,401,580</u>	<u>281,278,061</u>	<u>12,123,519</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,473,904)</u>	<u>(6,827,376)</u>	<u>5,944,572</u>	<u>12,771,948</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	3,892	4,592	44,568	39,976
Transfers In	5,911,057	5,987,374	7,083,344	1,095,970
Transfers Out	(1,486,713)	(1,486,713)	(2,730,558)	(1,243,845)
Total Other Financing Sources (Uses)	<u>4,428,236</u>	<u>4,505,253</u>	<u>4,397,354</u>	<u>(107,899)</u>
Net Change in Fund Balances	<u>954,332</u>	<u>(2,322,123)</u>	<u>10,341,926</u>	<u>12,664,049</u>
Fund Balance - Beginning			<u>51,709,874</u>	
Fund Balance - Ending			<u>62,051,800</u>	

The notes to the basic financial statements are an integral part of this statement.

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local Sources	\$ 1,394,629	\$ 2,076,899	\$ 1,500,971	\$ (575,928)
State Sources	8,403,378	10,278,044	8,732,815	(1,545,229)
Federal Sources	43,951,734	53,272,156	39,112,505	(14,159,651)
Total Revenues	<u>53,749,741</u>	<u>65,627,099</u>	<u>49,346,291</u>	<u>(16,280,808)</u>
Expenditures				
Instruction	30,184,203	36,580,195	26,221,165	10,359,030
Support Services	21,413,451	24,529,794	19,766,082	4,763,712
Community Services	1,390,291	1,580,128	886,731	693,397
Pupil Activities	-	-	342,662	(342,662)
Intergovernmental	38,940	224,697	217,859	6,838
Capital Outlay	391,560	2,347,315	541,232	1,806,083
Total Expenditures	<u>53,418,445</u>	<u>65,262,129</u>	<u>47,975,731</u>	<u>17,286,398</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>331,296</u>	<u>364,970</u>	<u>1,370,560</u>	<u>1,005,590</u>
Other Financing Sources (Uses)				
Transfers In	-	1,495,724	1,495,724	-
Transfers Out	(331,296)	(1,860,694)	(1,370,560)	490,134
Total Other Financing Sources (Uses)	<u>(331,296)</u>	<u>(364,970)</u>	<u>125,164</u>	<u>490,134</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>1,495,724</u>	<u>1,495,724</u>
Fund Balance - Beginning			<u>-</u>	
Fund Balance - Ending			<u>1,495,724</u>	

The notes to the basic financial statements are an integral part of this statement.

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
State Sources	\$ 17,878,121	\$ 22,769,501	\$ 17,813,755	\$ (4,955,746)
Total Revenues	<u>17,878,121</u>	<u>22,769,501</u>	<u>17,813,755</u>	<u>(4,955,746)</u>
Expenditures				
Instruction	11,806,396	16,556,902	11,486,243	5,070,659
Support Services	1,828,862	1,815,602	1,601,946	213,656
Community Services	27,619	-	-	-
Intergovernmental	3,850	81,009	80,735	274
Capital Outlay	27,611	132,205	126,165	6,040
Total Expenditures	<u>13,694,338</u>	<u>18,585,718</u>	<u>13,295,089</u>	<u>5,290,629</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,183,783</u>	<u>4,183,783</u>	<u>4,518,666</u>	<u>334,883</u>
Other Financing Sources (Uses)				
Transfers Out	(4,183,783)	(4,183,783)	(4,518,666)	(334,883)
Total Other Financing Sources (Uses)	<u>(4,183,783)</u>	<u>(4,183,783)</u>	<u>(4,518,666)</u>	<u>(334,883)</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning			<u>-</u>	
Fund Balance - Ending			<u>-</u>	

The notes to the basic financial statements are an integral part of this statement.

HORRY COUNTY SCHOOLS
STATEMENT OF NET ASSETS
PROPRIETARY FUND

JUNE 30, 2011

Assets	Food Service Fund
Current Assets:	
Cash and Cash Equivalents	\$ 4,636,672
Accounts Receivable	133,445
Inventories	<u>311,279</u>
Total Current Assets	<u>5,081,396</u>
Noncurrent Assets:	
Property and Equipment	5,195,448
Accumulated Depreciation	<u>(2,854,744)</u>
Total Noncurrent Assets	<u>2,340,704</u>
Total Assets	<u>7,422,100</u>
Liabilities	
Current Liabilities:	
Accounts Payable	36,337
Accrued Salaries	821,779
Accrued Liabilities	349,949
Deferred Revenue	136,012
Compensated Absences Payable	<u>21,172</u>
Total Current Liabilities	<u>1,365,249</u>
Noncurrent Liabilities:	
Compensated Absences Payable	<u>31,759</u>
Total Noncurrent Liabilities	<u>31,759</u>
Total Liabilities	<u>1,397,008</u>
Net Assets	
Invested in Capital Assets	2,340,704
Unrestricted	<u>3,684,388</u>
Total Net Assets	<u><u>6,025,092</u></u>

The notes to the basic financial statements are an integral part of this statement.

HORRY COUNTY SCHOOLS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2011

	Food Service Fund
Operating Revenue	
Proceeds from Sale of Meals	\$ 5,259,321
Total Operating Revenue	<u>5,259,321</u>
Operating Expenses	
Food Costs	8,643,844
Salaries	7,503,206
Employee Benefits	2,999,409
Purchased Services	121,560
Supplies and Materials	514,893
Other Objects	46,611
Depreciation	258,092
Total Operating Expenses	<u>20,087,615</u>
Operating Income (Loss)	<u>(14,828,294)</u>
Nonoperating Revenue	
Interest	3,224
USDA Commodities	1,210,400
USDA Reimbursements	13,671,392
Other State Aid	14,163
Other Income	159,867
Total Nonoperating Revenue	<u>15,059,046</u>
Income (Loss) Before Transfers	<u>230,752</u>
Interfund Transfers From (To) Other Funds	
Transfers In	1,234,834
Transfers Out	<u>(1,194,118)</u>
Total Transfers	<u>40,716</u>
Change in Net Assets	271,468
Total Net Assets - Beginning	<u>5,753,624</u>
Total Net Assets - Ending	<u><u>6,025,092</u></u>

The notes to the basic financial statements are an integral part of this statement.

HORRY COUNTY SCHOOLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2011

	Business-Type Activities
	Enterprise Fund - Food Service
Cash Flows from Operating Activities	
Received from Patrons	\$ 5,216,144
Payments to Employees for Services	(9,327,676)
Payments to Suppliers for Goods and Services	(8,223,224)
	<u>(12,334,756)</u>
Net Cash Used by Operating Activities	
Cash Flows from Noncapital Financing Activities	
Federal Subsidy	15,380,289
State Subsidy	14,163
Non-operating Local Support	159,867
Transfers from Other Funds	1,234,834
Transfers to Other Funds	(1,194,118)
	<u>15,595,035</u>
Net Cash Provided by Noncapital Financing Activities	
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(73,570)
	<u>(73,570)</u>
Cash Flows from Investing Activities	
Interest on Investments	3,224
	<u>3,224</u>
Net Decrease in Cash and Cash Equivalents	3,189,933
Cash and Cash Equivalents - Beginning	1,446,739
Cash and Cash Equivalents - Ending	<u>4,636,672</u>
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities	
Operating Income (Loss)	(14,828,294)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:	
Depreciation Expense	258,092
Commodities Received from USDA	1,210,400
Change in Assets and Liabilities:	
Increase in Accounts Receivable	(43,177)
(Increase) in Inventories	(128,101)
Increase in Accounts Payable and Accrued Liabilities	364,975
Increase in Accrued Salaries and Compensated Absences	824,990
Increase in Deferred Revenue	6,359
	<u>2,493,538</u>
Total Adjustments	
Net Cash Used by Operating Activities	<u>(12,334,756)</u>
Non-Cash Transactions:	
Commodities Received from the USDA	<u>1,210,400</u>

The notes to the basic financial statements are an integral part of this statement.

HORRY COUNTY SCHOOLS
STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2011

Assets	Private-Purpose Trusts	Agency Funds
Cash and Investments	\$ 181,013	\$ 5,143,020
Other Assets	-	27,413
Total Assets	<u>181,013</u>	<u>5,170,433</u>
Liabilities		
Accounts Payable	1,500	255,991
Other Liabilities	-	52,446
Due to Other Governments	-	1,087,963
Due to Schools and School Organizations	-	3,774,033
Total Liabilities	<u>1,500</u>	<u>5,170,433</u>
Restricted Net Assets		
Held in Trust for Individuals and Organizations	<u>179,513</u>	
Total Net Assets	<u><u>179,513</u></u>	

The notes to the basic financial statements are an integral part of this statement.

HORRY COUNTY SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2011

	Private-Purpose Trusts
Additions	
Contributions:	
Scholarship Receipts	\$ 32,383
Other Income:	
Other Income	17,805
Investment Earnings:	
Interest	7,400
Net Increase (Decrease) in Fair Value of Investments	<u>(2,343)</u>
Total Additions	<u>55,245</u>
Deductions	
Scholarships Awarded	<u>38,634</u>
Total Deductions	<u>38,634</u>
Change in Net Assets	16,611
Total Net Assets - Beginning	<u>162,902</u>
Total Net Assets - Ending	<u><u>179,513</u></u>

The notes to the basic financial statements are an integral part of this statement.

HORRY COUNTY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

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:

Reporting Entity: Horry County Schools (The 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 Board receives State, Local and Federal government funding and must adhere to the legal requirements of each funding entity. Educational services are provided to approximately 38,000 students residing in Horry County, South Carolina. The 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 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 District and its component unit, an entity for which the 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 unit is reported in a separate column in the basic financial statements to emphasize it is legally separate from the District.

Discretely Presented Component Units: Waccamaw Park Public Charter Schools, Inc., d/b/a Bridgewater Academy and Palmetto Academy of Learning and Success, are charter schools under legislation enacted on June 18, 1996. Educational services are provided to over 100 students residing in Horry County, South Carolina. 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 the charter schools would cause the District's financial statements to be incomplete, the financial statements of the charter schools are included in those of the District. The charter schools are presented as a governmental fund type. Complete separately issued financial statements may be obtained for each of the charter schools from the administrative offices of Bridgewater Academy, 316 Bush Drive, Myrtle Beach, SC 29579 and Palmetto Academy of Learning and Success, 3530 Pampas Drive, Myrtle Beach, SC 29577.

Basis of Presentation: The financial statement presentation provides a comprehensive, entity-wide perspective of the District's net assets, revenue, expenses and changes in net assets and, as applicable, cash flows that replace the fund-group perspective previously required.

Government-Wide Statements: The statement of net assets and the statement of activities display information about the 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 District.

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide Statements (Continued): 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 District and each function of the 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.

Fund Financial Statements: The fund financial statements provide information about the District's funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements are on major governmental and enterprise funds, each displayed in a separate column. All of the District's governmental and enterprise funds are reported as major funds. The fiduciary funds are presented separately.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The District reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the 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 accounts for the proceeds of specific revenue sources (other than expendable trust, Education Improvement Act revenues or major capital projects) that are restricted to expenditures for specified purposes.

Special Revenue Fund - Education Improvement Act: This fund accounts for the revenues from a one percent State sales and use tax that are restricted to expenditures of the Education Improvement Act strategies.

Debt Service Fund: Accounts for the accumulation of restricted resources for and the payment of general long-term debt, principal and interest.

Capital Projects Fund: The Capital Projects Fund accounts for 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.

The District reports the following major enterprise fund:

Food Service Fund: The Food Service Fund is used to account for the food service program within the District.

Additionally, the District reports the following fund types:

Agency Fund - Pupil Activity Fund: This fund is used to report resources held by the 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 District in a custodial capacity to pay unemployment benefits of federal program personnel.

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued):

Private Purpose Trust Fund - Education Endowment Fund: This fund is used to account for scholarship money under the control of the District for the benefit of the students within the District.

Private Purpose Trust Fund - Scholarship Endowment Fund: This fund is used to account for scholarship money under the control of the District for the benefit of the students within the District.

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 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 District. This accounting reflects the agency relationship of the District with the student activity organizations and the accumulation of funds to pay Federal programs unemployment benefits.

Government Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The 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 District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

The District has elected not to apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

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

Budgetary Data: The District adopts an annual operating budget, which can be amended by the Board throughout the year. During the year ended June 30, 2011, there were several budget amendments. Formal budgetary accounting is employed as a management control for all funds of the 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.

Note 1. Summary of Significant Accounting Policies (Continued)

Budgetary Data (Continued):

The 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 statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments: The District accounts for its investments at fair value. Changes in unrealized gain or loss on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenditures, and changes in fund balances.

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 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 Proprietary 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 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 reserved. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

Prepays: 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 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 the year the asset is placed in service and in the year of disposition. The District does not allocate any depreciation expense directly to any program. Land and construction in progress are not depreciated.

Deferred Revenues: Deferred revenues in the governmental funds include amounts received from grant and contract sponsors that have not yet been earned.

Note 1. Summary of Significant Accounting Policies (Continued)

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, as well as issuance costs, 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 deferred charges and amortized over the term of the related debt.

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 assets 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. 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.

Non-Exchange Transactions: The District generally has two types of non-exchange transactions, government-mandated non-exchange transactions (which occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose) and voluntary non-exchange transactions (which result from legislative or contractual agreements other than exchanges, entered into willingly by the parties to the agreement). The District recognizes non-exchange transactions when they are both measurable and probable for collection. For government-mandated non-exchange transactions and voluntary non-exchange transactions, the District recognizes assets when all applicable eligibility requirements are met or resources are received, whichever is first, and recognizes revenue when all applicable eligibility requirements are met.

Net Assets: The District's net assets in the government-wide financial statements are classified as follows:

Invested in Capital Assets, Net of Related Debt: This represents the 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 Assets - Expendable: Restricted expendable net assets include resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by third parties.

Restricted Net Assets - Non-Expendable: Non-expendable restricted net assets consist of funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted Net Assets: Unrestricted net assets represent resources derived from ad valorem taxes, earnings on investments, and various local and state unrestricted grants, contracts and revenues.

Classification of Fund Balances: Beginning in fiscal year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the District's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Note 1. Summary of Significant Accounting Policies (Continued)

Classification of Fund Balances (Continued):

Nonspendable Fund Balance:

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

Restricted Fund Balance:

Amounts constrained to specific purposes by their providers (such as grants, bondholders and higher levels of government) through constitutional provisions or enabling legislation.

Committed Fund Balance:

Amounts constrained to specific purpose by the District itself, using its highest level of decision-making authority, which is the Board of Education. To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.

Assigned Fund Balance:

Amounts the District intends to use for a specific purpose. Intent can be expressed by the governing body, which is the Board of Education or by an official or body to which the Board of Education delegates the authority.

Unassigned Fund Balance:

Amounts that are available for any purpose; positive amounts are reported only in the General Fund.

It is the District's policy to apply restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. For the unrestricted fund balances when committed, assigned or unassigned resources are available for use, it is the District's policy to use committed, assigned, and unassigned resources, in this order.

The Board of Education passed a resolution whereby a 10% Reserve equal to 10% 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 \$28,400,862 is reported as committed fund balance at June 30, 2011, based on the Board of Education using its highest level of decision-making authority establishing this constraint. To remove or change this constraint, the Board would be required to take similar action.

Income Taxes: The District, as a political subdivision of the State of South Carolina, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code.

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

Operating Revenues: Operating revenues generally result from exchange transactions related to the 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 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.

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.

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

The 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 District, which are not needed for immediate disbursement by the 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.

Deposits: Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. At June 30, 2011, the carrying amount of the District's deposits was \$203,350,233 and the bank balance was \$205,307,797. Of the bank balance, \$39,190,724 was covered by FDIC insurance, \$148,924,785 was collateralized by securities held in its name and \$17,192,287 was uninsured and uncollateralized.

In accordance with GASB Statement No. 40, the District and its discretely presented component units' investments are subject to interest rate and credit risk as described below:

Credit Risk: The District's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if there are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The District does not have a policy for custodial credit risk.

Interest Rate Risk: The District does not have formal investment policies that limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Foreign Currency Risk: The District has no foreign currency investments.

Custodial Credit Risk: This is the risk that the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party if the counter party to the investment transaction fails.

Investments: The District is authorized by state statute to invest in the following:

1. Obligations of the United States and its agencies;
2. General obligations of the State of South Carolina and its political units;
3. Savings and loan associations to the extent that the same are insured by an agency of the Federal Government;
4. Certificates of Deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amounts of the certificates of deposit plus interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the Federal Government.

At June 30, 2011, the District's investments consisted of the following:

	Reported Amount	Cost Basis
U. S. Treasury Bonds	\$126,180	\$100,000
Total Investments	<u>126,180</u>	<u>100,000</u>

Investments in U.S. government securities are considered to have no credit risk. The investment noted above has an interest rate of 7.25% and a maturity date of May 15, 2016.

Note 3. Property Tax Calendar

The Horry County Treasurer collects Horry County property taxes for the District. Taxes are levied on October 1st of each year. They are due and payable without penalty until January 31st. If unpaid on August 1st 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.

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 21,275,515		\$ (215,570)	\$ 21,059,945
Construction in Progress	48,181,556	\$20,409,914	(27,352,305)	41,239,165
Total Capital Assets Not Being Depreciated	69,457,071	20,409,914	(27,567,875)	62,299,110
Capital Assets Being Depreciated:				
Buildings and Improvements	623,254,021	23,149,879	(1,221,807)	645,182,093
Land Improvements	24,265,157	1,051,771	(21,159)	25,295,769
Vehicles	4,313,030	159,970	(37,558)	4,435,442
Machinery and Equipment	20,589,642	5,929,046	(9,500)	26,509,188
Total Capital Assets Being Depreciated	672,421,850	30,290,666	(1,290,024)	701,422,492
Less Accumulated Depreciation for:				
Buildings and Improvements	(124,213,562)	(12,821,040)	852,218	(136,182,384)
Land Improvements	(10,989,951)	(854,226)	21,159	(11,823,018)
Vehicles	(3,277,296)	(259,640)	37,558	(3,499,378)
Machinery and Equipment	(13,268,835)	(2,282,721)	2,797	(15,548,759)
Total Accumulated Depreciation	(151,749,644)	(16,217,627)	913,732	(167,053,539)
Total Capital Assets Being Depreciated, Net	520,672,206	14,073,039	(376,292)	534,368,953
Governmental Activities Capital Assets, Net	590,129,277	34,482,953	(27,944,167)	596,668,063
Business-Type Activities:				
School Food Service Fund:				
Capital Assets Being Depreciated:				
Machinery and Equipment	5,079,011	73,572		5,152,583
Vehicles	42,864			42,864
Total Capital Assets Being Depreciated	5,121,877	73,572		5,195,449
Less Accumulated Depreciation for:				
Machinery and Equipment	(2,566,101)	(256,198)		(2,822,299)
Vehicles	(30,550)	(1,894)		(32,444)
Total Accumulated Depreciation	(2,596,651)	(258,092)		(2,854,743)
Business-Type Activities Capital Assets, Net	2,525,224	(184,520)		2,340,704

The District had active construction projects as of June 30, 2011. These projects consisted of commitments with contractors for the construction of new schools and the renovation of existing facilities. The District had incurred expenditures of approximately \$38,401,573 and had a remaining commitment of approximately \$6,809,397, related to these active projects.

Note 4. Capital Assets (Continued)

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

Governmental Activities:	
Instruction	\$10,618,545
Support	5,556,041
Community Services	<u>43,041</u>
Total Depreciation - Governmental Activities	<u><u>16,217,627</u></u>
Business-Type Activities:	
Food Service	<u>\$ 258,092</u>

Note 5. Pension Plans

The Retirement Division of the State Budget and Control Board maintains four independent defined benefit plans and issues a publicly available Comprehensive Annual Financial Report (CAFR), which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to the Retirement Division, 202 Arbor Lake Drive, Columbia, South Carolina 29223.

Article X, Section 16 of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits, and employee/employer contributions for each pension plan. Employee and employer contribution rates for the South Carolina Retirement System are actuarially determined. Annual benefits payable monthly for life are based on length of service and on average final compensation.

The majority of employees of the 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.

Effective July 1, 2008, employees participating in the SCRS have been required to contribute 6.5% of all compensation and the employer contribution rate became 13.14%, which includes a 3.9% surcharge to fund retiree health and dental insurance coverage. In addition to the above rates, SCRS contributes .15% of compensation to provide a group life insurance benefit for participants. The District's actual contributions to the SCRS for the three most recent fiscal years ended June 30, 2011, 2010, and 2009, were \$29,886,640, \$28,910,014, and \$29,238,598, respectively, and equaled the required contributions. Total payroll for the years ended June 30, 2011, 2010, and 2009 were \$231,824,674, \$236,297,490, and \$241,004,276. Covered payroll for the years ended June 30, 2011, 2010, and 2009 were \$227,447,790, \$226,923,187, and \$229,502,330.

Effective January 1, 2001, Section 9-1 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. 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.

Note 6. 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 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 District for its active employees and to the State Budget and Control Board for all participating State retirees except for portions funded through the pension surcharge and provided from other fund sources of the 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 5, the District paid \$8,770,346 applicable to the 3.90% surcharge included with the employer contributions for retirement benefits. These amounts were remitted to the South Carolina Retirement Systems for distribution to the Offices of Insurance Services for retiree health and dental insurance benefits.

Information regarding the cost of insurance benefits applicable to the District's retirees is not available. By State law, the 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 7. Contingencies and Litigation

The District is party to various lawsuits arising out of the normal conduct of its operations. In the opinion of the District's management, the ultimate effect of these legal matters will not have a material adverse effect on the District's financial position.

The District participates in certain federal and state grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material.

Note 8. Risk Management

The 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 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 District pays an annual premium to SCSBIT/WCTF for its workers' compensation insurance coverage based upon the total payroll of the 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 District obtains coverage for its property and casualty insurance through the South Carolina Insurance Reserve Fund. There have been no significant reductions in insurance coverage over the prior years.

Note 9. Receivables/Allowance for Doubtful Accounts

The amounts presented in the statement of net assets is reported net of the allowance for doubtful accounts as follows:

Property Taxes, Current	\$33,304,469
Allowance for Doubtful Accounts	<u>(13,321,788)</u>
Property Taxes, Current, Net	<u>19,982,681</u>

Note 10. Long-Term Obligations

Bonds payable consisted of the following at June 30, 2011:

		Interest Rates	Maturity Dates	Balance June 30, 2011
General Obligation Bonds				
Series 2001A	70,000,000	4.00-5.375%	March 1, 2021	\$ 3,970,000
Series 2002A	74,600,000	3.25-5.125%	March 1, 2022	6,000,000
Series 2003A	63,960,000	3.00-5.000%	January 1, 2016	23,510,000
Series 2003B	16,950,000	2.00-4.000%	March 1, 2016	5,405,000
Series 2005B	3,920,000	3.00-4.500%	March 1, 2020	3,800,000
Series 2005A	70,000,000	3.00-5.000%	March 1, 2030	67,520,000
Series 2006A	125,000,000	4.00-5.000%	March 1, 2031	124,975,000
Series 2007B	68,800,000	4.00-5.000%	March 1, 2027	53,030,000
Series 2010A	43,330,000	2.00-5.000%	March 1, 2021	43,130,000
Series 2011A	54,965,000	3.00-5.000%	March 1, 2022	<u>54,965,000</u>
Total General Obligation Bonds				<u>386,305,000</u>

Constitutionally, the District is limited in the amount of debt it can hold to 8% of the assessed value of all taxable property within the District. This constitutional debt limit does not include any debt existing prior to November 30, 1982, or any debt approved by referendum. At June 30, 2011, the District is within its debt limit.

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

On May 31, 2011, the District issued \$54,965,000 in general obligation refunding bonds to provide resources that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$59,090,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the Statement of Net Assets. The advance refunding was undertaken to reduce total debt service over the next eleven years by \$6,930,396 and resulted in an economic gain of \$5,572,177.

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

Year Ended June 30:	Principal	Interest	Payments
2012	\$ 18,250,000	\$ 17,541,361	\$ 35,791,361
2013	19,365,000	17,371,394	36,736,394
2014	20,300,000	16,428,144	36,728,144
2015	21,255,000	15,494,394	36,749,394
2016	22,255,000	14,516,594	36,771,594
2017-21	103,230,000	57,651,144	160,881,144
2022-26	103,610,000	33,267,913	136,877,913
2027-31	<u>78,040,000</u>	<u>11,011,337</u>	<u>89,051,337</u>
Totals	<u>386,305,000</u>	<u>183,282,281</u>	<u>569,587,281</u>

Note 10. Long-Term Obligations (Continued)

Long-term liability activity for the year ended June 30, 2011, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Changes in Long-Term Liabilities					
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds:	\$412,640,000	\$54,965,000	\$(81,300,000)	\$386,305,000	\$18,250,000
Plus Deferred Amounts For Issuance Premiums On Refunding	17,359,489 (5,544,399)	9,867,454 (5,572,177)	(1,943,880) 736,239	25,283,063 (10,380,337)	2,772,397 (1,200,588)
Total Bonds Payable	424,455,090	59,260,277	(82,507,641)	401,207,726	19,821,809
Compensated Absences	3,572,085	1,727,759	(1,428,834)	3,871,010	1,548,404
Government Activities Long-Term Liabilities	<u>428,027,175</u>	<u>60,988,036</u>	<u>(83,936,475)</u>	<u>405,078,736</u>	<u>21,370,213</u>

Over the years, when the District believed the current economic outlook was favorable, they elected to issue general obligation refunding Debt to defease outstanding debt which provided economic gains to the District. This advance refunding of Debt resulted in the proceeds of the new debt being placed into an irrevocable trust to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the Statement of Net Assets. At June 30, 2011, \$125,320,000 of general obligation bonds is outstanding defeased debt.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Compensated Absences	\$49,720	\$22,399	\$(19,188)	\$52,931	\$21,172
Business-Type Activities Long-Term Liabilities	<u>49,720</u>	<u>22,399</u>	<u>(19,188)</u>	<u>52,931</u>	<u>21,172</u>

The General Fund and Proprietary Fund have typically been utilized in prior years to liquidate the liability for compensated absences.

Note 11. 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.

A summary of these interfund balances at June 30, 2011, are as follows:

Due From:		
General Fund		
Due from Special Projects Fund		\$32,434
Due To:		
Special Projects Fund		
Due to General Fund		(32,434)

Note 11. Inter-Fund Balances and Activity (Continued)

All of the above balances are short-term advances between funds and will be liquidated in the next fiscal year.

Inter-fund transfers for the year ended June 30, 2011, consist of the following:

From the General Fund to the Food Service Fund for operating costs	\$ (1,234,834)
From the Special Projects Fund to the General Fund for indirect costs	(1,370,560)
From the Education Improvement Act Fund to the General Fund for teacher salaries and benefits	(4,518,666)
From the Food Service Fund to the General Fund for indirect costs	(1,194,118)
From the Debt Service Fund to the Capital Projects Fund to fund current and ongoing construction projects	(55,408,220)
From the General Fund to the Special Projects Fund for matching funds	(1,495,724)
To the General Fund from the Education Improvement Act Fund for teacher salaries and benefits	4,518,666
To the General Fund from the Special Projects Fund for indirect costs	1,370,560
To the General Fund from the Food Service Fund for indirect costs	1,194,118
To the Food Service Fund from the General Fund for operating costs	1,234,834
To the Capital Projects Fund from the Debt Service Fund to fund current and ongoing construction projects	55,408,220
To the Special Projects Fund from the General Fund for matching funds	<u>1,495,724</u>
Total	<u><u>-</u></u>

Note 12. Operating Leases

The District has entered into various operating leases for copiers and postage meters. The lease periods range from 3 years to 5 years. During the current fiscal year, a total of \$1,059,543 was spent under operating leases. A summary of the aggregate minimum future rentals are as follows:

Year Ending June 30,

2012	\$ 959,017
2013	507,256
2014	258,775
2015	85,990
2016	<u>7,896</u>
Total	<u><u>1,818,934</u></u>

Note 13. Reconciliation of Certain Functional Expenditures to Functional Expenses

The following is a reconciliation of certain functional expenses from the Statement of Revenues, Expenditures and Changes in Fund Balance to the Government-Wide Statement of Activities.

	<u>Functions</u>			
	<u>Instruction</u>	<u>Support</u>	<u>Community Service</u>	<u>Inter-Governmental</u>
From Statement of Revenues, Expenditures and Changes in Fund Balance	\$219,841,958	\$119,687,739	\$891,076	\$3,365,840
Reconciling Items:				
Depreciation Expense	10,618,545	5,556,041	43,041	
Loss on Sale of Capital Assets	209,654	109,665	3,225	
Compensated Absence		298,925		
Allocation of Capital Outlay - Not Capitalized	3,650,084	1,909,868	14,795	
Allocation of Intergovernmental Activity	<u>2,203,795</u>	<u>1,153,112</u>	<u>8,933</u>	<u>(3,365,840)</u>
From Statement of Activities	<u><u>236,524,036</u></u>	<u><u>128,715,350</u></u>	<u><u>961,070</u></u>	<u><u>-</u></u>

Note 13. Reconciliation of Certain Functional Expenditures to Functional Expenses (Continued)

The District allocated capital outlay expenditures that were in excess of amounts capitalized as part of capital asset additions based upon actual capital outlay expenditures recorded in the governmental fund statements under each function.

Note 14. Funding Flexibility

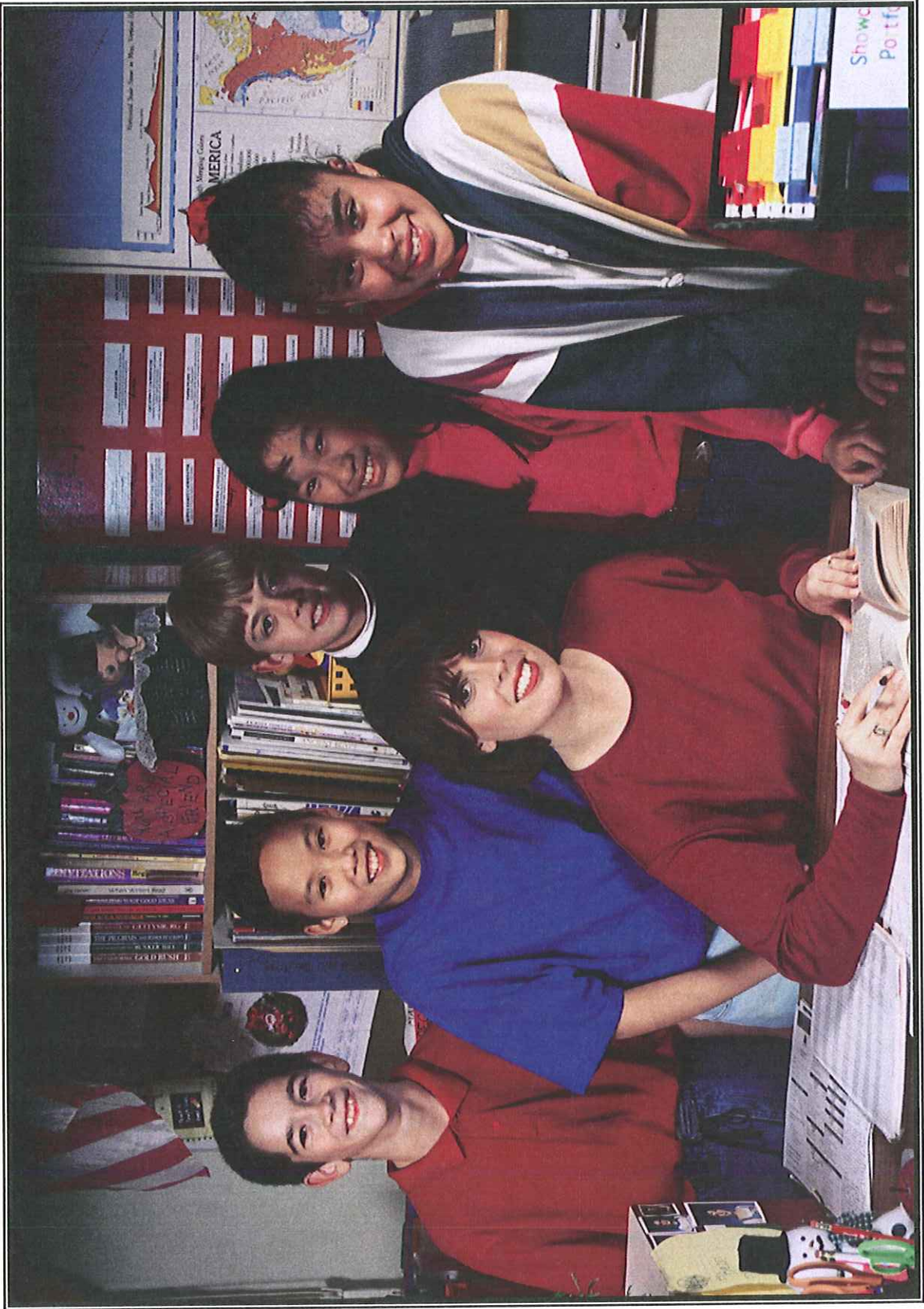
The State of South Carolina passed a Joint Resolution to provide funding flexibility for the fiscal year ended June 30, 2011. Under the resolution, school districts may transfer revenue between programs to any instructional program with the same funding source and may make expenditures for instructional 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 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 District's General Fund was not measured.

Note 15. Subsequent Events

The District evaluated the effects subsequent events would have on the financial statements through the date of the auditors' report, which is the date the financial statements were available for issuance. As a result of this evaluation, no events requiring disclosure were noted.

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 District collects in a fiduciary capacity. Operational expenditures for general education, support services and other departments of the District are paid through the General Fund.



HORRY COUNTY SCHOOLS
GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2011 AND 2010

	2011	2010
Assets		
Cash and Investments	\$ 83,971,884	\$ 65,114,831
Receivables:		
Property Taxes, Current	16,923,545	17,435,155
Accrued Interest	27,582	175,517
Other	49,459	92,581
Due from Other State Agencies	3,745,495	3,910,162
Due from State Department of Education	682,896	472,014
Due from Federal Government	107,320	102,128
Due from Special Revenue Fund	32,434	5,457,425
Inventories	475,387	443,861
Prepaid Expenditures	1,941,371	1,570,096
	<u>107,957,373</u>	<u>94,773,770</u>
Total Assets		
 Liabilities and Fund Balances		
Liabilities		
Accounts Payable	2,057,873	2,400,315
Due to Other State Agencies	185,957	-
Accrued Salaries	18,278,778	16,671,996
Accrued Liabilities	9,591,300	8,875,408
Deferred Revenue	15,791,665	15,116,177
	<u>45,905,573</u>	<u>43,063,896</u>
Total Liabilities		
 Fund Balances		
Nonspendable	2,416,758	2,013,957
Committed	28,400,862	27,541,000
Assigned	2,959,670	4,418,040
Unassigned	28,274,510	17,736,877
	<u>62,051,800</u>	<u>51,709,874</u>
Total Fund Balances		
	<u>107,957,373</u>	<u>94,773,770</u>
Total Liabilities and Fund Balances		

HORRY COUNTY SCHOOLS

GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Revenues		
Local Sources	\$ 188,318,794	\$ 188,865,408
Intergovernmental	101,110	66,970
State Sources	98,005,374	93,900,392
Federal Sources	644,716	659,845
Total Revenues	<u>287,069,994</u>	<u>283,492,615</u>
Expenditures		
Instruction	182,125,557	182,222,202
Support Services	93,657,243	104,967,412
Community Services	4,345	2,398
Intergovernmental	3,067,246	1,788,610
Capital Outlay	2,309,370	3,862,654
Total Expenditures	<u>281,163,761</u>	<u>292,843,276</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,906,233</u>	<u>(9,350,661)</u>
Other Financing Sources (Uses)		
Sale of Capital Assets	44,568	66,580
Transfers In	7,235,983	6,788,393
Transfers Out	(2,844,858)	(1,562,132)
Total Other Financing Sources (Uses)	<u>4,435,693</u>	<u>5,292,841</u>
Net Change in Fund Balances	10,341,926	(4,057,820)
Fund Balance - Beginning	<u>51,709,874</u>	<u>55,767,694</u>
Fund Balance - Ending	<u><u>62,051,800</u></u>	<u><u>51,709,874</u></u>

HORRY COUNTY SCHOOLS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Positive (Negative)
Revenues			
Revenue from Local Sources:			
1110 Ad Valorem Taxes - Including Delinquent	\$ 180,765,106	\$ 176,784,558	\$ (3,980,548)
1140 Penalties & Interest on Taxes	2,048,470	2,411,698	363,228
1280 Revenue in Lieu of Taxes	4,747,707	4,857,891	110,184
1310 From Patrons for Regular Day School	18,322	63,830	45,508
1320 From Other LEAs for Regular Day School	1,000	-	(1,000)
1330 From Patrons for Adult/Continuing Ed	26,622	42,306	15,684
1510 Interest on Investments	665,879	92,175	(573,704)
1910 Rentals	16,021	101,465	85,444
1920 Contributions & Donations Private Sources	11,947	1,500	(10,447)
1930 Medicaid	4,402,006	3,567,118	(834,888)
1950 Refund of Prior Year's Expenditures	104,656	108,658	4,002
1993 Receipt of Insurance Proceeds	122,386	48,184	(74,202)
1994 Receipt of Legal Settlements	1,629	356	(1,273)
1999 Revenue from Other Local Sources	84,370	239,055	154,685
Total Local Sources	193,016,121	188,318,794	(4,697,327)
Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	20,745	101,110	80,365
Revenue from State Sources:			
3100 Restricted State Funding:			
3129 Consolidated Funding	-	1,167,209	1,167,209
3131 Handicapped Transportation	12,321	14,128	1,807
3132 Home Schooling	10,922	5,249	(5,673)
3160 School Bus Drivers' Salary	1,747,012	1,983,547	236,535
3161 EAA Bus Driver	31,328	11,923	(19,405)
3162 Transportation Workers' Compensation	188,653	183,951	(4,702)
3180 Fringe Benefits Employer Contributions	13,803,779	14,703,847	900,068
3181 Retiree Insurance	4,048,103	5,452,064	1,403,961
3197 Textbook Cost Savings	-	463,722	463,722
3199 Other Restricted State Grants	74,216	-	(74,216)
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	1,945,431	2,163,127	217,696
3312 Primary	5,514,925	5,646,716	131,791
3313 Elementary	6,866,516	7,370,685	504,169
3314 High School	3,535,243	3,893,958	358,715
3315 Trainable Mentally Handicapped	172,649	130,448	(42,201)
3316 Speech Handicapped (Part-Time Program)	1,880,809	1,835,531	(45,278)
3317 Homebound	154,778	174,910	20,132
3320 Part-Time Programs:			
3321 Emotionally Handicapped	238,280	211,313	(26,967)
3322 Educable Mentally Handicapped	215,859	176,100	(39,759)
3323 Learning Disabilities	3,561,582	3,564,542	2,960
3324 Hearing Handicapped	79,524	81,750	2,226
3325 Visually Handicapped	40,407	39,489	(918)
3326 Orthopedically Handicapped	60,431	57,337	(3,094)
3327 Vocational	3,421,461	3,277,125	(144,336)
3330 Other EFA Programs:			
3331 Autism	202,256	246,738	44,482
3350 Residential Treatment Facility	-	30,628	30,628
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	11,378,339	11,391,149	12,810
3820 Homestead Exemption (Tier 2)	3,952,008	3,952,008	-
3825 Reimbursement for Property Tax Relief (Tier 3)	28,226,562	28,379,244	152,682
3830 Merchant's Inventory Tax	701,824	701,824	-
3840 Manufacturer's Depreciation Reimbursement	302,455	266,503	(35,952)
3890 Other State Property Tax Revenues	555,577	332,798	(222,779)
3900 Other State Revenue:	-	95,811	95,811
3999 Revenue from Other State Sources	-	95,811	95,811
Total State Sources	92,923,250	98,005,374	5,082,124
Revenue from Federal Sources			
4999 Revenue from Other Federal Sources	614,088	644,716	30,628
Total Revenue - All Sources	286,574,204	287,069,994	495,790

HORRY COUNTY SCHOOLS

SCHEDULE A-3

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued)			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	\$ 8,301,143	\$ 8,301,143	\$ -
200 Employee Benefits	2,991,832	2,991,570	262
300 Purchased Services	5,301	1,716	3,585
400 Supplies and Materials	134,263	104,700	29,563
500 Capital Outlay	2,559	670	1,889
600 Other Objects	100	97	3
112 Primary Programs:			
100 Salaries	25,062,618	25,061,965	653
140 Terminal Leave	430	430	-
150 TERI - Second Annual Leave Payout	2,305	2,305	-
200 Employee Benefits	7,934,251	7,934,069	182
300 Purchased Services	514,072	498,050	16,022
400 Supplies and Materials	525,057	487,851	37,206
500 Capital Outlay	15,953	13,295	2,658
600 Other Objects	1,290	1,285	5
113 Elementary Programs:			
100 Salaries	33,250,218	33,243,852	6,366
140 Terminal Leave	2,220	2,220	-
150 TERI - Second Annual Leave Payout	3,130	3,130	-
200 Employee Benefits	10,526,883	10,521,862	5,021
300 Purchased Services	334,909	334,703	206
400 Supplies and Materials	854,596	854,097	499
500 Capital Outlay	353,821	353,497	324
600 Other Objects	7,898	7,842	56
114 High School Programs:			
100 Salaries	27,756,831	27,756,310	521
140 Terminal Leave	1,200	1,200	-
150 TERI - Second Annual Leave Payout	3,150	3,150	-
200 Employee Benefits	8,369,070	8,363,182	5,888
300 Purchased Services	1,033,732	968,512	65,220
400 Supplies and Materials	1,105,591	1,104,567	1,024
500 Capital Outlay	75,463	74,160	1,303
600 Other Objects	22,460	22,248	212
115 Vocational Programs:			
100 Salaries	3,570,667	3,567,642	3,025
200 Employee Benefits	1,128,493	1,125,917	2,576
300 Purchased Services	53,378	53,095	283
400 Supplies and Materials	152,284	139,766	12,518
500 Capital Outlay	6,275	5,120	1,155
600 Other Objects	1,900	1,834	66
117 Driver Education Program:			
500 Capital Outlay	17,585	17,585	-
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	356,620	285,080	71,540
200 Employee Benefits	105,375	83,238	22,137
400 Supplies and Materials	5,169	3,459	1,710
122 Trainable Mentally Handicapped:			
100 Salaries	1,757,895	1,721,321	36,574
200 Employee Benefits	592,447	586,643	5,804
300 Purchased Services	331	326	5
400 Supplies and Materials	15,579	13,799	1,780
600 Other Objects	542	542	-

HORRY COUNTY SCHOOLS

SCHEDULE A-3

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued)			
100 Instruction (Continued):			
120 Exceptional Programs (Continued):			
123 Orthopedically Handicapped:			
100 Salaries	\$ 738,161	\$ 647,613	\$ 90,548
200 Employee Benefits	246,354	215,627	30,727
300 Purchased Services	81,500	65,926	15,574
400 Supplies and Materials	511	335	176
124 Visually Handicapped:			
100 Salaries	179,683	83,924	95,759
200 Employee Benefits	57,670	27,840	29,830
300 Purchased Services	7,800	-	7,800
400 Supplies and Materials	5,082	2,438	2,644
500 Capital Outlay	2,000	1,447	553
125 Hearing Handicapped:			
100 Salaries	287,193	283,232	3,961
200 Employee Benefits	107,067	107,050	17
300 Purchased Services	8,800	-	8,800
400 Supplies and Materials	1,706	1,624	82
500 Capital Outlay	4,000	-	4,000
126 Speech Handicapped:			
100 Salaries	2,785,014	2,572,263	212,751
200 Employee Benefits	854,280	799,905	54,375
300 Purchased Services	7,451	-	7,451
400 Supplies and Materials	20,028	11,076	8,952
500 Capital Outlay	3,150	3,116	34
127 Learning Disabilities:			
100 Salaries	19,444,830	18,473,484	971,346
140 Terminal Leave	135	135	-
200 Employee Benefits	6,303,432	5,982,751	320,681
300 Purchased Services	1,203,854	645,585	558,269
400 Supplies and Materials	197,179	145,875	51,304
500 Capital Outlay	7,000	10,176	(3,176)
600 Other Objects	900	815	85
128 Emotionally Handicapped:			
100 Salaries	1,400,451	1,251,907	148,544
200 Employee Benefits	472,622	413,962	58,660
300 Purchased Services	300	129	171
400 Supplies and Materials	10,433	6,166	4,267
130 Pre-School Programs:			
137 Pre-School Handicapped - Self-Contained (3 & 4 yr. olds):			
100 Salaries	1,655,455	1,506,666	148,789
140 Terminal Leave	892	892	-
200 Employee Benefits	559,985	504,522	55,463
300 Purchased Services	4,000	3,633	367
400 Supplies and Materials	702	275	427
600 Other Objects	60	60	-
139 Early Childhood Programs:			
100 Salaries	872,732	125,315	747,417
200 Employee Benefits	272,752	18,798	253,954
300 Purchased Services	14,177	12,864	1,313
400 Supplies and Materials	104,802	32,713	72,089
500 Capital Outlay	2,723	1,224	1,499
600 Other Objects	1,245	1,244	1

HORRY COUNTY SCHOOLS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued)			
100 Instruction (Continued):			
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	\$ 3,365,197	\$ 3,307,567	\$ 57,630
200 Employee Benefits	1,022,628	1,012,641	9,987
300 Purchased Services	82,007	34,408	47,599
400 Supplies and Materials	124,181	112,855	11,326
500 Capital Outlay	51,000	2,042	48,958
600 Other Objects	100	81	19
143 Advanced Placement:			
100 Salaries	48,256	47,355	901
200 Employee Benefits	9,844	9,789	55
300 Purchased Services	71,743	44,396	27,347
400 Supplies and Materials	17,000	267	16,733
145 Homebound:			
100 Salaries	716,172	594,201	121,971
200 Employee Benefits	147,102	115,199	31,903
300 Purchased Services	203,000	75,740	127,260
400 Supplies and Materials	815	267	548
149 Other Special Programs:			
100 Salaries	3,055,057	2,933,330	121,727
200 Employee Benefits	921,432	860,486	60,946
300 Purchased Services	41,155	40,317	838
400 Supplies and Materials	144,578	106,296	38,282
500 Capital Outlay	31,038	31,008	30
600 Other Objects	325	315	10
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	1,941,748	1,473,946	467,802
200 Employee Benefits	700,468	562,191	138,277
300 Purchased Services	61,000	27,860	33,140
400 Supplies and Materials	33,567	19,043	14,524
500 Capital Outlay	5,000	2,968	2,032
170 Summer School Program:			
172 Elementary Summer School:			
100 Salaries	23,550	23,467	83
200 Employee Benefits	4,956	4,938	18
400 Supplies and Materials	850	-	850
174 Gifted and Talented Summer School:			
100 Salaries	15,000	-	15,000
200 Employee Benefits	3,142	-	3,142
300 Purchased Services	18,197	-	18,197
400 Supplies and Materials	56,979	-	56,979
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	2,886	2,649	237
200 Employee Benefits	1,327	548	779
300 Purchased Services	100	99	1
400 Supplies and Materials	3,500	3,350	150
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
100 Salaries	165,443	116,397	49,046
200 Employee Benefits	48,454	32,468	15,986
300 Purchased Services	19,600	12,269	7,331
400 Supplies and Materials	6,500	5,019	1,481

HORRY COUNTY SCHOOLS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued)			
100 Instruction (Continued):			
180 Adult/Continuing Educational Programs (Continued):			
182 Adult Secondary Education Programs:			
100 Salaries	\$ 276,803	\$ 276,650	\$ 153
200 Employee Benefits	83,185	83,185	-
300 Purchased Services	825	824	1
400 Supplies and Materials	9,050	8,096	954
183 Adult English Literacy (ESL):			
100 Salaries	5,465	3,429	2,036
200 Employee Benefits	1,122	350	772
400 Supplies and Materials	501	-	501
188 Parenting/Family Literacy:			
100 Salaries	507	505	2
200 Employee Benefits	59	49	10
300 Purchased Services	325	312	13
400 Supplies and Materials	356	227	129
190 Instructional Pupil Activity:			
100 Salaries	65,637	55,741	9,896
200 Employee Benefits	13,500	11,484	2,016
300 Purchased Services	2,850	2,500	350
400 Supplies and Materials	3,169	754	2,415
600 Other Objects	3,888	602	3,286
Total Instruction	188,517,136	182,642,132	5,875,004
200 Supporting Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	2,304,963	2,266,150	38,813
140 Terminal Leave	1,200	1,200	-
200 Employee Benefits	782,803	764,386	18,417
300 Purchased Services	30,451	30,441	10
400 Supplies and Materials	14,040	14,011	29
500 Capital Outlay	4,900	4,631	269
212 Guidance Services:			
100 Salaries	5,095,757	5,089,284	6,473
140 Terminal Leave	2,400	2,400	-
200 Employee Benefits	1,611,544	1,570,655	40,889
300 Purchased Services	7,377	2,685	4,692
400 Supplies and Materials	22,909	18,087	4,822
500 Capital Outlay	450	426	24
213 Health Services:			
100 Salaries	1,844,909	1,841,498	3,411
200 Employee Benefits	672,996	620,764	52,232
300 Purchased Services	97,350	58,578	38,772
400 Supplies and Materials	152,988	143,643	9,345
500 Capital Outlay	1,500	1,050	450
214 Psychological Services:			
100 Salaries	1,789,878	1,789,763	115
200 Employee Benefits	544,179	541,925	2,254
300 Purchased Services	20,500	-	20,500
400 Supplies and Materials	13,900	13,760	140
500 Capital Outlay	12,000	10,697	1,303

HORRY COUNTY SCHOOLS

SCHEDULE A-3

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued)			
200 Supporting Services (Continued):			
210 Pupil Services (Continued):			
215 Exceptional Program Services:			
100 Salaries	\$ 98,899	\$ 98,785	\$ 114
200 Employee Benefits	32,251	32,138	113
400 Supplies and Materials	64,665	255	64,410
217 Career Specialist Services:			
100 Salaries	3,600	-	3,600
200 Employee Benefits	739	-	739
220 Instructional Staff Services:			
221 Improvement of Instruction - Curriculum Development:			
100 Salaries	2,113,585	2,089,396	24,189
200 Employee Benefits	587,704	576,369	11,335
300 Purchased Services	156,553	103,946	52,607
400 Supplies and Materials	37,737	29,899	7,838
500 Capital Outlay	14,928	14,872	56
600 Other Objects	500	50	450
222 Library and Media Services:			
100 Salaries	3,791,581	3,791,542	39
140 Terminal Leave	1,400	1,400	-
200 Employee Benefits	1,267,960	1,267,750	210
300 Purchased Services	1,991	1,968	23
400 Supplies and Materials	335,865	298,924	36,941
500 Capital Outlay	8,600	8,558	42
600 Other Objects	550	523	27
223 Supervision of Special Programs:			
100 Salaries	1,199,861	1,165,021	34,840
140 Terminal Leave	4,031	4,031	-
200 Employee Benefits	366,153	342,741	23,412
300 Purchased Services	42,830	9,057	33,773
400 Supplies and Materials	25,700	8,937	16,763
500 Capital Outlay	1,250	-	1,250
600 Other Objects	450	438	12
224 Improvement of Instruction - Inservice and Staff Training:			
100 Salaries	301,947	242,415	59,532
200 Employee Benefits	80,399	69,074	11,325
300 Purchased Services	288,624	150,412	138,212
400 Supplies and Materials	87,682	66,561	21,121
500 Capital Outlay	23,340	13,317	10,023
600 Other Objects	2,000	1,985	15
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	128,640	119,790	8,850
200 Employee Benefits	28,085	26,754	1,331
300 Purchased Services	511,250	288,672	222,578
318 Audit Services	47,000	47,000	-
400 Supplies and Materials	12,000	11,904	96
600 Other Objects	41,900	35,853	5,047
232 Office of the Superintendent:			
100 Salaries	690,760	690,427	333
140 Terminal Leave	1,200	1,200	-
200 Employee Benefits	193,512	192,342	1,170
300 Purchased Services	30,000	17,854	12,146
400 Supplies and Materials	26,280	25,264	16
500 Capital Outlay	4,750	4,718	32
600 Other Objects	10,700	10,690	10

HORRY COUNTY SCHOOLS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued)			
200 Supporting Services (Continued):			
230 General Administrative Services (Continued):			
233 School Administration:			
100 Salaries	\$ 15,575,987	\$ 15,568,679	\$ 7,308
140 Terminal Leave	6,866	6,866	-
150 TERI - Second Annual Leave Payout	35,045	35,045	-
200 Employee Benefits	4,585,283	4,584,348	935
300 Purchased Services	114,965	114,590	375
400 Supplies and Materials	156,612	153,887	2,725
500 Capital Outlay	6,721	6,715	6
600 Other Objects	21,737	18,686	3,051
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	1,000	901	99
200 Employee Benefits	173	171	2
300 Purchased Services	18,726	2,661	16,065
252 Fiscal Services:			
100 Salaries	1,393,345	1,392,640	705
140 Terminal Leave	8,656	8,656	-
200 Employee Benefits	434,580	426,589	7,991
300 Purchased Services	41,869	37,618	4,251
400 Supplies and Materials	40,743	24,825	15,918
500 Capital Outlay	43,507	42,936	571
600 Other Objects	37,771	16,608	21,163
253 Facilities Acquisition & Construction:			
300 Purchased Services	203,340	959	202,381
254 Operation and Maintenance of Plant:			
100 Salaries	8,713,917	8,660,898	53,019
140 Terminal Leave	29,058	29,058	-
150 TERI - Second Annual Leave Payout	8,008	8,008	-
200 Employee Benefits	3,135,459	2,979,526	155,933
300 Purchased Services	4,403,332	3,875,701	527,631
321 Public Utilities	187,453	164,991	22,462
400 Supplies and Materials	2,379,343	2,265,892	113,451
470 Energy	346,687	330,156	16,531
500 Capital Outlay	96,180	97,126	(946)
600 Other Objects	8,405	8,116	289
255 Student Transportation:			
100 Salaries	8,992,314	8,990,269	2,045
140 Terminal Leave	302	302	-
200 Employee Benefits	3,516,870	3,456,300	60,570
300 Purchased Services	561,747	320,475	241,272
400 Supplies and Materials	218,768	195,399	23,369
500 Capital Outlay	376,954	112,457	264,497
256 Food Services:			
100 Salaries	69,501	-	69,501
200 Employee Benefits	5,317	-	5,317
300 Purchased Services	11,860	5,983	5,877

HORRY COUNTY SCHOOLS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued)			
200 Supporting Services (Continued):			
250 Finance and Operations Services (Continued):			
257 Internal Services:			
100 Salaries	\$ 457,486	\$ 415,531	\$ 41,955
200 Employee Benefits	126,269	111,973	14,296
300 Purchased Services	67,446	67,374	72
400 Supplies and Materials	44,583	44,553	30
500 Capital Outlay	40,497	40,493	4
600 Other Objects	1,500	1,275	225
258 Security:			
100 Salaries	149,291	148,841	450
200 Employee Benefits	49,289	46,556	2,733
300 Purchased Services	1,067,522	997,258	70,264
400 Supplies and Materials	111,782	53,629	58,153
500 Capital Outlay	3,173	-	3,173
600 Other Objects	100,000	100,000	-
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
100 Salaries	430,600	413,587	17,013
140 Terminal Leave	2,227	2,227	-
200 Employee Benefits	125,840	119,319	6,521
300 Purchased Services	127,400	115,366	12,034
400 Supplies and Materials	35,898	24,347	11,551
500 Capital Outlay	10,000	3,454	6,546
600 Other Objects	28,900	26,400	2,500
263 Information Services:			
100 Salaries	611,694	611,649	45
200 Employee Benefits	167,706	167,702	4
300 Purchased Services	81,495	46,421	35,074
400 Supplies and Materials	177,683	159,070	18,613
500 Capital Outlay	6,600	6,540	60
600 Other Objects	250	-	250
264 Staff Services:			
100 Salaries	1,632,992	1,531,000	101,992
140 Terminal Leave	6,682	6,682	-
200 Employee Benefits	1,925,062	599,138	1,325,924
300 Purchased Services	258,268	186,769	71,499
400 Supplies and Materials	97,394	80,883	16,511
500 Capital Outlay	26,300	5,113	21,187
600 Other Objects	14,800	11,334	3,466
266 Technology and Data Processing Services:			
100 Salaries	2,233,287	2,147,456	85,831
140 Terminal Leave	5,456	5,456	-
200 Employee Benefits	660,455	648,320	12,135
300 Purchased Services	449,465	447,847	1,638
400 Supplies and Materials	288,033	284,328	3,705
500 Capital Outlay	1,746,404	1,411,535	334,869
270 Supporting Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries	2,829,387	2,700,442	128,945
200 Employee Benefits	673,431	604,063	69,368
300 Purchased Services	449,357	405,058	44,299
400 Supplies and Materials	34,385	26,681	7,704
500 Capital Outlay	8,184	8,114	70
600 Other Objects	43,353	21,308	22,045
Total Supporting Services	100,894,693	95,449,995	5,444,698

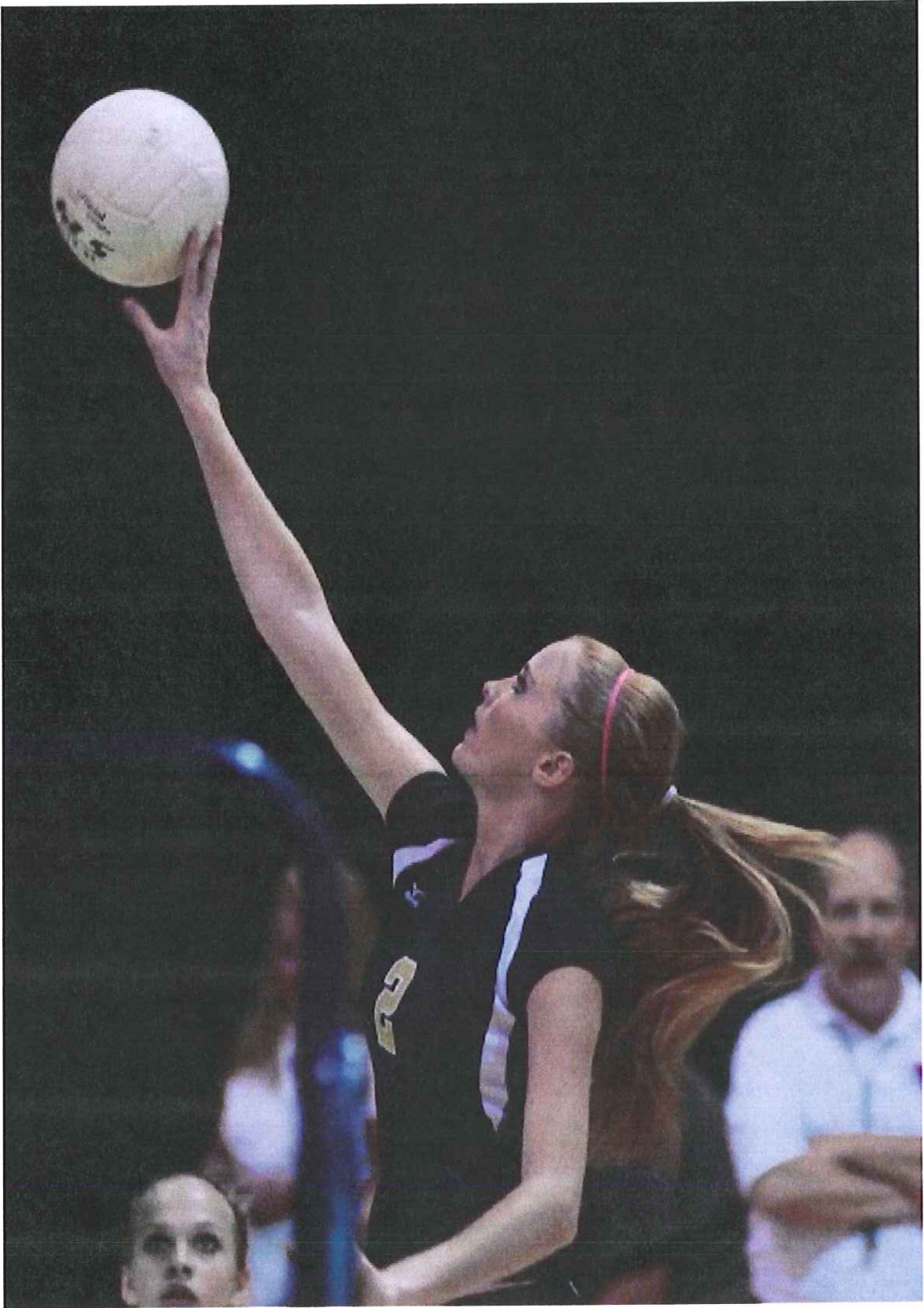
HORRY COUNTY SCHOOLS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Positive (Negative)
Expenditures (Continued)			
300 Community Services:			
350 Custody and Care of Children Services:			
100 Salaries	\$ 4,384	\$ 4,030	\$ 354
200 Employee Benefits	336	315	21
390 Other Community Services			
500 Capital Outlay	45	43	2
Total Community Services	<u>4,765</u>	<u>4,388</u>	<u>377</u>
400 Other Charges:			
410 Intergovernmental Expenditures:			
412-720 Payments to Other Governmental Units	153,700	96,046	57,654
414-420 Medicaid Payments to SCDE	1,316,986	841,787	475,199
416-720 Payments to Public Charter Schools	2,400,000	2,129,413	270,587
Total Intergovernmental Expenditures	<u>3,870,686</u>	<u>3,067,246</u>	<u>803,440</u>
Total Expenditures	<u>293,287,280</u>	<u>281,163,761</u>	<u>12,123,519</u>
Other Financing Sources (Uses)			
5300 Sale of Capital Assets	4,592	44,568	39,976
Interfund Transfers from (to) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	4,183,783	4,518,666	334,883
5270 Transfer from Pupil Activity Fund	76,317	152,639	76,322
5280 Transfer from Other Funds Indirect Cost	1,727,274	2,564,678	837,404
421-710 Transfer to Special Revenue Fund	-	(1,495,724)	(1,495,724)
425-710 Transfer to Food Service Fund	(1,486,713)	(1,234,834)	251,879
426-710 Transfer to Pupil Activity Fund	(114,300)	(114,300)	-
Total Other Financing Sources (Uses)	<u>4,390,953</u>	<u>4,435,693</u>	<u>44,740</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,322,123)</u>	<u>10,341,926</u>	<u>12,664,049</u>
Fund Balance July 1, 2010		<u>51,709,874</u>	
Fund Balance June 30, 2011		<u>62,051,800</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
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2011 AND 2010

	2011	2010
Assets		
Receivables:		
Other	\$ 6,957	\$ 5,453
Due from Other State Agencies	4,700	3,902
Due from Federal Government	6,481,977	7,986,071
Due from State Department of Education	404,537	67,390
	<hr/>	<hr/>
Total Assets	6,898,171	8,062,816
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Fund Balances		
Liabilities		
Accounts Payable	1,101,055	703,306
Accrued Salaries	1,808,920	41,877
Accrued Liabilities	553,309	6,985
Due to State Department of Education	17,549	15,388
Due to General Fund	32,434	5,457,425
Deferred Revenue	1,889,180	1,837,835
	<hr/>	<hr/>
Total Liabilities	5,402,447	8,062,816
	<hr/> <hr/>	<hr/> <hr/>
Fund Balances		
Restricted for Special Projects	1,495,724	-
	<hr/>	<hr/>
Total Fund Balances	1,495,724	-
	<hr/> <hr/>	<hr/> <hr/>
Total Liabilities and Fund Balances	6,898,171	8,062,816
	<hr/> <hr/>	<hr/> <hr/>

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Revenues		
Local Sources	\$ 1,495,144	\$ 1,491,566
State Sources	8,732,815	8,108,783
Federal Sources	39,112,505	34,693,205
Total Revenues	<u>49,340,464</u>	<u>44,293,554</u>
Expenditures		
Instruction	26,221,165	30,070,335
Support Services	19,766,082	10,515,099
Community Services	886,731	1,116,625
Intergovernmental	217,859	123,976
Capital Outlay	541,232	1,270,156
Total Expenditures	<u>47,633,069</u>	<u>43,096,191</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,707,395</u>	<u>1,197,363</u>
Other Financing Sources (Uses)		
Transfers In	1,501,551	36,702
Transfers Out	(1,713,222)	(1,234,065)
Total Other Financing Sources (Uses)	<u>(211,671)</u>	<u>(1,197,363)</u>
Net Change in Fund Balances	1,495,724	-
Fund Balance - Beginning	-	-
Fund Balance - Ending	<u><u>1,495,724</u></u>	<u><u>-</u></u>

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

Revenues	Title I 201	IDEA 203	Preschool Handicapped 205	Occupational Education 207	Drug and Violence Prevention 209	Adult Education 243	Other Restricted State Grant	Other Special Revenue Programs	Total
1000 Revenue - Local Sources:									
1300 Tuition:									
1320 From Other LEAs for Regular Day School								\$ 225	\$ 225
1350 Summer School from Patrons								10,541	10,541
1900 Other Revenue from Local Sources:									
1910 Rentals								15,290	15,290
1999 Revenue from Other Local Sources								1,469,088	1,469,088
Total Revenues - Local Sources								1,495,144	1,495,144
3000 Revenue - State Sources:									
3100 Restricted Grants:									
3110 Vocational:									
3113 Twelve Month AG Program								25,478	25,478
3116 EEDA At Risk Supplemental							\$ 77,449	77,449	77,449
3117 EEDA 8th and 9th Grade Career Awareness							5,920	5,920	5,920
3118 EEDA Career Specialist							973,697	973,697	973,697
3120 General Education:									
3123 Formative Assessment								173,363	173,363
3125 Career and Technology Career Equipment								255,933	255,933
3127 Student Health and Fitness								381,572	381,572
3128 High Schools that Work								3,500	3,500
3130 Special Programs:									
3136 Student Health and Fitness - Nurses							766,157	766,157	766,157
3150 Adult Education:									
3151 Basic								687	687
3154 Young Adult Education								10,020	10,020
3185 National Board Certified									
3190 Other Restricted Grants:									
3193 Education License Plates									
3199 Other Restricted State Grants								8,774	8,774
3600 Education Lottery Act Revenue:									
3607 6-8 Enhancement									
3610 K-5 Enhancement									
3990 Other State Revenue:									
3991 ADEPT									
3999 Revenue from Other State Sources								116,409	116,409
Total Revenue - State Sources								2,293,997	2,293,997
Total Revenue								8,435,843	8,732,815

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

	Title I 201	IDEA 203	Preschool Handicapped 205	Occupational Education 207	Drug and Violence Prevention 209	Adult Education 243	Other Restricted State Grant	Other Special Revenue Programs	Total
Revenues (Continued)									
4000 Revenue - Federal Sources:				\$ 617,900				\$ 617,900	
4200 Occupational Education:									
4210 Vocational Aid									
4300 Elementary and Secondary Education Act of 1965:									
4310 Title I	\$ 9,935,590								
4315 ARRA - Title I Basic State Grant Programs							\$ 542,682		10,478,272
4325 Mathematics and Science Partnerships Program, Title II							2,506,014		2,506,014
4331 Enhancing Technology Through Technology, Title II							17,250		17,250
4333 Enhancing Technology Through Technology, Title II (ARRA)							111,265		111,265
4341 Language Instruction, Title III							32,400		32,400
4344 McKinney-Vento Homeless Educational Assistance Act (ARRA)							228,293		228,293
4350 State Fiscal Stabilization Fund (ARRA)							7,261		7,261
4351 Improving Teacher Quality							13,694,567		13,694,567
4400 Adult Education:							1,276,671		1,276,671
4410 Basic Adult Education						\$ 201,406			201,406
4430 State Literacy Resource						15,000			15,000
4500 Program for Children with Disabilities:									
4510 IDEA		\$ 1,767,194							
4520 Pre-School			\$ 310,520				342,616		2,109,810
4540 IDEA (ARRA 611)							6,555,931		310,520
4550 IDEA Preschool (ARRA 619)							120,606		6,555,931
4900 Other Federal Sources:									
4920 Drug and Violence Prevention					\$ 5,761				5,761
4924 21st Century Community Learning Centers Grants, Title IV							332,493		332,493
4999 Other Federal Revenue							491,085		491,085
Total Revenue - Federal Sources	9,935,590	1,767,194	310,520	617,900	5,761	216,406	26,259,134		39,112,505
Total Revenue - All Sources	9,935,590	1,767,194	310,520	617,900	5,761	216,406	8,435,843	28,051,250	49,340,464

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

	Title I 201	IDEA 203	Preschool Handicapped 205	Occupational Education 207	Drug and Violence Prevention 209	Adult Education 243	Other Restricted State Grant	Other Special Revenue Programs	Total
Expenditures (Continued)									
100 Instruction:									
110 General Instruction:									
111 Kindergarten Programs:									
100 Salaries	\$ 25,116						\$ 106,336	\$ 90,473	\$ 221,925
200 Employee Benefits	3,394						21,454	23,954	48,802
400 Supplies and Materials							8,865		8,865
112 Primary Programs:									
100 Salaries	1,159,981						1,460,079	1,405,562	4,025,632
200 Employee Benefits	351,510						299,409	405,318	1,056,237
300 Purchased Services	3,400								3,400
400 Supplies and Materials	286,901						921,897	353,660	1,542,258
500 Capital Outlay	41,574						561	35,725	77,860
113 Elementary Programs:									
100 Salaries	753,262						1,219,538	687,547	2,660,347
200 Employee Benefits	243,910						276,265	185,742	705,917
300 Purchased Services	496,253						172,061	182,687	851,011
400 Supplies and Materials	48,051						56,239	243,408	347,698
500 Capital Outlay							6,732	69,509	76,241
600 Other Objects								1,544	1,544
114 High School Programs:									
100 Salaries							678,088	438,446	1,116,534
200 Employee Benefits							141,984	116,983	258,967
300 Purchased Services								453	453
400 Supplies and Materials								3,841	3,841
500 Capital Outlay							1,481	1,080	2,561
115 Vocational Programs:									
100 Salaries							52,500	43,503	96,003
200 Employee Benefits							10,994	10,534	21,528
300 Purchased Services				\$ 7,944				6,838	14,782
400 Supplies and Materials				191,131			104,954	84,958	381,043
500 Capital Outlay				109,426			150,979	28,106	289,511
120 Exceptional Programs:									
121 Educable Mentally Handicapped:									
100 Salaries		\$ 2,588						15,381	17,969
200 Employee Benefits		537						2,773	3,310
122 Trainable Mentally Handicapped:									
100 Salaries		145,141					37,500	560,755	743,396
200 Employee Benefits		67,246					7,816	160,372	235,434
300 Purchased Services								70	70
400 Supplies and Materials		1,698						7,450	9,148

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

	Title I 201	IDEA 203	Preschool Handicapped 205	Occupational Education 207	Drug and Violence Prevention 209	Adult Education 243	Other Restricted State Grant	Other Special Revenue Programs	Total
Expenditures (Continued)									
100 Instruction (Continued):									
120 Exceptional Programs (Continued):									
123 Orthopedically Handicapped:									
100 Salaries								\$ 7,835	\$ 7,835
200 Employee Benefits								1,123	1,123
300 Purchased Services		15,303						15,372	30,675
400 Supplies and Materials		1,443						42,565	44,008
500 Capital Outlay								1,170	1,170
124 Visually Handicapped:									
100 Salaries		36,221					\$ 15,000	140,385	191,606
200 Employee Benefits		16,673					3,141	38,000	57,814
300 Purchased Services		8,100						37,368	45,468
400 Supplies and Materials		530						13,822	14,352
500 Capital Outlay								3,614	3,614
125 Hearing Handicapped:									
100 Salaries		64,466						217,496	281,962
200 Employee Benefits		28,121						61,434	89,555
300 Purchased Services		1,067						9,055	10,122
400 Supplies and Materials		5,509						10,771	16,280
126 Speech Handicapped:									
100 Salaries		11,508					14,179	59,270	84,957
200 Employee Benefits		2,408					2,969	14,242	19,619
300 Purchased Services		6,106						31,279	37,385
400 Supplies and Materials		5,049						12,139	17,188
127 Learning Disabilities:									
100 Salaries		283,855					197,306	1,263,489	1,744,650
200 Employee Benefits		122,553					41,304	357,569	521,426
300 Purchased Services		9,055						57,686	66,751
400 Supplies and Materials		2,072						1,312,741	1,314,813
500 Capital Outlay								22,537	22,537
128 Emotionally Handicapped:									
100 Salaries		62,407					5,346	174,160	241,913
200 Employee Benefits		21,509					1,119	49,088	71,716
129 Coordinated Early Intervening Services (CEIS):									
400 Supplies and Materials								2,220	2,220
130 Preschool Handicapped Programs:									
137 Preschool Handicapped Self-Contained (3 and 4 Year Olds):									
100 Salaries		36,440	\$ 208,585					122,161	382,186
200 Employee Benefits		15,914	61,956					40,341	121,352
300 Purchased Services		1,370	4,800					1,899	8,069
400 Supplies and Materials			7,544					78,051	85,595

HORRY COUNTY SCHOOLS
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

Expenditures (Continued)		Title I 201	IDEA 203	Preschool Handicapped 205	Occupational Education 207	Drug and Violence Prevention 209	Adult Education 243	Other Restricted State Grant	Other Special Revenue Programs	Total
100 Instruction (Continued):										
130 Preschool Handicapped Programs (Continued):										
139 Early Childhood:										
100 Salaries	\$ 2,862,702							\$ 26,517	\$ 37,890	\$ 2,927,109
200 Employee Benefits	979,080							5,546	10,216	994,842
400 Supplies and Materials				\$ 35						35
140 Special Programs:										
141 Gifted and Talented - Academic:										
100 Salaries								97,500	84,217	161,717
200 Employee Benefits								20,424	17,173	37,597
145 Homebound:										
300 Purchased Services			\$ 188							188
149 Other Special Programs:										
100 Salaries			25,186					62,500	165,245	252,931
200 Employee Benefits			7,794					12,955	45,005	65,754
300 Purchased Services									8,725	8,725
400 Supplies and Materials									94,455	94,455
500 Capital Outlay									10,364	10,364
160 Other Exceptional Programs:										
161 Autism:										
100 Salaries			134,706						272,484	407,190
200 Employee Benefits			50,226						97,013	147,239
300 Purchased Services									55	55
170 Summer School Programs:										
172 Elementary Summer School:										
100 Salaries		15,720							83	15,803
200 Employee Benefits		3,242							17	3,259
400 Supplies and Materials									810	810
173 High School Summer School:										
100 Salaries									7,635	7,635
200 Employee Benefits									1,603	1,603

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

	Title I 201	IDEA 203	Preschool Handicapped 205	Occupational Education 207	Drug and Violence Prevention 209	Adult Education 243	Other Restricted State Grant	Other Special Revenue Programs	Total
Expenditures (Continued)									
100 Instruction (Continued):									
170 Summer School Programs (Continued):									
175 Instructional Programs Beyond Regular School Day:									
100 Salaries	\$ 13,644						\$ 32,637	\$ 157,146	\$ 203,427
200 Employee Benefits	2,658						6,705	32,526	41,889
300 Purchased Services								5,598	5,598
400 Supplies and Materials							330	50,404	50,734
500 Capital Outlay								10,990	10,990
180 Adult/Continuing Educational Programs:									
181 Adult Basic:									
100 Salaries						\$ 92,347		1,806	94,721
200 Employee Benefits						11,375		448	11,942
182 Adult Secondary:									
100 Salaries							6,412	4,765	11,177
200 Employee Benefits							1,081	1,259	2,340
183 Adult English Literacy:									
100 Salaries						84,036			84,036
200 Employee Benefits						12,695			12,695
300 Purchased Services								1,000	1,000
400 Supplies and Materials						4,776		10,000	14,776
500 Capital Outlay						3,501			3,501
188 Parenting/Family Literacy:									
100 Salaries	313,873							52,972	366,845
200 Employee Benefits	127,176							12,850	140,026
300 Purchased Services	27,932							2,759	30,691
400 Supplies and Materials	60,508							74,309	134,817
500 Capital Outlay								3,122	3,122
190 Instructional Pupil Activity:									
400 Supplies and Materials								750	750
Total Instruction	7,799,897	\$ 1,192,989	\$ 282,920	\$ 308,501	-	208,730	6,307,331	10,622,268	26,722,636

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

	Title I 201	IDEA 203	Preschool Handicapped 205	Occupational Education 207	Drug and Violence Prevention 209	Adult Education 243	Other Restricted State Grant	Other Special Revenue Programs	Total
Expenditures (Continued)									
200 Supporting Services:									
210 Pupil Services:									
212 Guidance Services:									
100 Salaries				\$ 126,916			\$ 89,894	\$ 41,081	\$ 257,891
200 Employee Benefits				37,648			18,335	10,737	66,720
400 Supplies and Materials							6,145		6,145
213 Health:									
100 Salaries		\$ 12,182					572,978	35,520	620,680
200 Employee Benefits		3,246					193,179	12,410	208,835
400 Supplies and Materials								16,689	23,466
500 Capital Outlay	\$ 6,767							1,494	1,494
214 Psychological:									
100 Salaries								72,000	99,928
200 Employee Benefits								20,848	28,736
300 Purchased Services								18,421	30,465
400 Supplies and Materials				252				22,148	28,273
215 Exceptional Program Services:									
100 Salaries								122,657	179,693
200 Employee Benefits								40,800	61,090
400 Supplies and Materials								14,943	16,094
600 Other Objects								7,510	7,510
216 Vocational Placement Services:									
300 Purchased Services				9,597					9,597
217 Career Specialist Services:									
100 Salaries							749,597	10,825	760,422
200 Employee Benefits							219,603	2,845	222,448

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

	Title I 201	IDEA 203	Preschool Handicapped 205	Occupational Education 207	Drug and Violence Prevention 209	Adult Education 243	Other Restricted State Grant	Other Special Revenue Programs	Total
Expenditures (Continued)									
200 Supporting Services (Continued):									
220 Instructional Staff Services:									
221 Improvement of Instruction - Curriculum:									
100 Salaries	\$ 621,338	\$ 88,223		\$ 1,440			\$ 8,426	\$ 589,152	\$ 1,208,579
200 Employee Benefits	160,998	21,922		298			1,763	143,403	328,384
300 Purchased Services		671		18,407			428	11,359	30,865
400 Supplies and Materials					\$ 5,553		26,551	17,053	49,157
500 Capital Outlay								3,277	3,277
222 Library and Media:									
100 Salaries							97,500	43,218	140,718
200 Employee Benefits							20,417	11,096	31,513
223 Supervision of Special Programs:									
100 Salaries	139,958	107,485					2,121	521,370	770,934
200 Employee Benefits	39,073	33,078					182	164,747	237,080
300 Purchased Services	17,289	492	\$ 570				224	15,219	33,794
400 Supplies and Materials	7,114	1,962	10,881				434	20,283	40,674
500 Capital Outlay	4,820						1,824	1,387	8,031
224 Improvement of Instruction - In-Service:									
100 Salaries	54,491	15,237					3,000	293,202	365,930
200 Employee Benefits	11,626	3,517					604	64,002	79,749
300 Purchased Services	450,840	9,453	3,572	9,381			5,855	1,636,549	2,115,650
400 Supplies and Materials	18,413	513					3,875	196,454	219,055
500 Capital Outlay								25,814	25,814

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2011

	Title I 201	IDEA 203	Preschool Handicapped 205	Occupational Education 207	Drug and Violence Prevention 209	Adult Education 243	Other Restricted State Grant	Other Special Revenue Programs	Total
Expenditures (Continued)									
200 Supporting Services (Continued):									
250 Finance and Operations Services:									
251 Student Transportation:									
100 Salaries		\$ 4,887						\$ 45,392	\$ 50,279
200 Employee Benefits		998						9,218	10,216
300 Purchased Services	\$ 306,727							24,417	331,144
400 Supplies and Materials	3,474								3,474
254 Operation and Maintenance of Plant:									
100 Salaries								14,358	14,358
200 Employee Benefits								2,989	2,989
300 Purchased Services								1,927,779	1,927,779
400 Supplies and Materials								8,761,153	8,761,153
256 Food Service:									
100 Salaries								1,119	1,119
200 Employee Benefits								216	216
400 Supplies and Materials								8,116	8,116
258 Security:									
300 Purchased Services								16,606	16,606
260 Central Support Services:									
262 Planning:									
300 Purchased Services								37,771	37,771
264 Staff Services:									
100 Salaries								121,976	121,976
200 Employee Benefits								29,999	29,999
300 Purchased Services								11,088	11,088
400 Supplies and Materials								2,680	2,680
270 Support Services - Pupil Activities:									
271 Pupil Service Activities:									
100 Salaries							8,766	6,338	15,104
200 Employee Benefits								1,384	3,158
300 Purchased Services							\$ 1,824	5,552	5,552
400 Supplies and Materials								6,791	6,791
600 Other Objects							168	29,224	124,429
Total Supporting Services	1,742,928	442,602	16,405	291,068	\$ 5,553	-	2,033,493	15,272,649	19,804,698

HORRY COUNTY SCHOOLS
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2011

	Title I 201	IDEA 203	Preschool Handicapped 205	Occupational Education 207	Drug and Violence Prevention 209	Adult Education 243	Other Restricted State Grant	Other Special Revenue Programs	Total
Expenditures (Continued)									
300 Community Services:									
350 Custody and Care of Children:									
100 Salaries								\$ 605,495	\$ 605,495
200 Employee Benefits								109,949	109,949
300 Purchased Services								5,471	5,471
400 Supplies and Materials								46,446	46,446
600 Other Objects								5,259	5,259
360 Welfare:									
400 Supplies and Materials	\$ 36,243							13,847	50,090
390 Other Community Services:									
100 Salaries							\$ 32,347		\$ 32,347
200 Employee Benefits							6,493		6,493
300 Purchased Services							2,631	3,870	6,501
400 Supplies and Materials							17,105	345	17,450
500 Capital Outlay							1,145		1,145
600 Other Objects							1,230		1,230
Total Community Services	36,243						59,721	791,912	887,876
410 Intergovernmental Expenditures:									
416-720 Payments to Public Charter Schools		\$ 67,893					35,298	114,868	217,859
Total - Intergovernmental Expenditures	-	67,893					35,298	114,868	217,859
Total Expenditures	9,579,068	1,703,484	\$ 299,325	\$ 599,569	\$ 5,553	\$ 208,730	8,435,843	26,801,497	47,633,069
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	356,522	63,710	11,195	18,331	208	7,676	-	1,249,753	1,707,395
Transfers from (to) Other Funds:									
5210 Transfer from General Fund								1,495,724	1,495,724
5270 Transfer from Pupil Activity Fund								5,827	5,827
426-720 Transfer to Pupil Activity Fund								(342,662)	(342,662)
431-791 Special Revenue - Indirect Costs	(356,522)	(63,710)	(11,195)	(18,331)	(208)	(7,676)		(912,918)	(1,370,560)
Total Other Financing Sources (Uses)	(356,522)	(63,710)	(11,195)	(18,331)	(208)	(7,676)	-	245,971	(211,671)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	1,495,724	1,495,724
Fund Balance July 1, 2010	-	-	-	-	-	-	-	-	-
Fund Balance June 30, 2011	-	-	-	-	-	-	-	1,495,724	1,495,724

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

SUMMARY SCHEDULE OF OTHER STATE RESTRICTED GRANTS

YEAR ENDED JUNE 30, 2011

Subfund	Revenue Code	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Deferred
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
905	3125	Career and Technology Education Equipment	\$ 255,933	\$ 255,933	-	-	\$ 132,166
916	3991	ADEPT	54,260	54,260	-	-	64,610
918	3151	Adult Education - Basic	687	687	-	-	-
919	3193	Education License Plates	8,774	8,774	-	-	-
920	3154	Young Adult Education	10,020	10,020	-	-	-
926	3116	EEDA - At Risk Supplemental	77,449	77,449	-	-	51,962
927	3117	EEDA - 8th and 9th Grade Awareness	5,920	5,920	-	-	-
928	3118	EEDA - Career Specialist	973,697	976,697	-	-	190,814
933	3123	Formative Assessment	173,363	173,363	-	-	-
935	3185	National Board Certified	3,314,105	3,314,105	-	-	-
936	3136	Student Health and Fitness - Nurses	766,157	766,157	-	-	-
937	3127	Student and Health Fitness - PE Teachers	381,572	381,572	-	-	-
938	3128	High Schools that Work	3,500	3,500	-	-	1,500
960	3610	K-5 Enhancement	2,293,997	2,293,997	-	-	1,024,222
967	3607	6-8 Enhancement	116,409	116,409	-	-	68,814
Totals - Other Restricted State Grants			8,435,843	8,438,843	-	-	1,534,088

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND - SUMMARY SCHEDULE OF OTHER SPECIAL REVENUE PROGRAMS

YEAR ENDED JUNE 30, 2011

Program	Subfund	Revenue Code	Revenues			Total	Expenditures	Transfers In (Out)	Deferred
			Local	State	Federal				
IDEA - Extended School Year	204	4510			\$ 50,012	\$ 50,012	-	-	
IDEA - Personnel Development	213	4510			292,604	284,348	(8,256)	-	
IDEA (ARRA 611)	215	4540			6,555,931	6,319,579	(236,352)	-	
IDEA Preschool (ARRA 619)	216	4550			120,606	116,258	(4,348)	-	
Preschool Program for Children	217	3999	\$ 6,036		6,036	6,036	-	-	
Neglected and Delinquent Children	221	4310			204,644	197,718	(6,926)	-	
ARRA - Title I Basic State Grant Programs	222	4315			2,274,792	2,192,991	1,413,923	-	
ARRA - School Improvement	223	4315			209,879	209,879	-	-	
21st Century Community Learning Center	224	4924			332,493	320,952	(11,541)	-	
McKinney-Vento Homeless Educational Assistance Act	227	4344			7,261	7,261	-	-	
ARRA - Title I Basic State Grant Programs	229	4315			21,343	21,343	-	-	
Title I - Program Improvement	237	4310			338,038	338,038	-	-	
State Fiscal Stabilization Fund (ARRA)	250	4350			13,694,567	13,200,855	(493,712)	-	
Title II - Education Technology - E2T2	253	4331			111,265	111,265	-	-	
Enhancing Technology Through Technology									
Title II (ARRA)	254	4333			32,400	31,232	(1,168)	-	
Title III - ESOL	264	4341			228,293	224,020	(4,273)	-	
Improving Teacher Quality	267	4351			1,276,671	1,230,775	(45,896)	-	
Waccamaw Mini Grant	415	1999	\$ 150		150	150	-	-	
Nursing Program	416	1999	18,189		18,189	18,189	-	-	
After School Childcare	432	1999/3999	1,027,705	2,619	1,030,324	707,721	(322,603)	\$ 54,540	
After School Childcare Summer	433	1999	86,776		86,776	72,543	(14,233)	7,034	
Teacher in Residence	442	1999	34,678		34,678	34,678	-	-	
Exxon Mobile Grant	453	1999	750		750	750	-	-	
Teacher Staff Development	455	1999	68,899		68,899	68,899	-	-	
Lesley College	463	1999	3,702		3,702	3,702	-	-	
Miscellaneous Grants	470	1999	45,924		45,924	45,924	-	5,818	
Great to Wait	471	1999	11,080		11,080	11,080	-	16,002	
Santee Cooper	472	1999	120,629		120,629	120,629	-	139,294	
Technology Fair	473	1999	6,467		6,467	6,467	-	-	
Barbara Bush Foundation for Families	474	1999	5,445		5,445	5,445	-	39,000	
Prevent Teen Pregnancy	485	1999					-	3,588	
Television Services	486	1999					-	2,746	
Pace Courses - Horry Georgetown	492	1999	4,821		4,821	4,821	-	-	
College Courses - Coastal Carolina	493	1320	225		225	225	-	-	
Myrtle Beach Auditorium	497	1910/1999	48,853		48,853	48,853	-	85,053	
Middle School Summer Program	498	1350/1999	910		910	910	-	-	
High School Summer Program	499	1350	9,941		9,941	9,941	-	-	
SC Arts Commission Grant	504	3999		750	750	750	-	-	
12 Month Agriculture Program	528	3113		25,478	25,478	25,478	-	-	
Parent Empowerment	529	3999	500		500	500	-	-	
Extended School Year	560	3199	1,708		1,708	1,708	-	-	
Palmetto Pride Litter Initiative	583	3999	2,186		2,186	2,186	-	-	
Character Education	585	3199	2,473		2,473	2,473	-	727	
Clemson I3 Grant	590	3999	3,410		3,410	3,410	-	1,290	
Math and Science Partnership	630	4325			17,250	16,628	(622)	-	
Discovery of American History	640	4999			275,275	265,351	(9,924)	-	
Safe Schools/Healthy Students	641	4999			72,076	69,938	(2,138)	-	

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND - SUMMARY SCHEDULE OF OTHER SPECIAL REVENUE PROGRAMS

YEAR ENDED JUNE 30, 2011

Program (Continued)	Subfund	Revenue Code	Revenues			Total	Expenditures	Transfers In (Out)	Deferred
			Local	State	Federal				
WIA - Youth	651	4999			\$ 43,659	\$ 43,659	-	-	
Bio-Diesel Fuel Pilot Program	670	4999			1,621	1,563	\$ (58)	-	
State Energy Program	680	4999			98,454	98,454	-	-	
First Steps - Director Salary	982	3999	\$ 251,812		251,812	245,910	(5,902)	-	
Totals - Other Special Revenue Programs			\$ 1,495,144	296,972	26,259,134	28,051,250	26,801,497	245,971	\$ 355,092

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND

COMPARATIVE BALANCE SHEETS

JUNE 30, 2011 AND 2010

	2011	2010
Assets		
Cash and Investments	\$ 6,359,888	\$ 5,230,231
Accounts Receivable - Other	969	3
Due from State Department of Education	2,534,504	151,816
Total Assets	<u>8,895,361</u>	<u>5,382,050</u>
Liabilities and Fund Balances		
Liabilities		
Accounts Payable	609,666	105,933
Accrued Salaries	723,728	99,549
Accrued Liabilities	214,938	20,593
Due to State Department of Education	8,847	3,025
Deferred Revenue	7,338,182	5,152,950
Total Liabilities	<u>8,895,361</u>	<u>5,382,050</u>
Fund Balances		
Restricted for Special Projects	-	-
Total Fund Balances	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>8,895,361</u>	<u>5,382,050</u>

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Revenues		
State Sources	\$ 17,813,755	\$ 17,700,565
Total Revenues	<u>17,813,755</u>	<u>17,700,565</u>
Expenditures		
Instruction	11,486,243	9,793,978
Support Services	1,601,946	1,148,489
Community Services	-	25,956
Payment to Public Charter Schools	80,735	39,053
Capital Outlay	126,165	135,088
Total Expenditures	<u>13,295,089</u>	<u>11,142,564</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,518,666</u>	<u>6,558,001</u>
Other Financing Sources (Uses)		
Transfers Out	<u>(4,518,666)</u>	<u>(6,558,001)</u>
Total Other Financing Sources (Uses)	<u>(4,518,666)</u>	<u>(6,558,001)</u>
Net Change in Fund Balance	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>-</u></u>	<u><u>-</u></u>

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

	Actual
Revenues	
3000 Revenue from State Sources:	
3100 Restricted State Funding:	
3199 Other Restricted State Grants	\$ 2,935
3500 Education Improvement Act:	
3509 Arts in Education	6,344
3511 Professional Development	335,035
3526 Refurbishment of Science Kits	190,741
3530 Profoundly & Trainable Handicapped Services	119,861
3533 Teacher of the Year Awards	1,077
3538 Students at Risk of School Failure	7,362,362
3540 Four-Year Old Early Childhood	1,173,452
3542 Preschool Programs for Children with Disabilities	84,770
3544 High Achieving Students	1,557,473
3550 Teacher Salary Increase	3,967,964
3555 School Employer Contributions	830,892
3556 Adult Education	389,471
3558 Reading	165,044
3562 Adult Education Basic	38,545
3565 Adult Education Literacy	1,252
3568 EAA Technical Assistance	676,238
3577 Teacher Supplies	736,175
3578 High Schools that Work	65,403
3592 School-to-Work Transition	62,507
3598 Flexible Cost Savings	46,214
	<hr/>
Total Revenues - All Sources	17,813,755

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

Expenditures (Continued)	Actual
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	\$ 11,339
200 Employee Benefits	1,069
400 Supplies and Materials	105,818
112 Primary Programs:	
100 Salaries	1,220,968
200 Employee Benefits	326,823
300 Purchased Services	9,534
400 Supplies and Materials	1,141,349
113 Elementary Programs:	
100 Salaries	1,013,546
200 Employee Benefits	286,437
300 Purchased Services	3,247
400 Supplies and Materials	1,486,239
500 Capital Outlay	94,642
114 High School Programs:	
100 Salaries	580,292
200 Employee Benefits	150,299
300 Purchased Services	2,200
400 Supplies and Materials	680,731
500 Capital Outlay	1,027
115 Vocational Programs:	
100 Salaries	138,089
200 Employee Benefits	42,890
300 Purchased Services	5,105
400 Supplies and Materials	43,637
500 Capital Outlay	2,334
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
400 Supplies and Materials	1,100
122 Trainable Mentally Handicapped:	
100 Salaries	96,186
200 Employee Benefits	28,158
400 Supplies and Materials	13,110
124 Visually Handicapped:	
400 Supplies and Materials	825
125 Hearing Handicapped:	
400 Supplies and Materials	1,925
126 Speech Handicapped:	
400 Supplies and Materials	14,300
127 Learning Disabilities:	
400 Supplies and Materials	68,750
128 Emotionally Handicapped:	
400 Supplies and Materials	6,050

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

	Actual
Expenditures (Continued)	
100 Instruction (Continued):	
130 Pre-School Programs:	
137 Pre-School Handicapped Self-Contained (3 and 4 Year Olds):	
100 Salaries	\$ 46,604
200 Employee Benefits	19,693
400 Supplies and Materials	25,073
139 Early Childhood:	
100 Salaries	775,213
200 Employee Benefits	272,462
300 Purchased Services	2,372
400 Supplies and Materials	108,538
500 Capital Outlay	1,858
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	941,460
200 Employee Benefits	285,277
300 Purchased Services	47,949
400 Supplies and Materials	130,855
500 Capital Outlay	336
143 Advanced Placement:	
400 Supplies and Materials	29,621
149 Other Special Programs:	
100 Salaries	219,874
200 Employee Benefits	60,120
400 Supplies and Materials	12,925
160 Other Exceptional Programs:	
161 Autism:	
400 Supplies and Materials	1,375
170 Summer School Program:	
172 Elementary Summer School:	
100 Salaries	99,748
200 Employee Benefits	20,926
300 Purchased Services	989
400 Supplies and Materials	319
173 High School Summer School:	
100 Salaries	12,938
200 Employee Benefits	2,764
400 Supplies and Materials	223

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

	Actual
Expenditures (Continued)	
100 Instruction (Continued):	
170 Summer School Program (Continued):	
174 Gifted and Talented Summer School:	
100 Salaries	\$ 14,596
200 Employee Benefits	3,022
300 Purchased Services	161,222
400 Supplies and Materials	3,723
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	226,564
200 Employee Benefits	46,301
400 Supplies and Materials	15,442
180 Adult/Continuing Educational Programs:	
181 Adult Basic Programs:	
100 Salaries	70,351
200 Employee Benefits	13,111
300 Purchased Services	1,521
400 Supplies and Materials	27,554
500 Capital Outlay	13,529
182 Adult Secondary Education:	
100 Salaries	76,223
200 Employee Benefits	17,380
300 Purchased Services	1,207
400 Supplies and Materials	3,905
187 Adult Education - Remedial:	
100 Salaries	21,400
200 Employee Benefits	2,233
188 Parenting/Family Literacy:	
100 Salaries	95,388
200 Employee Benefits	26,288
300 Purchased Services	5,432
400 Supplies and Materials	56,046
500 Capital Outlay	6,612
Total Instruction	<u>11,606,581</u>
200 Support Services:	
210 Pupil Services:	
212 Guidance:	
400 Supplies and Materials	23,925
217 Career Specialist Services:	
100 Salaries	30,311
200 Employee Benefits	6,226

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

	Actual
Expenditures (Continued)	
200 Support Services (Continued):	
220 Instructional Staff Services:	
221 Improvement of Instruction - Curriculum Development:	
400 Supplies and Materials	\$ 527
222 Library and Media:	
400 Supplies and Materials	371,992
223 Supervision of Special Programs:	
100 Salaries	155,755
200 Employee Benefits	38,909
300 Purchased Services	5,000
224 Improvement of Instruction - Inservice Training:	
100 Salaries	282,167
200 Employee Benefits	60,886
300 Purchased Services	379,172
400 Supplies and Materials	136,663
500 Capital Outlay	5,827
230 General Administrative Services:	
233 School Administration:	
100 Salaries	9,632
200 Employee Benefits	2,032
250 Finance and Operations Services:	
255 Student Transportation (State Mandate):	
100 Salaries	61,497
200 Employee Benefits	12,915
300 Purchased Services	17,786
270 Support Services - Pupil Activity:	
271 Pupil Service Activities:	
400 Supplies and Materials	275
600 Other Objects	6,276
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Total Support Services	1,607,773
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410 Intergovernmental Expenditures:	
416 Payments to Public Charter Schools:	
720 Transits	80,735
	<hr/>
Total Intergovernmental Expenditures	80,735
	<hr/>
Total Expenditures	13,295,089
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Excess of Revenues Over Expenditures	4,518,666
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HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

	Actual
Other Financing Sources (Uses) (Continued)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund	<u>\$ (4,518,666)</u>
Total Other Financing Sources (Uses)	<u>(4,518,666)</u>
Excess of Revenues Over Expenditures and Other Financing Sources (Uses)	-
Fund Balance, July 1, 2010	<u>-</u>
Fund Balance, June 30, 2011	<u><u>-</u></u>

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND

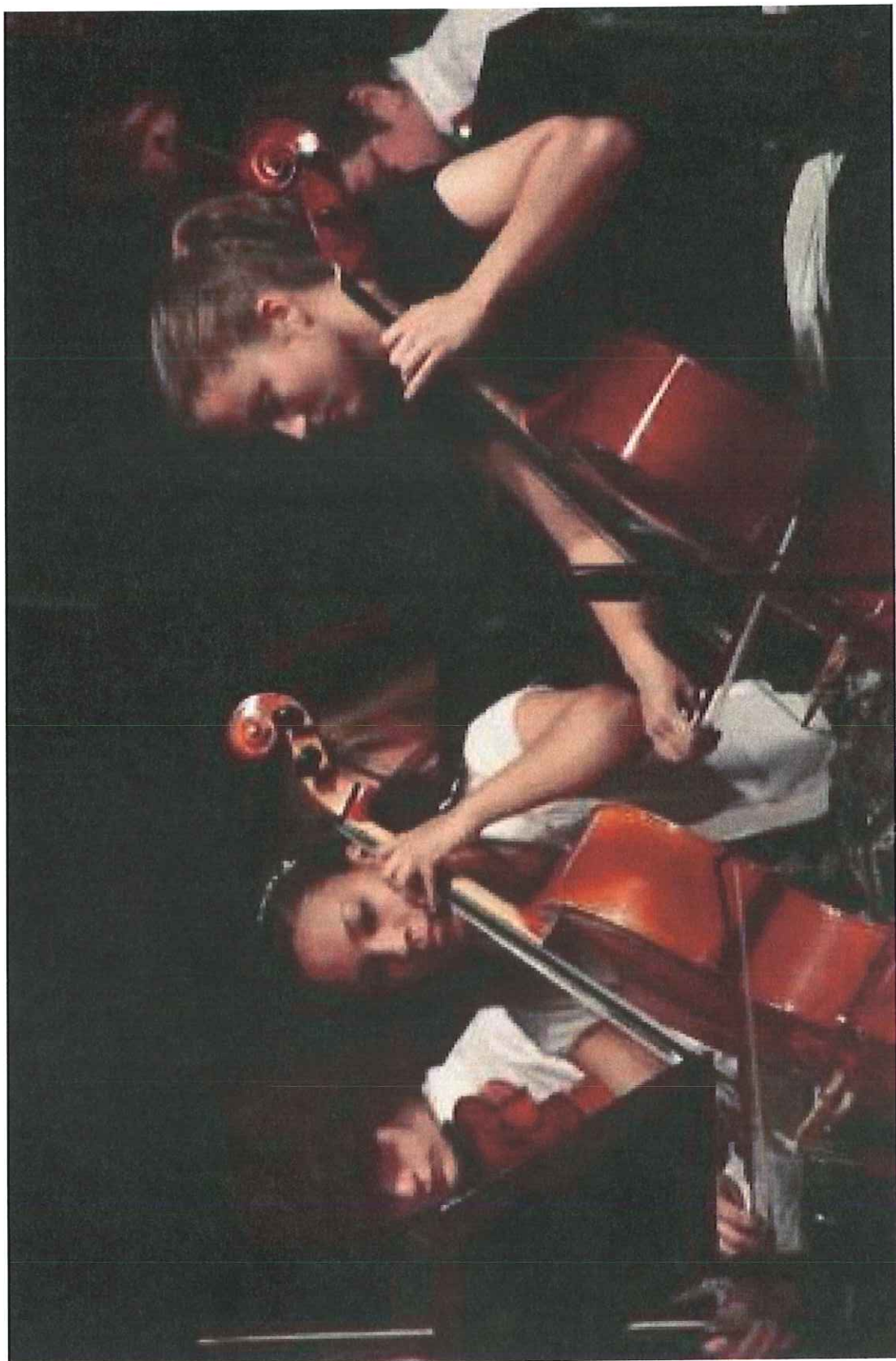
SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2011

Program	Revenues	Expenditures	EIA Interfund Transfers In (Out)	Other Fund Transfers In (Out)	EIA Fund Deferred Revenue
3500 Education Improvement Act:					
3509 Arts in Education	\$ 6,344	\$ 6,344			\$ 80
3511 Professional Development	335,035	335,035			
3526 Refurbishment of Science Kits	190,741	190,741			19,473
3530 Profoundly & Trainable Handicapped Services	119,861	119,861			8,537
3533 Teacher of the Year Awards	1,077	1,077			
3538 Students at Risk of School Failure	7,362,362	7,362,362			3,859,904
3540 Four-Year Old Early Childhood	1,173,452	1,173,452			257,819
3542 Preschool Programs for Children with Disabilities	84,770	84,770			
3544 High Achieving Students	1,557,473	1,557,473			467,477
3550 Teacher Salary Increase	3,967,964	232,445		\$ (3,735,519)	
3555 School Employer Contributions	830,892	47,745		(783,147)	
3556 Adult Education	389,471	389,471			26,467
3558 Reading	165,044	165,044			115,932
3562 Adult Education Basic	38,545	38,545			
3565 Adult Education Literacy	1,252	1,252			
3568 EAA Technical Assistance	676,238	676,238			11,241
3577 Teacher Supplies	736,175	736,175			
3578 High Schools that Work	65,403	65,403			18,490
3588 IDEA - MOE	-	-			2,504,995
3592 School-to-Work Transition	62,507	62,507			47,767
3598 Flexible Cost Savings	46,214	46,214			
3599 Other EIA					
Total	17,810,820	13,292,154	-	(4,518,666)	7,338,182

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
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2011 AND 2010

	2011	2010
Assets		
Cash and Investments	\$ 44,129,857	\$ 73,875,824
Accounts Receivable - Other	18,527	30,774
Property Taxes, Current	3,059,136	3,632,203
Due from Other State Agencies	3,897,856	43,054
	<hr/>	<hr/>
Total Assets	51,105,376	77,581,855
 Liabilities and Fund Balances		
Liabilities		
Due to Other State Agencies	21,955	-
Deferred Revenue	2,870,999	3,133,048
	<hr/>	<hr/>
Total Liabilities	2,892,954	3,133,048
 Fund Balances		
Restricted for Debt Service	48,212,422	74,448,807
	<hr/>	<hr/>
Total Fund Balances	48,212,422	74,448,807
	<hr/>	<hr/>
Total Liabilities and Fund Balances	51,105,376	77,581,855
	<hr/>	<hr/>

HORRY COUNTY SCHOOLS

DEBT SERVICE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Revenues		
Local Sources	\$ 70,262,290	\$ 80,497,900
State Sources	926,182	1,178,790
Total Revenues	<u>71,188,472</u>	<u>81,676,690</u>
Expenditures		
Debt Service	<u>42,186,914</u>	<u>55,743,094</u>
Total Expenditures	<u>42,186,914</u>	<u>55,743,094</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>29,001,558</u>	<u>25,933,596</u>
Other Financing Sources (Uses)		
Premium on Bonds Sold	9,867,454	6,492,467
Proceeds of Refunding Debt	54,965,000	43,330,000
Payments to Refunded Debt Escrow Agent	(64,662,177)	(49,646,378)
Interfund Transfers From (To) Other Funds		
Transfers In	-	1,901,206
Transfer Out	<u>(55,408,220)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(55,237,943)</u>	<u>2,077,295</u>
Net Change in Fund Balance	(26,236,385)	28,010,891
Fund Balance - Beginning	<u>74,448,807</u>	<u>46,437,916</u>
Fund Balance - Ending	<u><u>48,212,422</u></u>	<u><u>74,448,807</u></u>

HORRY COUNTY SCHOOLS

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local Sources	\$ 71,706,541	\$ 71,706,541	\$ 70,262,290	\$ (1,444,251)
State Sources	900,906	900,906	926,182	25,276
Total Revenues	<u>72,607,447</u>	<u>72,607,447</u>	<u>71,188,472</u>	<u>(1,418,975)</u>
Expenditures				
Debt Service	99,339,290	99,339,290	42,186,914	57,152,376
Total Expenditures	<u>99,339,290</u>	<u>99,339,290</u>	<u>42,186,914</u>	<u>57,152,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(26,731,843)</u>	<u>(26,731,843)</u>	<u>29,001,558</u>	<u>55,733,401</u>
Other Financing Sources (Uses)				
Premium on Bonds Sold	-	-	9,867,454	9,867,454
Proceeds of Refunding Debt	-	-	54,965,000	54,965,000
Payments to Refunded Debt Escrow Agent	-	-	(64,662,177)	(64,662,177)
Interfund Transfers From (To) Other Funds				
Transfers Out	-	-	(55,408,220)	(55,408,220)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(55,237,943)</u>	<u>(55,237,943)</u>
Net Change in Fund Balance	<u>(26,731,843)</u>	<u>(26,731,843)</u>	<u>(26,236,385)</u>	<u>495,458</u>
Fund Balance - Beginning			<u>74,448,807</u>	
Fund Balance - Ending			<u>48,212,422</u>	

HORRY COUNTY SCHOOLS

DEBT SERVICE FUND

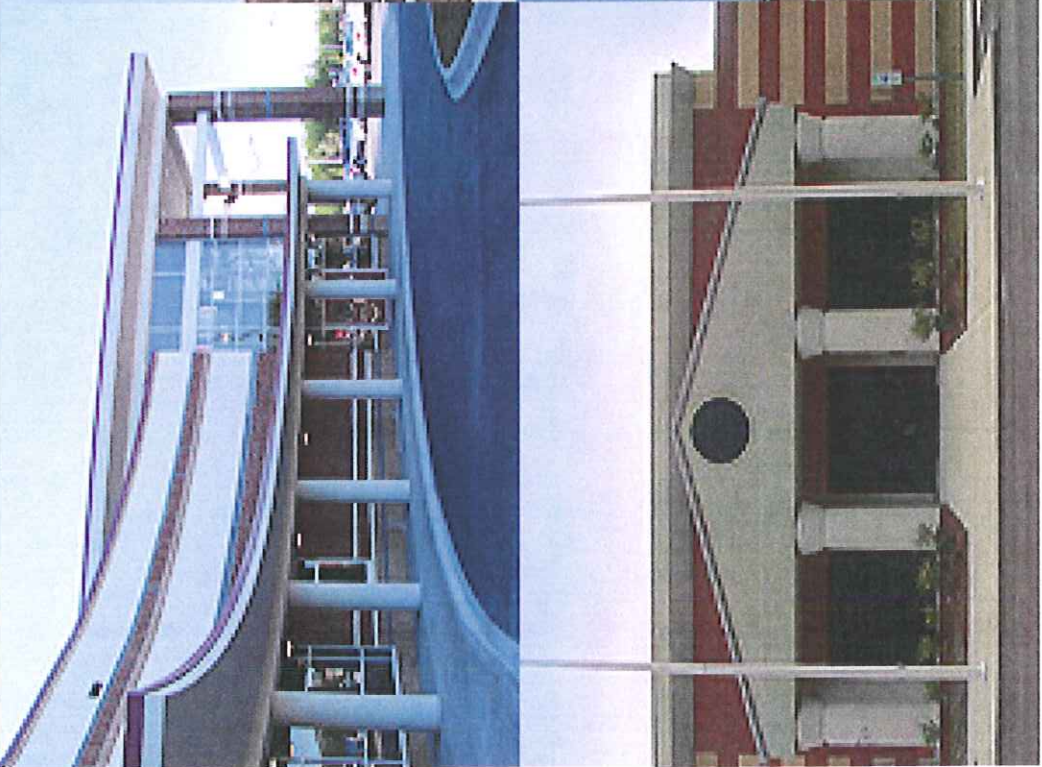
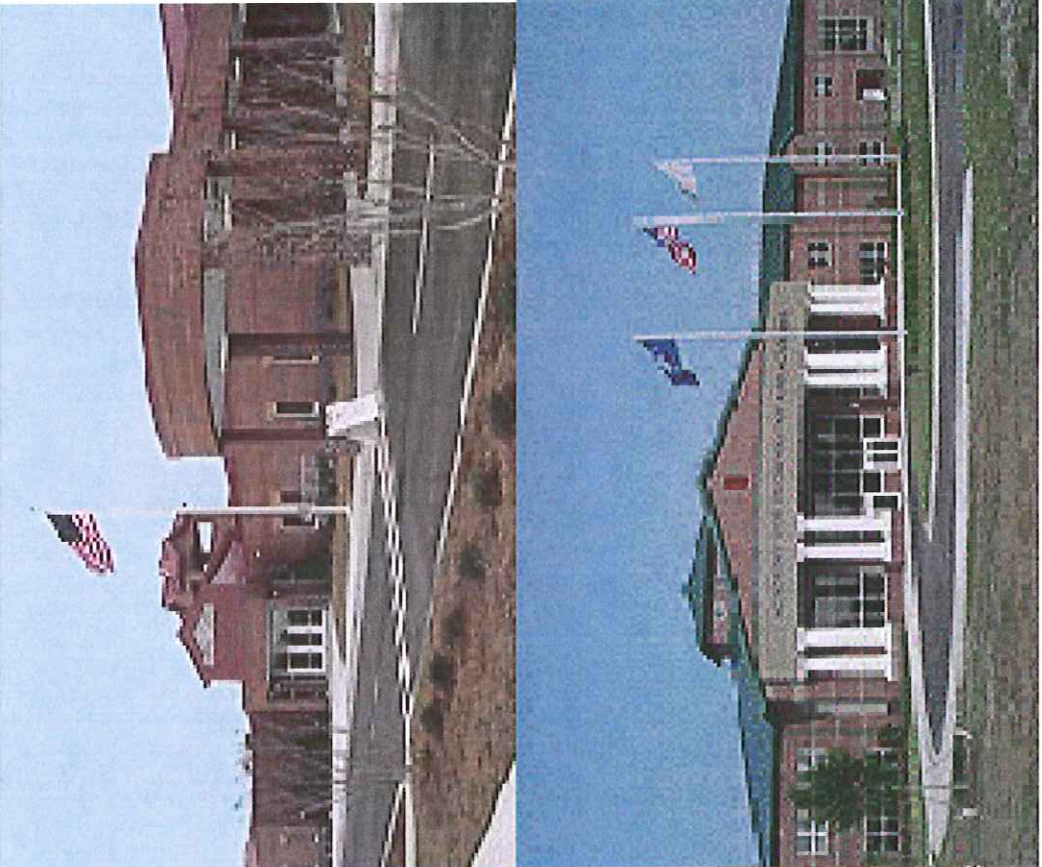
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance
Revenues			
1000 Revenue from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes	\$ 26,832,494	\$ 27,559,733	\$ 727,239
1140 Penalties & Interest/Delinquent Taxes	396,997	401,290	4,293
1190 Other Taxes	43,500,000	41,289,272	(2,210,728)
1200 Revenue from Local Governmental Units Other Than LEA's:			
1280 Revenue in Lieu of Taxes	571,655	610,173	38,518
1500 Earnings on Investments:			
1510 Interest on Investments	405,395	401,822	(3,573)
Total Revenue - Local Sources	<u>71,706,541</u>	<u>70,262,290</u>	<u>(1,444,251)</u>
3000 Revenue from State Sources:			
3800 State Revenue in Lieu of Taxes:			
3820 Homestead Exemption	576,241	642,502	66,261
3830 Merchant's Inventory Tax	201,985	201,985	-
3840 Manufacturer's Depreciation Reimbursement	70,192	31,591	(38,601)
3890 Other State Property Tax Revenues	52,488	50,104	(2,384)
Total Revenue - State Sources	<u>900,906</u>	<u>926,182</u>	<u>25,276</u>
Total Revenue - All Sources	<u>72,607,447</u>	<u>71,188,472</u>	<u>(1,418,975)</u>
Expenditures			
500 Debt Service:			
610 Redemption on Principal	73,610,000	22,210,000	51,400,000
620 Interest	21,549,355	19,769,181	1,780,174
690 Other Objects (Includes Fees for Servicing Bonds)	179,935	207,733	(27,798)
Total Expenditures	<u>95,339,290</u>	<u>42,186,914</u>	<u>53,152,376</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(22,731,843)</u>	<u>29,001,558</u>	<u>51,733,401</u>
Other Financing Sources (Uses)			
5110 Premium on Bonds Sold	-	9,867,454	9,867,454
5130 Proceeds of Refunding Debt	-	54,965,000	54,965,000
441-720 Payment to Refunded Debt Escrow Agent	-	(64,662,177)	(64,662,177)
Interfund Transfers From (To) Other Funds			
424-710 Transfer to School Building Fund	-	(55,408,220)	(55,408,220)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(55,237,943)</u>	<u>(55,237,943)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>(22,731,843)</u>	<u>(26,236,385)</u>	<u>(3,504,542)</u>
Fund Balance July 1, 2010		<u>74,448,807</u>	
Fund Balance June 30, 2011		<u>48,212,422</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
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2011 AND 2010

	2011	2010
Assets		
Cash and Investments	\$ 59,054,079	\$ 29,228,637
Receivables:		
Other	32,899	347,873
Total Assets	<u>59,086,978</u>	<u>29,576,510</u>
 Liabilities and Fund Balances		
Liabilities		
Accounts Payable	5,591,840	2,028,320
Accrued Salaries	4,846	-
Accrued Liabilities	371	-
Retainage Payable	429,815	424,675
Total Liabilities	<u>6,026,872</u>	<u>2,452,995</u>
Fund Balances		
Restricted for Capital Projects	<u>53,060,106</u>	<u>27,123,515</u>
Total Fund Balances	<u>53,060,106</u>	<u>27,123,515</u>
Total Liabilities and Fund Balances	<u>59,086,978</u>	<u>29,576,510</u>

HORRY COUNTY SCHOOLS

CAPITAL PROJECTS FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Revenues		
Local Sources	\$ 143,746	\$ 744,352
State Sources	777,591	-
	<hr/>	<hr/>
Total Revenues	921,337	744,352
	<hr/>	<hr/>
Expenditures		
Instruction	8,993	61,819
Support Services	4,662,468	3,252,821
Capital Outlay	25,946,255	18,654,257
	<hr/>	<hr/>
Total Expenditures	30,617,716	21,968,897
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	(29,696,379)	(21,224,545)
	<hr/>	<hr/>
Other Financing Sources (Uses)		
Sale of Capital Assets	224,750	400
	<hr/>	<hr/>
Interfund Transfers From (To) Other Funds		
Transfer In	55,408,220	-
	<hr/>	<hr/>
Total Other Financing Sources (Uses)	55,632,970	400
	<hr/>	<hr/>
Net Change in Fund Balance	25,936,591	(21,224,145)
	<hr/>	<hr/>
Fund Balance - Beginning	27,123,515	48,347,660
	<hr/>	<hr/>
Fund Balance - Ending	53,060,106	27,123,515
	<hr/>	<hr/>

HORRY COUNTY SCHOOLS

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local Source	\$ 110,076	\$ 191,519	\$ 143,746	\$ (47,773)
State Source	-	943,594	777,591	(166,003)
Total Revenues	<u>110,076</u>	<u>1,135,113</u>	<u>921,337</u>	<u>(213,776)</u>
Expenditures				
Instruction	1,760,257	8,993	8,993	-
Support Services	12,876,846	14,043,093	4,662,468	9,380,625
Capital Outlay	48,317,996	46,992,258	25,946,255	21,046,003
Total Expenditures	<u>62,955,099</u>	<u>61,044,344</u>	<u>30,617,716</u>	<u>30,426,628</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(62,845,023)</u>	<u>(59,909,231)</u>	<u>(29,696,379)</u>	<u>30,212,852</u>
Other Financing Sources (Uses)				
Premium on Bonds Sold	385,480	385,480	-	(385,480)
Proceeds of General Obligations Bonds	108,900,000	-	-	-
Sale of Capital Assets	-	224,750	224,750	-
Transfer from Debt Service Fund	-	55,408,220	55,408,220	-
Total Other Financial Sources (Uses)	<u>109,285,480</u>	<u>56,018,450</u>	<u>55,632,970</u>	<u>(385,480)</u>
Net Change in Fund Balance	<u>46,440,457</u>	<u>(3,890,781)</u>	<u>25,936,591</u>	<u>29,827,372</u>
Fund Balance - Beginning			<u>27,123,515</u>	
Fund Balance - Ending			<u>53,060,106</u>	

HORRY COUNTY SCHOOLS

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance
Revenues			
1000 Revenue - Local Sources			
1510 Interest on Investments	\$ 110,076	\$ 62,303	\$ (47,773)
1900 Miscellaneous Local Revenue			
1920 Contributions	81,443	81,443	-
Total Revenue - Local Sources	191,519	143,746	(47,773)
3000 Revenue - State Sources			
3170 State School Building Fund	145,207	69,591	(75,616)
3172 Children's Education Endowment Fund	798,387	708,000	(90,387)
Total Revenue - State Sources	943,594	777,591	(166,003)
Total Revenue - All Sources	1,135,113	921,337	(213,776)
Expenditures			
100 Instruction:			
110 General Instructions:			
112 Primary Programs:			
400 Supplies and Materials	3,289	3,289	-
500 Capital Outlay	59,960	59,960	-
113 Elementary Programs:			
500 Capital Outlay	2,004,266	2,004,266	-
114 High School Programs:			
400 Supplies and Materials	4,533	4,533	-
500 Capital Outlay	350,647	350,647	-
115 Career and Technology Education Programs:			
400 Supplies and Materials	1,171	1,171	-
Total Instruction	2,423,866	2,423,866	-
200 Support Services:			
210 Pupil Services			
211 Attendance and Social Work Services:			
400 Supplies and Materials	1,654	1,654	-
213 Health Services:			
400 Supplies and Materials	4,421	4,422	(1)
220 Instructional Staff Services			
222 Library and Media Services:			
400 Supplies and Materials	1,709	1,709	-
500 Capital Outlay	2,986	2,986	-
230 General Administration Services			
233 School Administration:			
400 Supplies and Materials	15,563	15,563	-

HORRY COUNTY SCHOOLS

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance
Expenditures (Continued)			
200 Support Services (Continued)			
250 Finance and Operations Services:			
253 Facilities Acquisition and Construction Services:			
100 Salaries	\$ 471,280	\$ 471,280	-
200 Employee Benefits	122,627	122,627	-
300 Purchased Services	183,806	183,806	-
400 Supplies and Materials	10,820,000	1,978,292	\$ 8,841,708
500 Capital Outlay:			
510 Land	900,000	888,680	11,320
520 Construction Services	25,401,000	18,260,423	7,140,577
530 Improvements Other Than Buildings	2,000,000	1,237,360	762,640
545 Technology Equipment and Software	2,228,628	773,903	1,454,725
600 Other Objects	761,321	1,308	760,013
254 Operation and Maintenance of Plant:			
100 Salaries	16,439	16,439	-
200 Employee Benefits	1,303	1,303	-
300 Purchased Services	1,250,000	1,240,742	9,258
400 Supplies and Materials	750,000	219,003	530,997
500 Capital Outlay	4,736,909	271,093	4,465,816
255 Student Transportation:			
400 Supplies and Materials	526	526	-
256 Food Service:			
400 Supplies and Materials	24,294	24,293	1
258 Security:			
100 Salaries	4,696	4,696	-
200 Employee Benefits	983	983	-
300 Purchased Services	52,834	52,834	-
400 Supplies and Materials	28,300	28,300	-
500 Capital Outlay	389,499	389,499	-
260 Central Support Services:			
262 Planning:			
100 Salaries	82,075	82,075	-
200 Employee Benefits	24,626	24,626	-
266 Technology and Data Processing Services:			
300 Purchased Services			-
400 Supplies and Materials	152,164	152,164	-
500 Capital Outlay	7,563,503	1,672,027	5,891,476
270 Support Services Pupil Activities:			
271 Pupil Services Activities:			
300 Purchased Services	26,954	26,954	-
400 Supplies and Materials	6,839	6,839	-
500 Capital Outlay	593,539	35,441	558,098
Total Support Services	58,620,478	28,193,850	30,426,628
Total Expenditures	61,044,344	30,617,716	30,426,628

HORRY COUNTY SCHOOLS

CAPITAL PROJECTS FUND

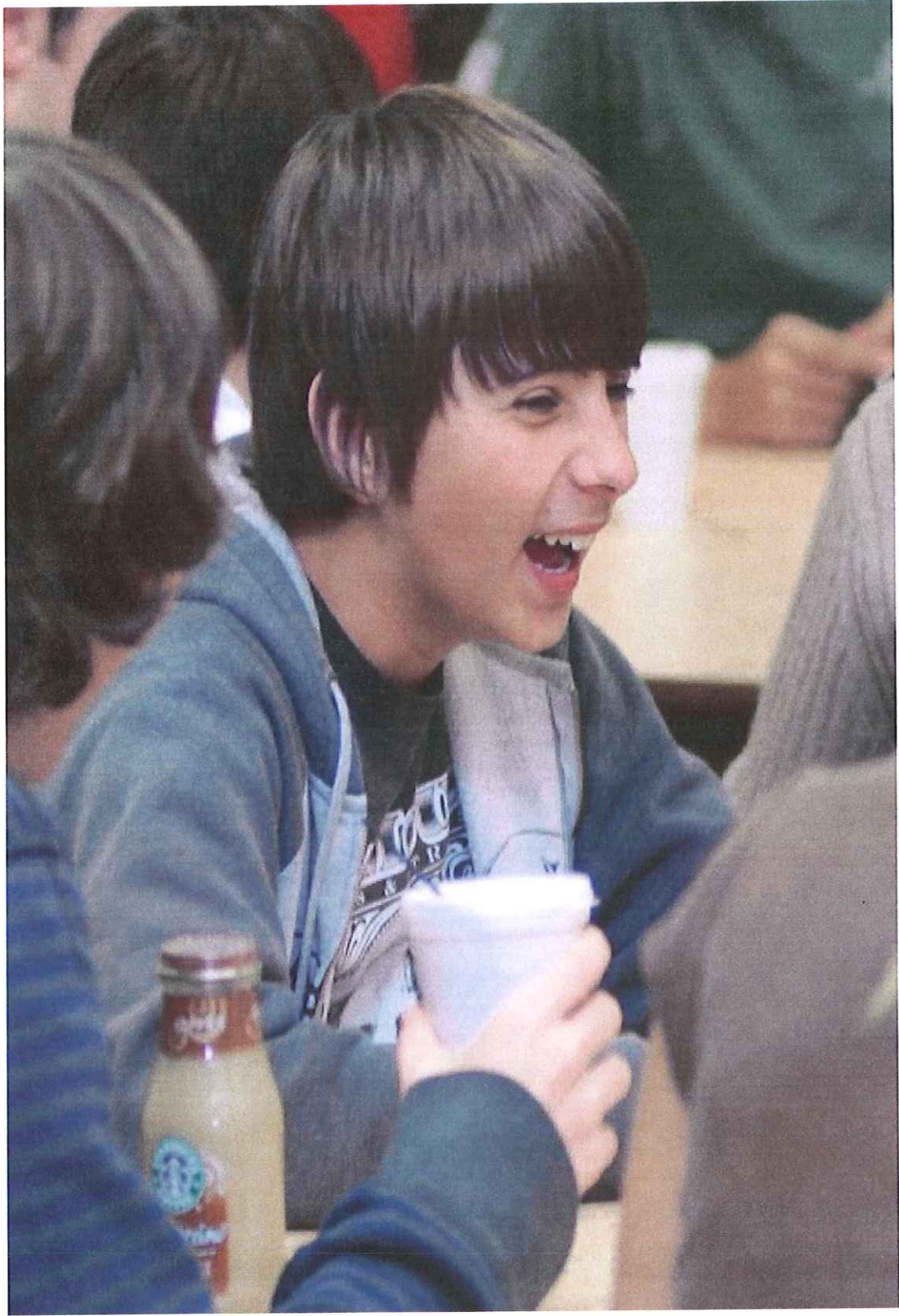
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance
Other Financing Sources (Uses) (Continued)			
5110 Premium on Bonds Sold	\$ 385,480	-	\$ (385,480)
5300 Sale of Capital Assets	224,750	\$ 224,750	-
Interfund Transfers From (To) Other Funds			
5240 Transfer from Debt Service	55,408,220	55,408,220	-
Total Other Financing Sources (Uses)	<u>56,018,450</u>	<u>55,632,970</u>	<u>(385,480)</u>
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(3,890,781)</u>	25,936,591	<u>29,827,372</u>
Fund Balance, July 1, 2010		<u>27,123,515</u>	
Fund Balance, June 30, 2011		<u>53,060,106</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
 PROPRIETARY FUND - FOOD SERVICE FUND
 COMPARATIVE SCHEDULE OF NET ASSETS
 JUNE 30, 2011 AND 2010

	2011	2010
Assets		
Current Assets:		
Cash and Investments	\$ 4,636,672	\$ 1,446,739
Due from Federal Government	-	1,708,897
Accounts Receivable	133,445	90,268
Inventories	311,279	183,178
Total Current Assets	<u>5,081,396</u>	<u>3,429,082</u>
Noncurrent Assets:		
Property and Equipment	5,195,448	5,121,877
Accumulated Depreciation	(2,854,744)	(2,596,651)
Total Noncurrent Assets	<u>2,340,704</u>	<u>2,525,226</u>
Total Assets	<u>7,422,100</u>	<u>5,954,308</u>
Liabilities		
Current Liabilities:		
Accounts Payable	36,337	21,311
Accrued Salaries	821,779	-
Accrued Liabilities	349,949	-
Deferred Revenue	136,012	129,653
Compensated Absences Payable	21,172	19,188
Total Current Liabilities	<u>1,365,249</u>	<u>170,152</u>
Noncurrent Liabilities:		
Compensated Absences Payable	31,759	30,532
Total Noncurrent Liabilities	<u>31,759</u>	<u>30,532</u>
Total Liabilities	<u>1,397,008</u>	<u>200,684</u>
Net Assets		
Invested in Capital Assets	2,340,704	2,525,226
Unrestricted	3,684,388	3,228,398
Total Net Assets	<u>6,025,092</u>	<u>5,753,624</u>

HORRY COUNTY SCHOOLS

PROPRIETARY FUND - FOOD SERVICE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Operating Revenue		
Proceeds from Sale of Meals	\$ 5,259,321	\$ 5,356,843
Total Operating Revenue	<u>5,259,321</u>	<u>5,356,843</u>
Operating Expenses		
Food Costs	8,643,844	8,115,665
Salaries	7,503,206	7,399,448
Employee Benefits	2,999,409	2,742,429
Purchased Services	121,560	113,523
Supplies and Materials	514,893	422,969
Other Objects	46,611	40,112
Depreciation	258,092	257,554
Total Operating Expenses	<u>20,087,615</u>	<u>19,091,700</u>
Operating Income (Loss)	<u>(14,828,294)</u>	<u>(13,734,857)</u>
Nonoperating Revenue		
Interest	3,224	10,837
USDA Commodities	1,210,400	954,096
USDA Reimbursements	13,671,392	12,949,406
Other Federal and State Aid	14,163	14,795
Other Income	159,867	104,486
Total Nonoperating Revenue (Expense)	<u>15,059,046</u>	<u>14,033,620</u>
Income (Loss) Before Other Financing Sources and Transfers	230,752	298,763
Other Financing Sources (Uses)		
Interfund Transfers From (To) Other Funds		
Transfers In	1,234,834	1,437,337
Transfers Out	(1,194,118)	(1,150,757)
Total Other Financing Sources (Uses)	<u>40,716</u>	<u>286,580</u>
Changes in Net Assets	271,468	585,343
Net Assets, Beginning	<u>5,753,624</u>	<u>5,168,281</u>
Net Assets, Ending	<u><u>6,025,092</u></u>	<u><u>5,753,624</u></u>

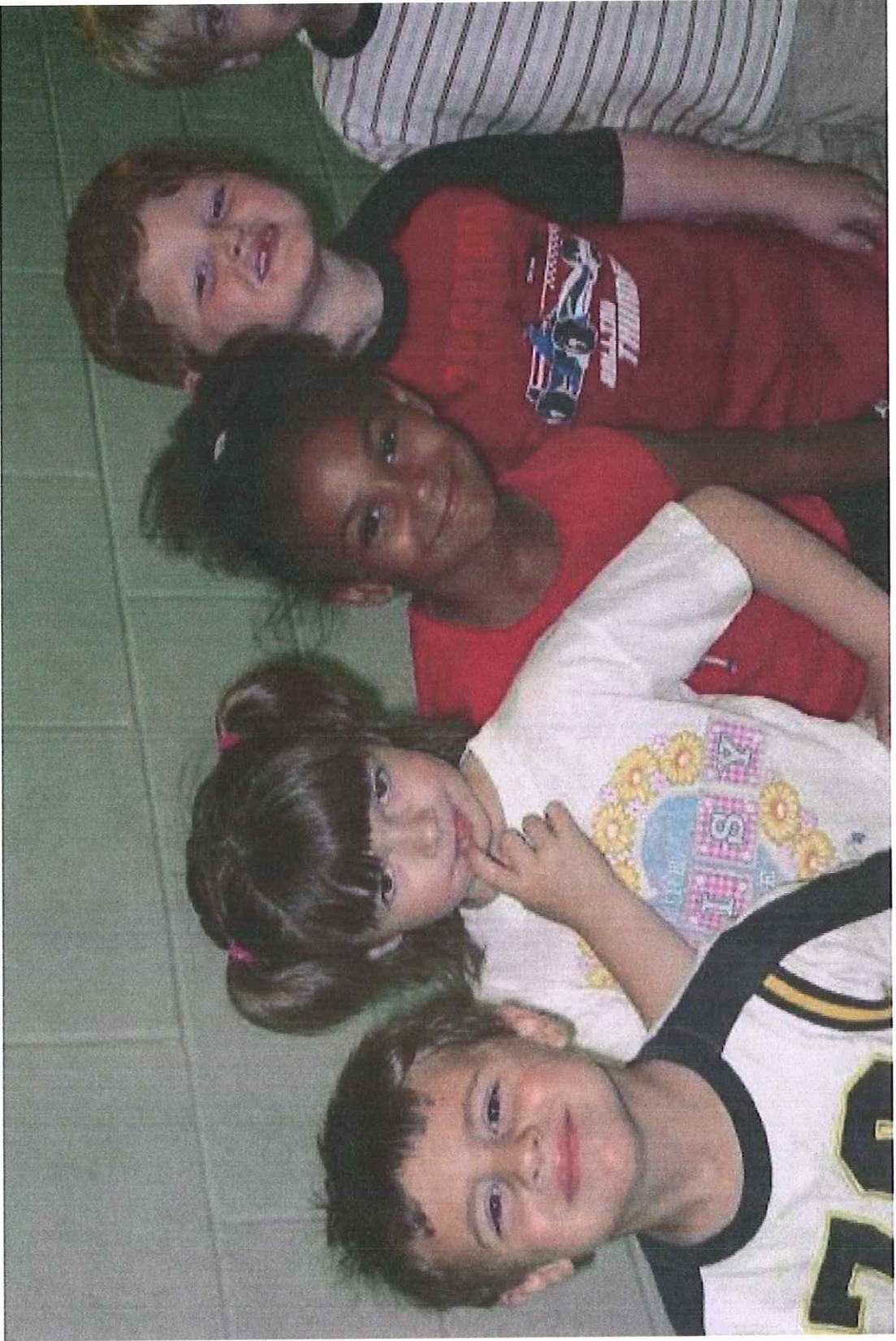
HORRY COUNTY SCHOOLS

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance
Revenues			
1000 Revenue - Local Sources:			
1500 Earnings on Investments:			
1510 Interest on Investments	\$ 10,000	\$ 3,224	\$ (6,776)
1600 Food Services:			
1610 Lunch Sales to Pupils	5,026,660	3,755,339	(1,271,321)
1620 Breakfast Sales to Pupils	20,410	7,628	(12,782)
1630 Special Sales to Pupils	1,496,812	948,317	(548,495)
1640 Lunch Sales to Adults	644,411	491,374	(153,037)
1650 Breakfast Sales to Adults	6,070	2,226	(3,844)
1660 Special Sales to Adults	64,505	54,437	(10,068)
1900 Other Revenue from Local Sources:			
1950 Refund of Prior Year Expenses	-	59	59
1999 Revenue from Other Local Sources	163,480	159,808	(3,672)
Total Revenue - Local Sources	7,432,348	5,422,412	(2,009,936)
3000 Revenue - State Sources:			
3100 Restricted State Funding:			
3140 School Lunch:			
3142 Program Aid	16,845	14,163	(2,682)
Total Revenue - State Sources	16,845	14,163	(2,682)
4000 Revenue - Federal Sources:			
4800 USDA Reimbursement:			
4810 School Lunch Program	8,396,619	9,468,195	1,071,576
4830 School Breakfast Program	3,491,594	4,203,197	711,603
4900 Other Federal Sources:			
4991 USDA Commodities	-	1,210,400	1,210,400
Total Revenue - Federal Sources	11,888,213	14,881,792	2,993,579
Total Revenue - All Sources	19,337,406	20,318,367	980,961
Expenses			
256 Food Services:			
100 Salaries	7,574,121	7,503,206	70,915
200 Employee Benefits	3,107,576	2,999,409	108,167
300 Purchased Services	129,240	121,560	7,680
400 Supplies and Materials	8,196,205	9,131,546	(935,341)
500 Capital Outlay	309,000	285,283	23,717
600 Other Objects	35,000	46,611	(11,611)
Total Expenses	19,351,142	20,087,615	(736,473)
Other Financing Sources (Uses)			
Interfund Transfers From (To) Other Funds			
5210 Transfer from General Fund (Excludes Indirect Costs)	1,486,713	1,234,834	(251,879)
432-791 Transfer to General Fund (Indirect Costs)	(1,395,978)	(1,194,118)	201,860
Total Other Financing Sources (Uses)	90,735	40,716	(50,019)
Changes in Net Assets	76,999	271,468	194,469
Net Assets July 1, 2010		5,753,624	
Net Assets June 30, 2011		6,025,092	



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 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 District by a federal program, involved in this reserve fund.

Private Purpose Trust Funds

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

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



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HORRY COUNTY SCHOOLS
PRIVATE-PURPOSE TRUST FUNDS
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS

JUNE 30, 2011

	Education Endowment Fund	Scholarship Endowment Fund	Total
Assets			
Cash and Investments	\$ 126,943	\$ 54,070	\$ 181,013
Total Assets	<u>126,943</u>	<u>54,070</u>	<u>181,013</u>
Liabilities			
Accounts Payable	<u>-</u>	<u>1,500</u>	<u>1,500</u>
Total Liabilities	<u>-</u>	<u>1,500</u>	<u>1,500</u>
Net Assets			
Restricted Net Assets	<u>126,943</u>	<u>52,570</u>	<u>179,513</u>

HORRY COUNTY SCHOOLS

PRIVATE-PURPOSE TRUST FUNDS

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS

YEAR ENDED JUNE 30, 2011

	Education Endowment Fund	Scholarship Endowment Fund	Total
Additions			
Contributions:			
Scholarship Receipts		\$ 32,383	\$ 32,383
Other Income:			
Other Income		17,805	17,805
Investment Earnings:			
Interest	\$ 7,250	150	7,400
Net Increase (Decrease) in Fair Value of Investments	(2,343)		(2,343)
Total Additions	<u>4,907</u>	<u>50,338</u>	<u>55,245</u>
Deductions			
Scholarships Awarded	7,060	31,574	38,634
Total Deductions	<u>7,060</u>	<u>31,574</u>	<u>38,634</u>
Changes in Net Assets	(2,153)	18,764	16,611
Total Net Assets - Beginning	<u>129,096</u>	<u>33,806</u>	<u>162,902</u>
Total Net Assets - Ending	<u>126,943</u>	<u>52,570</u>	<u>179,513</u>

HORRY COUNTY SCHOOLS

PRIVATE-PURPOSE TRUST FUNDS

SCHEDULE OF CHANGES IN ASSETS, LIABILITIES AND NET ASSETS

YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Assets				
Cash and Investments	\$ 162,902	\$ 55,245	\$ 37,134	\$ 181,013
Total Assets	<u>162,902</u>	<u>55,245</u>	<u>37,134</u>	<u>181,013</u>
Liabilities				
Accounts Payable	-	40,134	38,634	1,500
Total Liabilities	<u>-</u>	<u>40,134</u>	<u>38,634</u>	<u>1,500</u>
Net Assets				
Restricted Net Assets	162,902	55,245	38,634	179,513
Total Net Assets	<u><u>162,902</u></u>	<u><u>55,245</u></u>	<u><u>38,634</u></u>	<u><u>179,513</u></u>

HORRY COUNTY SCHOOLS

EDUCATION ENDOWMENT TRUST FUND - PRIVATE PURPOSE

COMPARATIVE SCHEDULE OF FIDUCIARY NET ASSETS

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Assets		
Cash and Investments	\$ 126,943	\$ 129,096
Total Assets	<u>126,943</u>	<u>129,096</u>
Restricted Net Assets		
Held in Trust for Individuals and Organizations	<u>126,943</u>	<u>129,096</u>

HORRY COUNTY SCHOOLS

EDUCATION ENDOWMENT TRUST FUND - PRIVATE PURPOSE

COMPARATIVE SCHEDULE OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Additions		
Investment Earnings:		
Interest	\$ 7,250	\$ 7,633
Net Increase (Decrease) in Fair Value of Investments	(2,343)	3,054
Total Additions	<u>4,907</u>	<u>10,687</u>
Deductions		
Scholarships Awarded	<u>7,060</u>	<u>7,060</u>
Total Deductions	<u>7,060</u>	<u>7,060</u>
Changes in Net Assets	(2,153)	3,627
Total Net Assets - Beginning	<u>129,096</u>	<u>125,469</u>
Total Net Assets - Ending	<u><u>126,943</u></u>	<u><u>129,096</u></u>

HORRY COUNTY SCHOOLS
SCHOLARSHIP ENDOWMENT FUND - PRIVATE PURPOSE
COMPARATIVE SCHEDULE OF FIDUCIARY NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Assets		
Cash and Investments	\$ 54,070	\$ 33,806
Total Assets	<u>54,070</u>	<u>33,806</u>
Liabilities		
Accounts Payable	<u>1,500</u>	<u>-</u>
Total Liabilities	<u>1,500</u>	<u>-</u>
Restricted Net Assets		
Held in Trust for Individuals and Organizations	<u>52,570</u>	<u>33,806</u>

HORRY COUNTY SCHOOLS

SCHOLARSHIP ENDOWMENT FUND - PRIVATE PURPOSE

COMPARATIVE SCHEDULE OF ADDITIONS, DEDUCTIONS AND
CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Additions		
Contributions:		
Scholarship Receipts	\$ 32,383	\$ 9,051
Other Income:		
Other Income	17,805	1,750
Investment Earnings:		
Interest	150	180
Total Additions	<u>50,338</u>	<u>10,981</u>
Deductions		
Scholarships Awarded	<u>31,574</u>	<u>3,535</u>
Total Deductions	<u>31,574</u>	<u>3,535</u>
Changes in Net Assets	18,764	7,446
Total Net Assets - Beginning	<u>33,806</u>	<u>26,360</u>
Total Net Assets - Ending	<u><u>52,570</u></u>	<u><u>33,806</u></u>

HORRY COUNTY SCHOOLS

AGENCY FUNDS

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES

JUNE 30, 2011

	Pupil Activity	Federal Program	Total
Assets			
Cash and Investments	\$ 4,055,057	\$ 1,087,963	\$ 5,143,020
Other Assets	27,413	-	27,413
Total Assets	<u>4,082,470</u>	<u>1,087,963</u>	<u>5,170,433</u>
Liabilities			
Accounts Payable	255,991	-	255,991
Accrued Liabilities	52,446	-	52,446
Due to Other Governments	-	1,087,963	1,087,963
Due to Schools and School Organizations	3,774,033	-	3,774,033
Total Liabilities	<u>4,082,470</u>	<u>1,087,963</u>	<u>5,170,433</u>

HORRY COUNTY SCHOOLS

AGENCY FUNDS

COMBINED SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2011

Assets	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Cash and Investments	\$ 5,084,780	\$ 7,193,680	\$ 7,135,440	\$ 5,143,020
Other Assets	9,763	27,413	9,763	27,413
Total Assets	<u>5,094,543</u>	<u>7,221,093</u>	<u>7,145,203</u>	<u>5,170,433</u>
 Liabilities				
Accounts Payable	362,970	7,336,898	7,443,877	255,991
Accrued Liabilities	-	52,446	-	52,446
Due to Other Governments	1,117,304	-	29,341	1,087,963
Due to Schools and School Organizations	3,614,269	7,211,330	7,051,566	3,774,033
Total Liabilities	<u>5,094,543</u>	<u>14,600,674</u>	<u>14,524,784</u>	<u>5,170,433</u>

HORRY COUNTY SCHOOLS
PUPIL ACTIVITY - AGENCY FUND
COMPARATIVE BALANCE SHEETS
YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Assets		
Cash and Investments	\$ 4,055,057	\$ 3,967,476
Other Assets	27,413	9,763
Total Assets	4,082,470	3,977,239
Liabilities		
Accounts Payable	255,991	362,970
Accrued Liabilities	52,446	-
Due to Schools and School Organizations	3,774,033	3,614,269
Total Liabilities	4,082,470	3,977,239

HORRY COUNTY SCHOOLS

PUPIL ACTIVITY - AGENCY FUND

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Assets				
Cash and Investments	\$ 3,967,476	\$ 7,193,680	\$ 7,106,099	\$ 4,055,057
Other Assets	9,763	27,413	9,763	27,413
Total Assets	<u>3,977,239</u>	<u>7,221,093</u>	<u>7,115,862</u>	<u>4,082,470</u>
Liabilities				
Accounts Payable	362,970	7,307,557	7,414,536	255,991
Accrued Liabilities	-	52,446	-	52,446
Due to Schools and School Organizations	3,614,269	7,211,330	7,051,566	3,774,033
Total Liabilities	<u>3,977,239</u>	<u>14,571,333</u>	<u>14,466,102</u>	<u>4,082,470</u>

HORRY COUNTY SCHOOLS

PUPIL ACTIVITY FUND

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN AMOUNTS DUE TO SCHOOLS
AND SCHOOL ORGANIZATIONS

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance
Receipts			
1000 Receipts from Local Sources:			
1500 Earnings on Investments:			
1510 Interest on Investments	\$ 35,555	\$ 3,228	\$ (32,327)
1700 Pupil Activities:			
1710 Admissions	702,505	755,130	52,625
1720 Bookstore Sales	292,481	285,155	(7,326)
1730 Pupil Organization Membership Dues and Fees	28,566	30,264	1,698
1740 Student Fees	1,567	-	(1,567)
1790 Other	5,277,904	5,511,078	233,174
1900 Other Revenue from Local Sources:			
1910 Rentals	2,416	298	(2,118)
1920 Contributions and Donations Private Sources	173,055	168,007	(5,048)
1999 Revenue from Other Local Sources	-	1,208	1,208
Total Receipts - Local Sources	6,514,049	6,754,368	240,319
Disbursements			
100 Instruction:			
190 Instructional Pupil Activity:			
100 Salaries	51,042	46,458	4,584
200 Employee Benefits	16,316	11,726	4,590
300 Purchased Services	679	679	-
400 Supplies and Materials	2,014	2,014	-
500 Capital Outlay	802	802	-
600 Other Objects	17,135	2,014	15,121
Total Instruction	87,988	63,693	24,295

HORRY COUNTY SCHOOLS

PUPIL ACTIVITY FUND

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN AMOUNTS DUE TO SCHOOLS
AND SCHOOL ORGANIZATIONS

YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance
Disbursements (Continued)			
200 Support Services (Continued):			
270 Support Services Pupil Activity:			
271 Pupil Service Activities:			
100 Salaries	\$ 139,955	\$ 292,479	\$ (152,524)
200 Employee Benefits	44,729	61,853	(17,124)
300 Purchased Services	395,189	394,526	663
400 Supplies and Materials	257,003	392,238	(135,235)
500 Capital Outlay	12,945	12,926	19
600 Other Objects	5,668,432	5,675,385	(6,953)
272 Enterprise Activities:			
600 Other Objects	39,664	-	39,664
273 Trust and Agency Activities:			
600 Other Objects	17,521	-	17,521
Total Support Services	<u>6,575,438</u>	<u>6,829,407</u>	<u>(253,969)</u>
Total Pupil Activity Expenditures	<u>6,663,426</u>	<u>6,893,100</u>	<u>(229,674)</u>
Other Financing Sources (Uses)			
Transfers From (To) Other Funds:			
5210 Transfer from General Fund	114,300	114,300	-
5220 Transfer from Special Revenue Fund	23,051	342,662	319,611
420-710 Transfer to General Fund	-	(152,639)	(152,639)
421-710 Transfer to Special Revenue Fund	(22,601)	(5,827)	16,774
Total Other Financing Sources (Uses)	<u>114,750</u>	<u>298,496</u>	<u>183,746</u>
Excess (Deficiency) of Receipts Over Disbursements and Other Financing Sources (Uses)	<u>(34,627)</u>	159,764	<u>194,391</u>
Due to Schools and School Organizations, July 1, 2010		<u>3,614,269</u>	
Due to Schools and School Organizations, June 30, 2011		<u>3,774,033</u>	

HORRY COUNTY SCHOOLS
 FEDERAL PROGRAM - AGENCY FUND
 COMPARATIVE BALANCE SHEETS
 JUNE 30, 2011 AND 2010

	2011	2010
Assets		
Cash and Investments	<u>\$ 1,087,963</u>	<u>\$ 1,117,304</u>
Total Assets	<u><u>1,087,963</u></u>	<u><u>1,117,304</u></u>
Liabilities		
Due to Other Governments	<u>1,087,963</u>	<u>1,117,304</u>
Total Liabilities	<u><u>1,087,963</u></u>	<u><u>1,117,304</u></u>

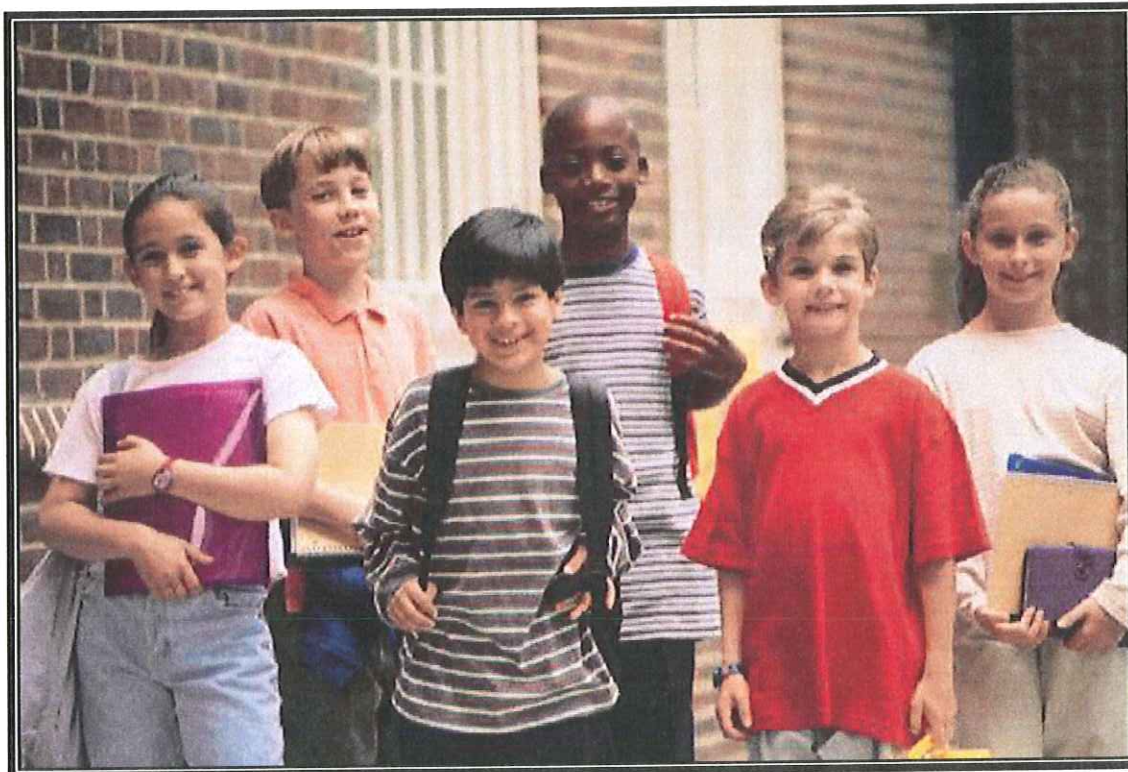
HORRY COUNTY SCHOOLS

FEDERAL PROGRAM - AGENCY FUND

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Assets				
Cash and Investments	\$ 1,117,304	-	\$ 29,341	\$ 1,087,963
Total Assets	<u>1,117,304</u>	<u>-</u>	<u>29,341</u>	<u>1,087,963</u>
Liabilities				
Due to Other Governments	<u>1,117,304</u>	<u>-</u>	<u>29,341</u>	<u>1,087,963</u>
Total Liabilities	<u>1,117,304</u>	<u>-</u>	<u>29,341</u>	<u>1,087,963</u>



COMPONENT UNITS:

**WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.
AND
PALMETTO ACADEMY OF LEARNING AND SUCCESS**



HORRY COUNTY SCHOOLS
CHARTER SCHOOLS

COMBINING SCHEDULE OF NET ASSETS

JUNE 30, 2011

	Waccamaw Park Public Charter School, Inc.		Palmetto Academy of Learning and Success	Component Units Totals
	Governmental Activities	Business-Type Activities		
Assets				
Cash and Cash Equivalents	\$ 104,388	\$ 104,388	\$ 206,604	\$ 310,992
Other Receivables		356	57,362	57,718
Restricted Cash and Cash Equivalents	34,907	34,907	-	34,907
Interfund Balances, Net	(2,226)	2,226	-	-
Capital Assets Not Being Depreciated:				
Construction in Progress	379,509	379,509	-	379,509
Capital Assets Net of Depreciation:				
Machinery and Equipment	8,124	9,157	15,777	33,058
Total Assets	524,702	11,739	279,743	816,184
Liabilities				
Accounts Payable and Other Liabilities	41,394		28,201	69,595
Deferred Revenue	34,907		-	34,907
Noncurrent Liabilities:				
Due in More Than One Year	30,978		-	30,978
Total Liabilities	107,279	-	28,201	135,480
Net Assets				
Invested in Capital Assets, Net of Related Debt Unrestricted	387,633	9,157	15,777	412,567
	29,790	2,582	235,765	268,137
Total Net Assets	417,423	11,739	251,542	680,704

HORRY COUNTY SCHOOLS
CHARTER SCHOOLS

COMBINING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2011

	Waccamaw Park Public Charter School, Inc. Governmental Activities	Palmetto Academy of Learning and Success	Component Units Totals Governmental Activities	Business-Type Activities
FUNCTIONS/PROGRAMS				
Primary Government				
Governmental Activities:				
Instruction	\$ (1,101,324)	\$ (615,968)	\$ (1,717,292)	
Expenses				
Revenues	33,058		33,058	
Charges for Services	1,316,276	1,179,228	2,495,504	
Operating Grants and Contributions				
Support Services	(296,369)	(391,812)	(688,181)	
Expenses				
Revenues				
Operating Grants and Contributions				
Total Government Activities	(48,359)	171,448	123,089	
Business-Type Activities:				
Food Service				\$ (83,356)
Expenses				
Revenues				21,823
Charges for Services				53,123
Operating Grants and Contributions				
Total Business-Type Activities				(8,410)
General Revenues				
Federal/State Aid (Unrestricted)		31,064	31,064	
Miscellaneous Revenues		44,776	44,776	
Investment Earnings	1,042		1,042	
Loss on Abandonment of Leasehold Improvements	(131,420)		(131,420)	
Total General Revenues	(130,378)	75,840	(54,538)	
Change in Net Assets				
	(178,737)	247,288	68,551	(8,410)
Net Assets - Beginning	596,160	4,254	600,414	20,149
Net Assets - Ending	417,423	251,542	668,965	11,739

HORRY COUNTY SCHOOLS
 CHARTER SCHOOLS
 COMBINING BALANCE SHEET
 GOVERNMENTAL FUND
 JUNE 30, 2011

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Component Units Totals
Assets			
Cash and Cash Equivalents	\$ 104,338	\$ 206,604	\$ 310,942
Other Receivables		57,362	57,362
Restricted Assets:			
Cash and Cash Equivalents	<u>34,907</u>		<u>34,907</u>
Total Assets	<u>139,245</u>	<u>263,966</u>	<u>403,211</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Liabilities	12,974	28,201	41,175
Due to Food Service Fund	2,226		2,226
Deferred Grant Revenue	34,907		34,907
Accrued Payroll Related Liabilities	<u>28,420</u>		<u>28,420</u>
Total Liabilities	<u>78,527</u>	<u>28,201</u>	<u>106,728</u>
Fund Balance			
Unassigned	<u>60,768</u>	<u>235,765</u>	<u>296,533</u>
Total Fund Balance	<u>60,768</u>	<u>235,765</u>	<u>296,533</u>
Total Liabilities and Fund Balance	<u>139,295</u>	<u>263,966</u>	<u>403,261</u>
Total Governmental Fund Balance	\$ 60,768	\$ 235,765	\$ 296,533
Amounts reported for governmental activities in the statement of net assets 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.	387,633	15,777	403,410
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(30,978)</u>	<u>-</u>	<u>(30,978)</u>
Net Assets Governmental Activities	<u>417,423</u>	<u>251,542</u>	<u>668,965</u>

HORRY COUNTY SCHOOLS
CHARTER SCHOOLS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE
GOVERNMENTAL FUND
YEAR ENDED JUNE 30, 2011

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Component Units Totals
Revenues			
Local Sources	\$ 34,100	\$ 61,643	\$ 95,743
State Sources	-	968,920	968,920
Federal	-	224,505	224,505
Intergovernmental	1,316,276	-	1,316,276
Total Revenues	<u>1,350,376</u>	<u>1,255,068</u>	<u>2,605,444</u>
Expenditures			
Instruction	968,405	591,585	1,559,990
Support Services	399,029	365,506	764,535
Capital Outlay	350,054	66,466	416,520
Total Expenditures	<u>1,717,488</u>	<u>1,023,557</u>	<u>2,741,045</u>
Net Change in Fund Balance	(367,112)	231,511	(135,601)
Fund Balance - Beginning	<u>427,880</u>	<u>4,254</u>	<u>432,134</u>
Fund Balance - Ending	<u>60,768</u>	<u>235,765</u>	<u>296,533</u>
Total Net Change in Fund Balance - Governmental Funds	\$ (367,112)	\$ 231,511	\$ (135,601)
<p>Amounts reported for governmental activities in the statement of activities are different because of the following:</p>			
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.	219,353	15,777	235,130
Net revenues and expenses in the statement of activities that do not provide or use current financial resources are not reported in these funds.	<u>(30,978)</u>	<u>-</u>	<u>(30,978)</u>
Change in Net Assets - Governmental Activities	<u>(178,737)</u>	<u>247,288</u>	<u>68,551</u>

HORRY COUNTY SCHOOLS
 CHARTER SCHOOL
 WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

STATEMENT OF NET ASSETS

PROPRIETARY FUND

JUNE 30, 2011

Assets	Food Services Enterprise Fund
Accounts Receivable	\$ 356
Due from General Fund	2,226
Capital Assets (Net)	<u>9,157</u>
Total Assets	<u>11,739</u>
Net Assets	
Invested in Capital Assets	9,157
Unrestricted	<u>2,582</u>
Total Net Assets	<u>11,739</u>

HORRY COUNTY SCHOOLS

CHARTER SCHOOL

WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2011

	<u>Food Services Enterprise Fund</u>
Operating Revenues	
Sales of Meals	\$ 21,823
Operating Expenses	
Salaries and Benefits	30,976
Food and Operating Costs	48,442
Depreciation	3,938
Total Operating Expenses	<u>83,356</u>
Operating Income (Loss)	(61,533)
Nonoperating Revenues	
USDA Reimbursements	<u>53,123</u>
Change in Net Assets	(8,410)
Total Assets - Beginning	<u>20,149</u>
Total Assets - Ending	<u><u>11,739</u></u>

HORRY COUNTY SCHOOLS
CHARTER SCHOOL
WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2011

	<u>Food Services Enterprise Fund</u>
Cash Flows from Operating Activities	
Proceeds from Sale of Meals	\$ 28,459
Payments to Suppliers	(33,204)
Payments to Employees	(48,442)
	(53,187)
Net Cash Used by Operating Activities	
Cash Flows from Noncapital Financing Activities	
Federal Subsidy	53,123
	53,123
Net Cash Provided by Noncapital Financing Activities	
Net Decrease in Cash and Cash Equivalents	(64)
Cash and Cash Equivalents - Beginning	64
Cash and Cash Equivalents - Ending	-
 Reconciliation of Operating Income to Net Cash	
Used by Operating Activities:	
Operating Income (Loss)	(61,533)
Adjustments to Reconcile Operating Income to Net Cash	
Used by Operating Activities	
Depreciation	3,938
Decrease in Accounts Receivable	6,634
Increase in Due from General Fund	(2,226)
	(53,187)
Net Cash and Cash Equivalents Used by Operating Activities	(53,187)

HORRY COUNTY SCHOOLS

CHARTER SCHOOLS

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Component Units Totals
Revenues:			
Revenue from Local Sources:			
1500 Earnings from Investments:			
1510 Interest on Investments	\$ 1,042		\$ 1,042
1700 Student Activities:			
1720 Bookstore Sales	1,091		1,091
1730 Pupil Organizations Membership Dues and Fees	4,848		4,848
1740 Student Fees	9,095		9,095
1790 Other	18,024	\$ 25,042	43,066
1900 Other Revenue from Local Sources:			
1910 Rentals		3,000	3,000
1920 Contributions & Donations from Private Sources		16,734	16,734
Total Local Sources	34,100	44,776	78,876
Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	1,316,276		1,316,276
Total Intergovernmental Revenues	1,316,276	-	1,316,276
Revenues from State Sources			
3300 Education Finance Act:			
3313 Elementary	-	918,840	918,840
Total State Sources	-	918,840	918,840
Total Revenue - All Sources	1,350,376	963,616	2,313,992
Expenditures:			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	61,835		61,835
200 Employee Benefits	18,532		18,532
300 Purchased Services	2,803		2,803
400 Supplies and Materials	1,107		1,107
112 Primary Programs:			
100 Salaries	127,214		127,214
200 Employee Benefits	58,244		58,244
300 Purchased Services	9,316		9,316
400 Supplies and Materials	4,444	1,876	6,320
113 Elementary Programs:			
100 Salaries	364,429	377,851	742,280
200 Employee Benefits	109,313	135,628	244,941
300 Purchased Services	28,688	2,091	30,777
400 Supplies and Materials	6,610	3,613	10,223
500 Capital Outlay	1,938		1,938
120 Exceptional Programs:			
127 Learning Disabilities:			
100 Salaries	93,755		93,755
200 Employee Benefits	29,210		29,210
300 Purchased Services	26,260		26,260
400 Supplies and Materials	22,143		22,143
180 Adult/Continuing Education Programs:			
188 Parenting/Family Literacy:			
300 Purchased Services		445	445
190 Instructional Pupil Activities:			
660 Instructional Pupil Activity	4,504		4,504
Total - Instruction	970,343	521,504	1,491,847

HORRY COUNTY SCHOOLS

CHARTER SCHOOLS

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Component Units Totals
Expenditures (Continued):			
200 Supporting Services:			
220 Instructional Staff Services:			
224 Improvement of Instruction - In-Service and Staff Training:			
400 Supplies and Materials	\$ 199		\$ 199
230 General Administrative Services:			
231 Board of Education:			
318 Audit Services	11,250		11,250
400 Supplies and Materials		\$ 140	140
600 Other Objects		10,366	10,366
233 School Administration:			
100 Salaries	156,027	106,000	262,027
200 Employee Benefits	47,709	35,635	83,344
300 Purchased Services	137,190	798	137,988
400 Supplies and Materials	13,366	503	13,869
500 Capital Outlay	1,861	1,541	3,402
600 Other Objects	6,816		6,816
250 Finance and Operations Services:			
252 Fiscal Services:			
300 Purchased Services		1,333	1,333
600 Other Objects		336	336
253 Facilities Acquisition and Construction:			
500 Capital Outlay			
520 Construction Services	346,255		346,255
540 Equipment		8,939	8,939
254 Operation and Maintenance of Plant:			
100 Salaries	745	19,500	20,245
200 Employee Benefits		8,818	8,818
300 Purchased Services	5,206	7,611	12,817
400 Supplies and Materials	232	4,472	4,704
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
300 Purchased Services	3,371		3,371
400 Supplies and Materials	8,203		8,203
660 Pupil Activity	8,715	2,236	10,951
Total - Supporting Services	747,145	208,228	955,373
Total Expenditures	1,717,488	729,732	2,447,220
Other Financing Sources (Uses)			
5230 Transfer from Special Revenue EIA Fund		275	275
421-710 Transfer to Special Revenue Fund		(2,648)	(2,648)
Total Other Financing Sources (Uses)		(2,373)	(2,373)
Changes in Fund Balance	(367,112)	231,511	(135,601)
Fund Balance July 1, 2010	427,880	4,254	432,134
Fund Balance June 30, 2011	60,768	235,765	296,533

HORRY COUNTY SCHOOLS

CHARTER SCHOOL

PALMETTO ACADEMY OF LEARNING AND SUCCESS

SPECIAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

Revenues:

Revenue from Local Sources:

1900 Other Revenue from Local Sources:

1999 Revenue from Other Local Sources	\$ 16,867
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Total Local Sources

16,867

Revenues from State Sources:

3100 Restricted State Funding:

3110 Occupational Education

3118 EEDA Career Specialists	1,548
------------------------------	-------

3120 General Education

3123 Formative Assessment	590
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3126 Refurbishment of K-8 Science Kits	1,011
--	-------

3127 Student Health and Fitness - PE Teachers	2,101
---	-------

3600 Education Lottery Act Revenue

3607 6-8 Enhancement	308
----------------------	-----

3610 K-5 Enhancement	<u>12,160</u>
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Total State Sources

17,718

Revenues from Federal Sources:

4300 Elementary & Secondary Education Act of 1965 (ESEA):

4320 Public Charter School Grant	128,509
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4350 State Fiscal Stabilization Fund (ARRA)	46,615
---	--------

4351 Improving Teacher Quality	6,048
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4500 Programs for Children with Disabilities:

4510 Individuals with Disabilities Act (IDEA)	12,269
---	--------

4900 Other Federal Sources:

4999 Revenue from Other Federal Sources	<u>31,064</u>
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Total Federal Sources

224,505

Total Revenue - All Sources

259,090

HORRY COUNTY SCHOOLS

CHARTER SCHOOL

PALMETTO ACADEMY OF LEARNING AND SUCCESS

SPECIAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

Expenditures: (Continued)

100 Instruction:		
110 General Instruction:		
112 Primary Programs:		
400 Supplies and Materials	\$	14,554
500 Capital Outlay		27,924
113 Elementary Programs:		
100 Salaries		12,160
400 Supplies and Materials		18,671
500 Capital Outlay		6,304
180 Adult/Continuing Education Programs:		
188 Parenting/Family Literacy:		
300 Purchased Services		763
		<hr/>
Total - Instruction		80,376
		<hr/>
200 Supporting Services:		
210 Pupil Services:		
215 Exceptional Program Services:		
300 Purchased Services		15,758
220 Instructional Staff Services:		
224 Improvement of Instruction - In-Service and Staff Training:		
300 Purchased Services		9,100
230 General Administrative Services:		
231 Board of Education:		
300 Purchased Services		11,022
600 Other Objects		1,300
233 School Administration:		
300 Purchased Services		3,915
400 Supplies and Materials		5,936
500 Capital Outlay		8,391
250 Finance and Operations Services:		
252 Fiscal Services:		
300 Purchased Services		14,667

HORRY COUNTY SCHOOLS

CHARTER SCHOOL

PALMETTO ACADEMY OF LEARNING AND SUCCESS

SPECIAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

Expenditures: (Continued)	
200 Supporting Services (Continued):	
253 Facilities Acquisition and Construction:	
300 Purchased Services	\$ 10,268
254 Operation and Maintenance of Plant:	
300 Purchased Services	14,168
400 Supplies and Materials	12,225
255 Student Transportation:	
300 Purchased Services	2,169
256 Food Service:	
100 Salaries	23,180
200 Employee Benefits	8,147
300 Purchased Services	982
400 Supplies and Materials	35,807
500 Capital Outlay	3,099
260 Central Support Services:	
266 Technology and Data Processing Services:	
300 Purchased Services	400
270 Support Services Pupil Activity:	
271 Pupil Services Activities:	
660 Pupil Activity	828
Total - Supporting Services	<u>181,362</u>
Total Expenditures	<u>261,738</u>
Other Financing Sources (Uses)	
5210 Transfer from General Fund	<u>2,648</u>
Total Other Financing Sources (Uses)	<u>2,648</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-
Fund Balance July 1, 2010	<u>-</u>
Fund Balance June 30, 2011	<u><u>-</u></u>

HORRY COUNTY SCHOOLS

CHARTER SCHOOL

PALMETTO ACADEMY OF LEARNING AND SUCCESS

EDUCATION IMPROVEMENT ACT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

Revenues:

Revenues from State Sources:

3500 Education Improvement Act:

3511 Professional Development	\$ 873
3538 Students at Risk of School Failure	23,559
3544 High Achieving Students	4,540
3558 Reading	640
3577 Teacher Supplies	<u>2,750</u>

Total State Sources

32,362

Total Revenue - All Sources

32,362

Expenditures:

100 Instruction:

110 General Instruction:

112 Primary Programs:

400 Supplies and Materials 2,475

113 Elementary Programs:

100 Salaries 640

300 Purchased Services 10,178

120 Exceptional Programs:

127 Learning Disabilities:

300 Purchased Services 10,640

Total - Instruction

23,933

HORRY COUNTY SCHOOLS

CHARTER SCHOOL

PALMETTO ACADEMY OF LEARNING AND SUCCESS

EDUCATION IMPROVEMENT ACT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011

Expenditures (Continued):

200 Supporting Services:

210 Pupil Services:

215 Exceptional Program Services:

300 Purchased Services

\$ 5,895

220 Instructional Staff Services:

224 Improvement of Instruction - In-Service and Staff Training:

300 Purchased Services

2,259

Total - Supporting Services

8,154

Total Expenditures

32,087

Other Financing Sources (Uses)

420-710 Transfer to General Fund

(275)

Total Other Financing Sources (Uses)

(275)

**Excess (Deficiency) of Revenues Over Expenditures
and Other Financing Sources (Uses)**

-

Fund Balance July 1, 2010

-

Fund Balance June 30, 2011

-

HORRY COUNTY SCHOOLS

CHARTER SCHOOL

WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2010

Operating Revenues**Revenues:**

Revenue from Local Sources:

1600 Food Service:

1610 Lunch Sales to Pupils	\$ 20,228
1640 Lunch Sales to Adults	107

1900 Other Revenue from Local Sources:

1992 Canteen Operations	1,488
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Total Revenue from Local Sources	<u>21,823</u>
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Revenue from Federal Sources:

4800 USDA Reimbursements:

4810 School Lunch Program	43,338
4830 School Breakfast Program	9,785

Total Revenue from Federal Sources	<u>53,123</u>
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Total Revenue all Sources	<u>74,946</u>
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Operating Expenses

256 Food Service:

100 Salaries	43,742
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200 Employee Benefits	4,700
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300 Purchased Services	3,576
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400 Supplies and Materials	27,400
----------------------------	--------

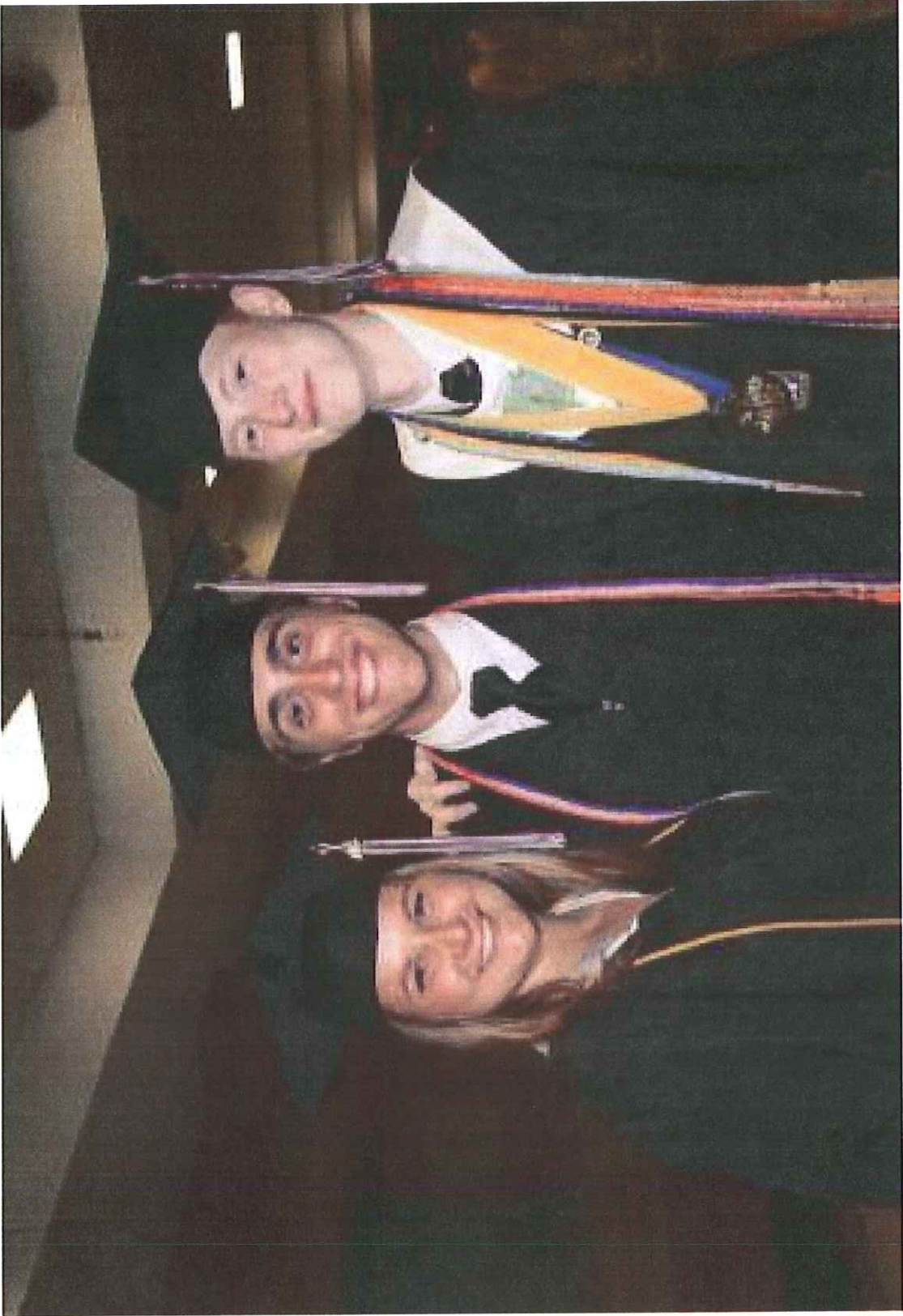
500 Depreciation	3,938
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Total Expenses	<u>83,356</u>
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Change In Net Assets	(8,410)
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Total Net Assets - Beginning	<u>20,149</u>
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Total Net Assets - Ending	<u><u>11,739</u></u>
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**ADDITIONAL SCHEDULES
REQUIRED BY THE SOUTH CAROLINA
DEPARTMENT OF EDUCATION**

HORRY COUNTY SCHOOLS
DETAILED SCHEDULE OF DUE TO STATE
DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
YEAR ENDED JUNE 30, 2011

Program	Project/Grant Number	Revenue/ Subfund Code	Description	Total Due June 30, 2011	Status of Amount Due to Grantors
National Board Certified	N/A	3185/935	Unspent Allocation	\$ 14,182	Repaid 8/26
EEDA - At Risk Supplemental	N/A	3116/926	Unspent Allocation	3,367	Repaid 8/12
EAA Technical Assistance	N/A	3568/368	Unspent Allocation	4,611	Repaid 8/27
High Schools that Work	10VA046-20	3578/378	Unspent Allocation	4,236	Repaid 8/15
Total				26,396	

HORRY COUNTY SCHOOLS
LOCATION RECONCILIATION SCHEDULE
YEAR ENDED JUNE 30, 2011

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
001	Aynor High	High School	School	\$ 7,605,984
002	North Myrtle Beach High	High School	School	11,125,226
004	Conway High	High School	School	12,875,603
006	Green Sea Floyds High	Middle-High School	School	8,905,117
008	Loris High	High School	School	9,247,528
010	Myrtle Beach High	High School	School	11,637,714
011	Socastee High	High School	School	12,975,921
013	Whittemore Park Middle	Middle School	School	6,096,199
014	Aynor Elementary	Elementary School	School	6,036,701
016	Myrtle Beach Middle	Middle School	School	7,301,501
017	Conway Middle	Middle School	School	6,284,342
021	Daisy Elementary	Elementary School	School	5,980,785
023	Green Sea Floyds Elementary	Elementary School	School	6,210,541
025	Homewood Elementary	Elementary School	School	6,127,830
027	Loris Middle	Middle School	School	6,845,392
028	Kingston Elementary	Elementary School	School	5,524,061
029	Lakewood Elementary	Elementary School	School	6,290,293
030	St. James Elementary	Elementary School	School	6,445,628
032	Loris Elementary	Elementary School	School	7,827,888
033	Midland Elementary	Elementary School	School	4,531,985
034	Myrtle Beach Elementary	Elementary School	School	5,530,956
035	Myrtle Beach Primary	Primary School	School	7,540,495
036	Conway Elementary	Elementary School	School	5,788,607
037	North Myrtle Beach Middle	Middle School	School	8,187,162
038	North Myrtle Beach Primary	Primary School	School	7,253,909
039	Pee Dee Elementary	Elementary School	School	6,627,500
042	Waccamaw Elementary	Elementary School	School	6,942,002
045	South Conway Elementary	Elementary School	School	7,210,219
046	Forestbrook Elementary	Elementary School	School	7,711,166
047	St. James Middle	Middle School	School	8,095,229
048	North Myrtle Beach Elementary	Elementary School	School	5,749,238
049	Carolina Forest Elementary	Elementary School	School	11,655,142
050	Seaside Elementary	Elementary School	School	6,432,688
051	Forestbrook Middle	Middle School	School	11,085,314
052	Carolina Forest High	High School	School	16,016,080
053	Myrtle Beach Intermediate	Elementary School	School	5,516,571
054	Socastee Elementary	Elementary School	School	6,573,957
056	Palmetto Bays Elementary	Elementary School	School	6,060,235
057	Aynor Middle School	Middle School	School	5,392,993
058	St. James High School	High School	School	10,557,480
059	NMB Intermediate	Elementary School	School	5,613,003
060	Ocean Bay Elementary School	Elementary School	School	8,305,899
061	Ocean Bay Middle School	Middle School	School	7,245,057
062	Black Water Middle School	Middle School	School	6,198,544
063	Burgess Elementary School	Elementary School	School	4,888,094
064	HCS Early College High School	High School	School	2,776,842
065	River Oaks Elementary	Elementary School	School	2,291,361

(Continued)

HORRY COUNTY SCHOOLS

LOCATION RECONCILIATION SCHEDULE (Continued)

YEAR ENDED JUNE 30, 2011

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
080	All Schools	Various	School	\$ 156,248
096	Academy of Arts, Science and Technology	High School	School	4,897,615
0098	Academy of Technology and Academics	High School	School	5,575,929
0172	Conway Education Center	Various	School	269,580
0173	Myrtle Beach Education Center	Various	School	266,551
0175	Chabad Academy	Various	Central	11,777
0176	Conway Alternative School	Various	School	3,031,104
0178	CCU Scholars Academy	High School	School	1,199,896
0179	Bridgewater Academy	Charter School	Central	1,462,953
0180	Playcard Environmental Center	Various	School	99,708
0181	Palmetto Academy of Learning and Success	Charter School	Central	1,033,853
0182	Therapeutic Learning Center	Various	School	949,009
1100	Office of Superintendent		Central	1,395,906
2100	Academics		Central	3,763,826
3100	Support Services		Central	11,879,062
4100	Fiscal Services		Central	4,204,344
4600	Personnel Services		Central	2,732,920
4900	Debt Service		Central	42,186,914
5100	Construction Management		Central	727,508
8100	Information & Accountability Services		Central	4,798,983
9100	Instructional Support Services		Central	2,179,571
Total				<u>441,945,239</u>
General Fund				281,163,761
Special Projects Fund				47,633,069
Education Improvement Act Fund				13,295,089
Debt Service				42,186,914
Capital Projects Fund				30,617,716
Proprietary Fund				20,087,615
Agency Funds				6,922,441
Trust and Other Private Purpose Funds				<u>38,634</u>
Total by Fund				<u>441,945,239</u>

STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	145-149
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	150-154
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of understanding debt and the District's ability to issue additional debt in the future.	155-158
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other Districts.	159-161
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	162-165

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**HORRY COUNTY SCHOOLS
NET ASSETS BY COMPONENT,
LAST NINE FISCAL YEARS
(Amounts expressed in thousands)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Primary Government									
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	\$ 64,876	\$ 86,978	\$ 17,184	\$ 112,353	\$ 111,071	\$ 93,916	\$ 126,186	\$ 165,674	\$ 195,460
Restricted	57,524	36,258	100,256	40,038	59,646	100,048	94,786	101,572	102,769
Unrestricted	17,839	28,603	43,596	41,536	50,549	64,759	63,460	60,803	72,512
Total Governmental Activities Net Assets	140,239	151,839	161,036	193,927	221,266	258,723	284,432	328,049	370,741
Business-Type Activities									
Invested in Capital Assets, Net of Related Debt	1,105	1,017	912	817	733	1,283	2,711	2,525	2,341
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	(333)	(337)	614	1,639	2,168	2,208	2,457	3,228	3,684
Total Business-Type Activities Net Assets	772	680	1,526	2,456	2,901	3,491	5,168	5,753	6,025
Total Primary Government									
Invested in Capital Assets, Net of Related Debt	65,981	87,995	18,096	113,170	111,804	95,199	128,897	168,199	197,801
Restricted	57,524	36,258	100,256	40,038	59,646	100,048	94,786	101,572	102,769
Unrestricted	17,506	28,266	44,210	43,175	52,717	66,967	65,917	64,031	76,196
Total Primary Government Net Assets	141,011	152,519	162,562	196,383	224,167	262,214	289,600	333,802	376,766
Component Units (1)									
Invested in Capital Assets, Net of Related Debt	-	150	182	223	201	181	172	181	413
Restricted	-	-	-	-	1	-	-	-	-
Unrestricted	-	52	16	(35)	120	297	409	435	288
Total Component Units Net Assets	-	202	198	188	322	478	581	616	681

Note: Accrual basis of accounting.
This schedule begins with the year the District implemented GASB 34
(1) Horry County School District did not have this component unit in fiscal year 2003
Source: Horry County Schools' Audit Reports.

**HORRY COUNTY SCHOOLS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSES) REVENUES,
LAST NINE FISCAL YEARS
(Amounts expressed in thousands)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental Activities:									
Instruction	\$ 133,167	\$ 152,497	\$ 160,250	\$ 181,981	\$ 201,947	\$ 223,015	\$ 234,511	\$ 236,394	\$ 236,524
Support Services	78,383	81,226	85,704	94,850	109,570	126,447	130,780	127,351	128,715
Community Services	626	722	701	668	1,013	1,123	1,087	1,218	961
Intergovernmental	604	1,674	2,201	2,597	2,824	-	-	-	-
Interest on Long-Term Debt	11,612	10,816	11,176	13,957	17,849	20,084	21,042	19,980	17,516
Pupil Activities	-	-	-	427	335	470	133	341	457
Total Governmental Activities Expenses	224,392	246,935	260,032	294,480	333,538	371,139	387,553	385,284	384,173
Business-Type Activities:									
Food Service	11,689	12,487	13,015	14,316	15,869	17,668	18,831	19,092	20,088
Total Business-Type Activities Expenses	11,689	12,487	13,015	14,316	15,869	17,668	18,831	19,092	20,088
Total Primary Government Expenses	236,081	259,422	273,047	308,796	349,407	388,807	406,384	404,376	404,261
Program Revenues									
Governmental Activities:									
Charges for Services:									
Instruction	139	1,709	2,387	2,584	225	116	86	94	117
Support Services	-	1,011	642	338	4,472	4,079	3,696	3,530	3,567
Community Services	39	-	-	-	-	-	-	-	-
Intergovernmental	-	781	1,077	1,833	-	-	-	-	-
Operating Grants and Contributions	83,077	94,494	106,567	124,540	132,668	139,410	123,701	112,481	121,586
Capital Grants and Contributions	605	703	1,560	331	-	-	-	-	-
Total Governmental Activities Program Revenues	83,860	98,698	112,233	129,626	137,365	143,605	127,483	116,105	125,270
Business-Type Activities:									
Charges for Services:	4,358	4,539	4,896	5,443	5,773	5,956	5,933	5,357	5,259
Operating Grants and Contributions	6,876	7,585	8,738	9,260	10,294	11,263	12,425	14,023	15,056
Total Business-Type Activities Program Revenues	11,234	12,124	13,634	14,703	16,067	17,219	18,358	19,380	20,315
Total Primary Government Program Revenues	95,094	110,822	125,867	144,329	153,432	160,824	145,841	135,485	145,585
Net (Expense) Revenue									
Governmental Activities	(140,532)	(148,237)	(147,799)	(164,854)	(196,173)	(227,534)	(260,070)	(269,179)	(258,903)
Business-Type Activities	(455)	(363)	619	387	198	(449)	(473)	288	227
Total Primary Governmental Net (Expense) Revenue	(140,987)	(148,600)	(147,180)	(164,467)	(195,975)	(227,983)	(260,543)	(268,891)	(258,676)

Note: Accrual basis of accounting.

This schedule begins with the year the District implemented GASB 34

Source: Horry County Schools' Audit Reports.

HORRY COUNTY SCHOOLS
GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS,
LAST NINE FISCAL YEARS
(Amounts expressed in thousands)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Property Taxes	\$ 126,317	\$ 141,504	\$ 136,710	\$ 174,675	\$ 194,652	\$ 208,069	\$ 237,110	\$ 265,424	\$ 254,328
State Aid	17,070	17,396	17,658	18,468	18,991	43,941	45,150	46,155	46,367
Unrestricted Grants and Contributions	12	371	-	-	-	-	-	-	-
Other	3,175	1,017	799	4,962	10,099	14,020	5,557	1,504	941
Transfers	(432)	(450)	(466)	(360)	(230)	(1,039)	(2,039)	(287)	(41)
Total Governmental Activities	146,142	159,838	154,701	197,745	223,512	264,991	285,778	312,796	301,595
Business-Type Activities:									
Other	183	17	15	184	16	2	111	11	3
Transfers	202	254	211	360	230	1,039	2,039	287	41
Total Business-Type Activities	385	271	226	544	246	1,041	2,150	298	44
Total Primary Government	146,527	160,109	154,927	198,289	223,758	266,032	287,928	313,094	301,639
Change in Net Assets									
Governmental Activities	5,610	11,601	9,198	32,891	27,339	37,458	25,708	43,618	42,692
Business-Type Activities	(70)	(92)	845	931	444	591	1,677	585	271
Total Change in Net Assets-Primary Government	5,540	11,509	10,043	33,822	27,783	38,049	27,385	44,203	42,963
Total Component Units (1)									
Total Expenses	-	658	825	943	977	1,157	1,280	1,340	2,620
Program Revenues:									
Charges for Services	-	39	36	30	32	54	70	73	55
Operating Grants and Contributions	-	82	64	104	36	29	15	13	2,548
Capital Grants and Contributions	-	150	43	15	-	-	-	-	-
Total Program Revenues	-	271	143	149	68	83	85	86	2,603
Net (Expense) Revenue	-	(387)	(682)	(794)	(909)	(1,074)	(1,195)	(1,254)	(17)
General Revenues-State Aid/Grants (Unrestricted)	-	589	678	735	1,043	1,230	1,298	1,289	77
Change in Net Assets-Total Component Units	-	202	(4)	(59)	134	156	103	35	60

Note: Accrual basis of accounting.

This schedule begins with the year the District implemented GASB 34

(1) Horry County School District did not have this component unit in fiscal year 2003

Source: Horry County Schools' Audit Reports.

**HORRY COUNTY SCHOOLS
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 1,170	\$ 1,320	\$ 1,742	\$ 1,283	\$ 2,053	\$ 2,420	\$ 2,021	\$ 2,158	\$ 2,181	N/A
Unreserved	11,204	10,954	17,533	19,931	32,695	43,265	58,290	53,610	49,529	N/A
Total General Fund	12,374	12,274	19,275	21,214	34,748	45,685	60,311	55,768	51,710	-
General Fund**										
Nonspendable:										
Inventories	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 475
Prepaid Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,941
Committed:										
10% Reserve	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	28,401
Assigned:										
Carryover School Budgets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	433
Subsequent Year Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,473
Encumbrances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	54
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	28,275
Total General Fund	-	-	-	-	-	-	-	-	-	62,052
All Other Governmental Funds										
Reserved	35,052	57,524	36,258	100,256	40,038	59,646	100,047	94,785	101,572	N/A
Total All Other Governmental Funds	35,052	57,524	36,258	100,256	40,038	59,646	100,047	94,785	101,572	-
All Other Governmental Funds**										
Restricted:										
Special Projects	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,496
Debt Service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	48,212
Capital Projects	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	53,060
Total All Other Governmental Funds	-	-	-	-	-	-	-	-	-	102,768

Notes: Modified accrual basis of accounting.
 ** The 2011 funds balances for the General Fund and all other Governmental Funds are reported based on the new requirements under GASBS 54. The fund balances for years ended 2002-2010 are not reported under GASBS 54.

Source: Horry County Schools' Audit Reports.

SCHEDULE 5

HORRY COUNTY SCHOOLS
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, DEBT SERVICE RATIO, OTHER FINANCING SOURCES AND USES AND CHANGE IN FUND BALANCES,
LAST TEN FISCAL YEARS

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Local Sources	\$ 124,517,482	\$ 128,864,097	\$ 140,429,836	\$ 147,482,030	\$ 185,756,388	\$ 211,185,440	\$ 221,810,847	\$ 241,909,038	\$ 271,559,226	\$ 260,378,440
Intergovernmental	9,773	75,642	7,855	831	3,088	316	1,562	20,745	66,970	101,110
State Sources	102,326,559	85,931,486	95,361,657	106,349,389	118,604,284	127,376,580	157,815,711	141,094,942	120,868,530	126,255,717
Federal Sources	11,602,718	13,891,483	16,404,141	17,798,281	21,860,078	22,324,981	23,001,551	25,922,814	35,353,050	39,757,221
Total Revenues	238,456,532	228,762,708	252,203,488	271,650,531	326,223,838	360,887,317	402,629,671	408,947,539	427,907,776	426,492,488
Expenditures										
Instruction	127,061,026	128,737,722	139,384,344	154,833,820	174,191,192	189,211,709	207,905,105	220,283,094	222,148,334	219,841,958
Support Services	69,070,829	71,352,499	76,249,848	80,968,682	159,407,537	102,649,771	117,800,860	122,837,788	119,883,821	119,687,739
Community Services	542,871	609,865	660,004	679,060	639,478	949,467	1,056,713	1,028,109	1,144,979	891,076
Pupil Activities	-	-	-	-	-	-	-	-	-	456,962
Intergovernmental	558,821	588,158	1,530,309	1,883,032	2,485,859	2,646,037	2,671,295	2,511,608	1,951,639	3,365,840
Capital Outlay	67,755,615	69,555,862	26,950,491	35,837,298	3,232,329	130,683,130	59,625,422	49,538,316	23,922,155	28,923,022
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	288,840,107	291,154,841	266,764,633	297,131,624	378,322,448	462,426,203	445,052,234	434,772,559	424,794,022	415,353,511
Excess (Deficiency) of Revenues Over Expenditures	(50,383,575)	(62,392,133)	(14,561,144)	(25,501,093)	(52,098,610)	(101,538,886)	(42,422,563)	(25,825,019)	3,113,754	11,138,977
Other Financing Sources (Uses)										
Premium on Bonds Sold	3,093,774	4,488,746	-	2,581,380	465,081	3,383,526	2,037,605	3,080,032	6,492,467	9,867,454
General Obligation Bonds Issued	71,200,000	79,400,000	-	89,215,000	5,285,000	128,710,000	90,000,000	15,100,000	-	-
Proceeds of Refunding Debt	-	67,524,188	17,105,638	3,920,000	-	-	-	-	43,330,000	54,965,000
Payment to Refunded Debt Escrow Agent	-	(67,320,274)	(17,010,888)	(3,987,080)	-	-	-	-	(49,646,378)	(64,662,177)
Sale of Capital Assets	11,648	1,103,813	651,914	175,030	82,276	180,836	6,920,373	11,632	66,980	269,318
Medicaid Reimbursement	1,150,342	-	-	-	-	-	-	-	-	-
Other Financing Sources	-	-	-	-	369,581	365,137	-	-	-	-
Transfers In	12,889,781	9,996,010	11,037,677	13,644,053	25,194,911	6,651,267	5,947,100	6,147,921	8,726,301	63,987,288
Transfers Out	(13,275,052)	(10,427,791)	(11,489,243)	(14,110,307)	(25,921,945)	(7,216,891)	(7,455,269)	(8,319,839)	(9,354,198)	(64,028,004)
Total Other Financing Sources (Uses)	75,070,493	84,764,692	296,098	91,438,076	5,414,904	132,083,875	97,449,809	16,019,946	(384,828)	398,879
Net Change in Fund Balances	24,686,918	22,372,559	(14,265,046)	65,936,983	(46,683,706)	30,544,989	55,027,246	(9,805,073)	2,728,926	11,537,656
Debt Service as a Percentage of Noncapital Expenditures	10.8%	9.2%	9.3%	8.8%	10.2%	10.9%	15.4%	10.0%	13.9%	10.9%

Note: Modified accrual basis of accounting.
Source: Horry County Schools' Audit Reports.

**HORRY COUNTY SCHOOLS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS
 (Amounts expressed in thousands)**

Fiscal Year	Real Property		Personal Property		Total		Total Direct Rate ^a	Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2002	843,090	15,848,056	278,741	2,654,195	1,121,831	18,502,251	124.9	6.06%
2003	879,182	16,545,968	289,276	3,005,053	1,168,458	19,551,021	124.9	5.98%
2004	955,462	17,917,443	273,908	2,960,155	1,229,370	20,877,598	130.4	5.89%
2005	936,640	17,708,080	272,458	2,521,125	1,209,098	20,229,205	130.4	5.98%
2006	1,206,681	24,133,619	288,608	4,403,525	1,495,289	28,537,144	129.7	5.24%
2007	1,311,110	26,222,200	298,432	4,828,550	1,609,542	31,050,750	135.3	5.18%
2008	1,466,775	29,335,491	316,687	5,215,624	1,783,462	34,551,115	143.3	5.16%
2009	1,663,986	31,058,312	323,386	5,177,005	1,987,372	36,235,317	143.3	5.48%
2010	1,701,553	34,030,462	309,219	5,113,771	2,010,772	39,144,233	139.3	5.14%
2011	1,753,786	35,075,716	298,876	4,941,192	2,052,662	40,016,908	132.2	5.13%

Note: Fiscal year 2006 real property assessed values increased as a result of a state mandated reassessment.

Source: Horry County Auditor and Assessor.

^a Per \$1,000 of assessed value

**HORRY COUNTY SCHOOLS
DIRECT AND OVERLAPPING PROPERTY TAX RATES,
LAST TEN FISCAL YEARS
(Amounts expressed in mills)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Jurisdiction:										
Horry County Schools										
General Fund	102.9	102.9	108.4	108.4	101.7	107.3	115.3	115.3	119.3	118.2
Debt Service Fund	22.0	22.0	22.0	22.0	28.0	28.0	28.0	28.0	20.0	14.0
	<u>124.9</u>	<u>124.9</u>	<u>130.4</u>	<u>130.4</u>	<u>129.7</u>	<u>135.3</u>	<u>143.3</u>	<u>143.3</u>	<u>139.3</u>	<u>132.2</u>
Overlapping Rates:										
Horry County	50.9	50.9	50.9	50.9	46.3	46.3	47.3	47.3	47.3	44.9
Town of Atlantic Beach	110.0	110.0	110.0	90.0	90.0	90.0	94.5	94.5	94.5	94.5
Town of Aynor	90.0	90.0	90.0	90.0	70.8	70.8	72.2	72.2	72.2	60.8
Town of Briarcliff Acres	75.0	42.0	56.0	56.0	47.0	50.0	52.8	55.6	55.6	50.8
City of Conway	93.9	93.9	96.7	96.7	86.6	86.6	86.6	86.6	86.6	79.3
City of Loris	115.0	115.0	115.0	115.0	105.0	105.0	105.0	105.0	105.0	103.7
City of Myrtle Beach	63.2	63.2	63.2	63.2	61.4	61.4	61.4	64.4	64.4	66.1
City of North Myrtle Beach	35.7	35.7	35.7	35.7	30.5	30.5	30.5	32.2	32.2	32.0
Town of Surfside Beach	44.0	44.0	55.0	55.0	44.0	44.0	44.0	44.0	44.0	40.0

Note: Fiscal year 2006 millage rates were reduced as a result of a state mandated reassessment of real property.

Source: Horry County Auditor.

**HORRY COUNTY SCHOOLS
PROPERTY TAX RATES, SCHOOL DISTRICT AND COUNTY,
LAST TEN FISCAL YEARS
(Amounts expressed in mills)**

Fiscal Year	School Operation - General Fund	School Debt Service	County Operation - General Fund	County Debt Service	Total
2002	102.9	22.0	39.4	7.0	171.3
2003	102.9	22.0	39.4	7.0	171.3
2004	108.4	22.0	40.2	8.8	179.4
2005	108.4	22.0	42.1	8.8	181.3
2006	101.7	28.0	36.7	5.3	171.7
2007	107.3	28.0	36.7	5.3	177.3
2008	115.3	28.0	36.7	5.3	185.3
2009	115.3	28.0	36.7	5.3	185.3
2010	119.3	20.0	36.7	5.3	181.3
2011	118.2	14.0	34.8	5.0	172.0

Note: Fiscal year 2006 School District and County operational millage rates were reduced as a result of a state mandated reassessment of real property.

Source: Horry County Auditor.

**HORRY COUNTY SCHOOLS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2011 ^a			2002 ^b		
	Taxable Value	Rank	Percentage of Total Taxable Value (1)	Taxable Value	Rank	Percentage of Total Taxable Value (1)
Burroughs & Chapin Inc. Subsidiaries (2)	\$ 28,344,287	1	1.39%	\$ 23,495,372	1	2.12%
Horry Electric Coop.	18,200,387	2	0.89%	8,030,370	3	0.72%
Horry Telephone Coop.	9,413,680	3	0.46%	6,580,654	5	0.59%
Winchester North Beach Towers, LLC	8,611,756	4	0.42%			
Verizon South, Inc.	6,422,490	5	0.32%			
Bluegreen Vacations Unlimited, Inc.	5,929,401	6	0.29%			
Lawyers Title Insurance Corp.	5,713,926	7	0.28%			
Time Warner Ent. - Advance/Newhouse	4,010,690	8	0.20%			
Mariott Ownership Resorts, Inc.	3,984,234	9	0.20%			
Walmart Real Estate Business Trust	3,281,946	10	0.16%			
GTE South (General Telephone)				8,335,900	2	0.75%
AVX Corporation				7,415,462	4	0.67%
Broadway at the Beach, Inc. (3)				4,132,974	6	0.37%
Grand Strand Regional Medical Center				3,347,446	7	0.30%
Combraco Industries, Inc.				2,767,570	8	0.25%
Advanced Newhouse Partnership				2,648,660	9	0.24%
Ocean Lakes Family Campground				2,547,739	10	0.23%
Totals	<u>93,912,797</u>		<u>4.61%</u>	<u>69,302,147</u>		<u>6.24%</u>

Note: (1) Property that is exempt from the County portion of taxes have been subtracted from Assessed Value.
(2) 2011 data for Burroughs & Chapin Inc. Subsidiaries includes Myrtle Beach Farms and Broadway at the Beach.
(3) 2002 data for Myrtle Beach Farms (in Burroughs & Chapin Inc. Subsidiaries from 2011) does not include Broadway at the Beach.

Source: ^a Horry County Treasurer
^b Horry County Government

HORRY COUNTY SCHOOLS
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	120,447	110,396	91.66%	8,170	118,566	98.44%
2003	123,730	114,574	92.60%	7,815	122,389	98.92%
2004	136,741	127,989	93.60%	2,914	130,903	95.73%
2005	139,446	132,579	95.08%	3,027	135,606	97.25%
2006	172,629	165,933	96.12%	4,271	170,204	98.60%
2007	193,782	186,784	96.39%	4,359	191,143	98.64%
2008	205,633	196,868	95.74%	5,833	202,701	98.57%
2009	224,010	213,578	95.34%	6,746	220,324	98.35%
2010	218,910	205,037	93.66%	11,733	216,770	99.02%
2011	209,141	195,664	93.56%	11,493	207,157	99.05%

Note: Percentage includes delinquent taxes collected in the year indicated. Delinquent taxes include taxes levied in prior years but collected in the year shown.

Source: Horry County Schools' audited financial statements and Horry County Treasurer.

**HORRY COUNTY SCHOOLS
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2011
 (Amounts expressed in thousands)**

Entity:	Net General Obligation Debt Outstanding	Percentage Applicable to School District ^a	Amount Applicable to School District
Horry County Schools	\$ 386,305	100%	\$ 386,305
Direct Debt	<u>386,305</u>		<u>386,305</u>
Horry County Government	114,797	100%	114,797
City of Conway	2,590	100%	2,590
City of Loris	105	100%	105
City of Myrtle Beach	43,325	100%	43,325
City of North Myrtle Beach	4,393	100%	4,393
Town of Surfside Beach	<u>815</u>	100%	<u>815</u>
Overlapping Debt	<u>166,025</u>		<u>166,025</u>
Total Direct and Overlapping Debt			<u><u>552,330</u></u>

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

Source: Finance Department of each entity.

^a Overlapping governments are those that coincide with the geographic boundaries of the County. 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
 RATIO OF NET GENERAL BONDED
 DEBT TO ASSESSED VALUE AND
 NET BONDED DEBT PER CAPITA,
 LAST TEN FISCAL YEARS
 (Amounts expressed in thousands)**

Fiscal Year	Total Outstanding	Amount Available in D/S Funds	Net	Assessed Value	Population	Ratio Net Bonded Debt to Assessed Value	Ratio of O/S Debt to Personal Income	Net Bonded Debt Per Capita in Actual Dollars
2002	172,095	10,122	161,973	1,121,831	202	14.44%	3.51%	802
2003	240,020	20,012	220,008	1,168,458	206	18.83%	4.66%	1,068
2004	230,510	24,188	206,322	1,229,370	211	16.78%	4.21%	978
2005	308,210	31,150	277,060	1,209,098	217	22.91%	5.29%	1,277
2006	290,640	18,857	271,783	1,495,289	228	18.18%	4.59%	1,192
2007	400,530	31,799	368,731	1,609,542	238	22.91%	5.93%	1,549
2008	451,410	24,393	427,017	1,783,462	250	23.94%	6.15%	1,708
2009	449,615	42,680	406,935	1,987,372	257	20.48%	5.86%	1,583
2010	412,640	73,876	338,764	2,010,772	264	16.85%	Unavailable	1,283
2011	386,305	44,130	342,175	2,052,662	269	16.67%	Unavailable	1,272

Sources: Assessed Value - Horry County Auditor and Assessor.
 Population - Coastal Carolina University (2002-2009). Beginning 2010, US Census Bureau

**HORRY COUNTY SCHOOLS
RATIO OF ANNUAL DEBT SERVICE
EXPENDITURES FOR GENERAL BONDED
DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES,
LAST TEN FISCAL YEARS**

Fiscal Year	Principal	Interest and Fiscal Charges	Total	General Governmental Expenditures	Ratio of Debt Service to Total General Expenditures
2002	15,820,000	7,946,914	23,766,914	288,840,108	8.23%
2003	10,905,000	9,405,736	20,310,736	291,154,841	6.98%
2004	10,480,000	11,696,241	22,176,241	266,764,633	8.31%
2005	11,414,357	11,515,375	22,929,732	297,131,624	7.72%
2006	22,855,000	15,511,053	38,366,053	378,322,448	10.14%
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%

Note: Total general 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: Horry County Schools' Audit Reports.

**HORRY COUNTY SCHOOLS
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)**

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Value	\$ 2,052,662
Debt Limit (8% of Assessed Value)	164,213
Debt Application to Limit	13,435
Legal Debt Margin	<u>150,778</u>

	2002	2003	2004	2005	2006 ^a	2007	2008	2009	2010	2011
Debt Limit	\$ 90,326	\$ 93,477	\$ 98,350	\$ 96,728	\$ 119,623	\$ 128,763	\$ 142,677	\$ 158,990	\$ 160,862	\$ 164,213
Total Net Debt Applicable to Limit	32,365	27,482	23,251	36,100	27,244	21,195	36,547	42,265	20,200	13,435
Legal Debt Margin	57,961	65,995	75,099	60,628	92,379	107,568	106,130	116,725	140,662	150,778

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	35.83%	29.40%	23.64%	37.32%	22.77%	16.46%	25.62%	26.58%	12.56%	8.18%
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^a Fiscal Year 2006 real property assessed values increased as a result of a state mandated reassessment.

Source: Horry County Schools' Audit Reports and Horry County Auditor & Assessor

**HORRY COUNTY SCHOOLS
DEMOGRAPHIC AND ECONOMIC STATISTICS,
LAST TEN CALENDAR YEARS**

Calendar Year	Population (1)	% Increase	Per Capita Income County (2)	Personal Income (3)	Unemployment Rate County (4)	School Enrollment (5)
2002	201,607	0.5%	24,450	4,929,291	3.4%	29,100
2003	205,932	2.1%	25,746	5,302,078	4.2%	29,931
2004	210,676	2.3%	26,170	5,513,391	4.1%	31,064
2005	217,411	3.2%	26,789	5,824,223	4.4%	32,840
2006	227,520	4.6%	27,809	6,327,104	4.7%	34,480
2007	238,493	4.8%	28,310	6,751,737	4.1%	36,068
2008	249,925	4.8%	29,383	7,343,546	5.6%	36,779
2009	257,380	3.0%	29,834	7,678,701	11.2%	37,392
2010	263,868	2.5%	Unavailable	Unavailable	10.3%	37,421
2011	269,291	2.1%	Unavailable	Unavailable	10.5%	37,927

Source: (1) Coastal Carolina University (2002 to 2009) Beginning 2010 information comes from U.S. Census Bureau.
(2) Bureau of Economic Analysis
(3) County Population x Per Capita Personal Income (in thousands)
(4) South Carolina Employment Security Commission
(5) Horry County Schools' 135-Day Average Daily Membership (based on fiscal year)

HORRY COUNTY SCHOOLS
 PRINCIPAL EMPLOYERS,
 CURRENT YEAR AND NINE YEARS AGO

Employer	2011			2002		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Horry County School District	4,870	1	3.69%	3,900	1	3.72%
Wal-Mart	2,061	2	1.56%	1,702	2	1.62%
Horry County Government	2,024	3	1.53%	1,425	4	1.36%
Grand Strand Regional Medical Center	1,200	4	0.91%	950	8	0.91%
Conway Medical Center	1,150	5	0.87%	1,000	5	0.95%
Coastal Carolina University	1,057	6	0.80%			
Myrtle Beach National	980	7	0.74%	1,000	6	0.95%
City of Myrtle Beach	902	8	0.68%	800	10	0.76%
Loris Health Care System	900	9	0.68%	821	9	0.78%
Blue Cross/Blue Shield	827	10	0.63%	960	7	0.92%
AVX Corporation				1,515	3	1.45%
	<u>15,971</u>		<u>12.09%</u>	<u>14,073</u>		<u>13.42%</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 NINE FISCAL YEARS**

Budgeted Positions	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Teachers (1)	1,960	2,109	2,199	2,300	2,404	2,558	2,658	2,577	2,514
Classified Instructional Aides	422	474	522	630	675	726	762	756	730
Principals and Assistant Principals	109	113	120	121	123	134	137	128	130
Supervisors and Directors	32	36	36	35	38	39	37	34	32
Coordinators and Learning Specialists	40	42	46	80	97	111	112	106	99
Counselors and Guidance	70	77	117	90	98	96	100	87	87
Librarians and Media Specialists	44	47	47	48	52	54	54	48	47
Nurses	40	43	43	46	48	57	67	61	59
Psychologists	18	20	23	27	28	33	32	30	29
Special Education Therapists	43	45	47	48	57	62	69	67	66
Technology	21	21	21	26	21	22	23	23	24
Transportation	249	282	286	307	380	358	386	386	384
Cafeteria	288	293	306	295	330	339	345	342	349
Custodians	157	139	137	136	144	163	195	208	214
Clerical	262	231	239	237	262	274	274	271	266
Maintenance	51	57	59	65	67	74	75	73	72
Miscellaneous (2)	14	14	26	72	89	92	95	93	91
Totals	3,820	4,043	4,274	4,563	4,913	5,192	5,421	5,290	5,193

Budgeted Staffing Ratios

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
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 to 1
Primary - Grade 1	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1	21 to 1	21 to 1	21 to 1	21 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 to 1
Elementary - Grades 4-5	24 to 1	24 to 1	24 to 1	24 to 1	24 to 1	22 to 1	22 to 1	24 to 1	24 to 1
Middle - Grade 6	21 to 1	21 to 1	21 to 1	21 to 1	21 to 1	22 to 1	19 to 1	19 to 1	19 to 1
Middle - Grades 7-8	22 to 1	22 to 1	22 to 1	22 to 1	22 to 1	22 to 1	19 to 1	19 to 1	19 to 1
High - Grades 9-12 (Smallest Schools)	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1	15 to 1	15 to 1
High - Grades 9-12 (Largest Schools)	23 to 1	23 to 1	23 to 1	23 to 1	23 to 1	23 to 1	23 to 1	19 to 1	19 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: Horry County School District's budget document

**HORRY COUNTY SCHOOLS
OPERATING STATISTICS,
LAST TEN FISCAL YEARS**

Fiscal Year	Enrollment	Expenses (in Thousands)	Cost Per Pupil	Teaching Staff	Pupil - Teacher Ratio	Percentage of Students Receiving Free or Reduced Meals
2002	29,100	\$ 212,890	\$ 7,316	1,990	14.62	55.16%
2003	29,931	224,392	7,497	1,960	15.27	56.82%
2004	31,064	246,935	7,949	2,109	14.73	53.21%
2005	32,840	260,032	7,918	2,199	14.93	56.98%
2006	34,480	294,480	8,541	2,300	14.99	55.76%
2007	36,068	333,538	9,247	2,404	15.00	55.55%
2008	36,779	371,139	10,091	2,558	14.38	56.43%
2009	37,392	387,553	10,365	2,658	14.07	59.19%
2010	37,421	385,285	10,296	2,577	14.52	62.33%
2011	37,927	384,173	10,129	2,514	15.09	63.91%

Source: Horry County Schools' budget document and district records.

HORRY COUNTY SCHOOLS
TEACHER BASE SALARIES,
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Minimum Salary^a</u>	<u>Maximum Salary^a</u>	<u>Average Contracted Salary^a</u>	<u>Statewide Average Salary^b</u>
2002	27,377	65,644	36,856	39,923
2003	27,377	65,644	37,404	40,362
2004	27,556	66,074	37,339	41,162
2005	28,964	67,296	38,914	42,163
2006	30,280	68,292	40,358	42,189
2007	31,943	70,074	42,246	44,123
2008	33,001	72,394	43,644	45,685
2009	34,270	75,181	50,964	47,304
2010	34,270	75,181	51,044	47,855
2011	34,270	75,181	51,044	47,642

Source: ^a Horry County Schools' budget document and district records

^b S.C. Department of Education Average Salary Summary file

**HORRY COUNTY SCHOOLS
STUDENT ENROLLMENT,
LAST TEN FISCAL YEARS**

Fiscal Year	Child Development	Kindergarten	Elementary Grades 1-8	High School Grades 9-12	Total
2002	631	2,157	18,161	8,151	29,100
2003	790	2,111	18,610	8,420	29,931
2004	770	2,355	19,060	8,879	31,064
2005	1,246	2,510	19,866	9,218	32,840
2006	1,455	2,802	20,532	9,691	34,480
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

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

HORRY COUNTY SCHOOLS
CAPITAL ASSET INFORMATION,
LAST TEN FISCAL YEARS

SCHEDULE 21

Schools	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Primary										
Buildings	2	2	2	2	2	2	2	2	2	2
Square Feet	184,041	184,041	184,041	184,041	184,041	224,185	224,185	224,185	224,185	224,185
Capacity	1,481	1,481	1,481	1,481	1,481	1,834	1,834	1,994	1,994	1,994
Enrollment	1,513	1,374	1,466	1,622	1,725	1,673	1,666	1,600	1,600	1,712
Elementary										
Buildings	20	20	20	20	20	21	22	22	22	22
Square Feet	1,803,963	1,803,963	1,803,963	1,803,963	1,803,963	1,903,606	2,034,256	2,187,948	2,187,948	2,220,648
Capacity	12,862	12,862	12,862	12,862	12,862	13,612	14,680	18,249	18,249	18,249
Enrollment	12,346	12,408	12,122	13,150	14,100	14,631	15,192	15,571	15,571	14,747
Intermediate										
Buildings	1	2	2	2	2	2	2	2	2	2
Square Feet	78,290	78,290	154,544	154,544	154,544	177,465	177,465	177,465	177,465	177,465
Capacity	922	922	1,484	1,484	1,484	1,658	1,658	1,968	1,968	1,968
Enrollment	554	558	1,181	1,111	1,168	1,140	1,176	1,207	1,207	1,812
Middle										
Buildings	8	8	9	9	9	10	10	10	10	10
Square Feet	1,011,994	1,011,994	1,233,099	1,233,099	1,233,099	1,382,274	1,382,274	1,382,274	1,382,274	1,382,274
Capacity	6,322	6,322	7,773	7,773	7,773	8,837	8,837	10,436	10,436	10,436
Enrollment	6,132	6,515	7,210	7,521	7,654	7,694	7,809	7,961	7,961	8,850
High										
Buildings	8	8	9	9	9	9	9	9	9	9
Square Feet	1,562,863	1,562,863	1,909,252	1,909,252	1,909,252	2,284,279	2,284,279	2,254,304	2,254,304	2,254,304
Capacity	7,559	7,559	9,626	9,626	9,626	12,202	12,202	14,702	14,702	14,702
Enrollment	8,786	9,071	9,228	9,603	10,039	10,777	11,003	11,292	11,292	10,806
Other										
Buildings	8	8	7	7	8	8	8	8	10	9
Square Feet	355,403	355,403	291,103	291,103	435,269	435,269	435,269	520,559	653,002	609,149
Capacity	1,000	1,000	1,000	1,000	1,000	1,610	1,610	1,752	Unavailable	Unavailable
Enrollment										
Buildings					18	23	23	19	19	19

Source: Horry County School District's records.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the government activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Horry County Schools as of and for the year ended June 30, 2011, which collectively comprise Horry County Schools' basic financial statements and have issued our report thereon dated November 30, 2011. We conducted our audit in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Horry County Schools' internal control over financial reporting as a basis for designing our auditing procedures 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 Horry County Schools' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Horry County Schools' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting (Finding 11-1). 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Horry County Schools' financial statements are free of 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Finding 11-1.

Horry County Schools' response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Horry County Schools' response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McGregor & Company, LLP

Columbia, South Carolina
November 30, 2011

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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 IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of Horry County Schools with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. Horry County Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Horry County Schools' management. Our responsibility is to express an opinion on Horry County Schools' compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Horry County Schools' 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. Our audit does not provide a legal determination of Horry County Schools' compliance with those requirements.

In our opinion, Horry County Schools complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

The management of Horry County Schools is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Horry County Schools' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Horry County Schools' 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

M^cGregor & Company, LLP

Columbia, South Carolina
November 30, 2011

HORRY COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

1. Summary of Auditor's Results

(i) Type of report issued on financial statements	Unqualified
(ii) Reportable material weaknesses in internal control over financial reporting	None Identified
(iii) Significant deficiencies not considered to be material weaknesses in internal control	Yes
(iv) Noncompliance material to the financial statements	None Noted
(v) Material weaknesses in internal control over major programs	None Identified
(vi) Significant deficiencies not considered to be material weaknesses in internal control over major programs	None Identified
(vii) Type of report issued on compliance for major federal programs	Unqualified
(viii) Audit findings required to be reported In accordance with paragraph 510(a) OMB 133	None Disclosed
(ix) Identification of major programs:	

U. S. Department of Education	CFDA#	Expenditure
IDEA Cluster	84.027, 84.173, 84.391 and 84.392	\$ 9,096,867
State Fiscal Stabilization Fund - ARRA	84.394	<u>13,694,567</u>
		<u>22,791,434</u>

(x) Dollar threshold used to distinguish between Type A and Type B programs	\$ 1,639,170
(xi) Horry County Schools qualifies as a low risk auditee under paragraph 530 OMB 133	Yes

HORRY COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

2. Findings related to the financial statements which are required to be reported in accordance with GAGAS

Internal Control

Finding 11-01 (Internal Control - Significant Deficiency)

Criteria:

Code of Federal Regulations, Title 49, Chapter III, Section 383 et al., Federal Highway Administration, Department of Transportation indicates specific requirements for the drug and alcohol testing of school bus drivers and other school bus transportation safety-sensitive employees. The District is required to perform controlled substance testing prior to the first time a driver performs safety-sensitive functions (driving a school bus) as a condition of employment.

Condition/Effect:

The District did not perform the required pre-employment drug testing for one of their new hires for the 2010/2011 fiscal year.

Causes:

Procedures to ensure the District complies with the pre-employment drug and alcohol testing of school bus drivers were not followed at all times.

Questioned Costs:

Not Determined

Recommendation:

The District should follow established procedures to assure compliance with federal laws and regulations with regard to the required drug and alcohol testing for school bus drivers.

Compliance and Other Matters

Finding 11-01

Repeat of Internal Control Finding 11-01 noted above as it relates to Compliance.

3. Findings and Questioned Costs Major Federal Programs Audit

Internal Control

None Reported

Compliance

None Reported

HORRY COUNTY SCHOOLS

CORRECTIVE ACTION PLAN

JUNE 30, 2011

Finding 11-01

Contact Person: Jeffrey S. Riddle, Chief Finance and Human Resources Officer

Action Plan: Management agrees with the auditors' recommendation and will monitor existing controls to ensure compliance.

**Anticipated
Completion
Date:**

Controls should be functioning as intended during the fiscal year ending June 30, 2012.



Jeffrey S. Riddle
Chief Finance and Human Resources Officer
Horry County Schools

HORRY COUNTY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

Summary of Prior Year Findings

Finding 10-01

Condition/Effect:

The District did not have required documentation to support all wages charged to the non-major federal program, Safe Schools/Healthy Students. Our sample of employees charged in part or in whole to federal programs resulted in two sampled employees not having the proper supporting documentation as required by federal guidelines. The reimbursement for amounts not supported by the required documentation is subject to being disallowed.

Recommendation:

Current procedures should be added which requires monitoring of the required PARs for personnel allocated to all federal programs and at least quarterly, comparison of actual costs to budgeted distributions based on the monthly activity reports should be made. In addition, procedures should be established to ensure that compliance with requirements for employees charged entirely to federal programs are met by obtaining semi-annual certifications.

Current Status:

Based on the results of testing these controls in the current year, there were no similar findings reported.

HORRY COUNTY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

LEA Subfund Code	Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
U. S. Department of Agriculture				
Pass-Through State Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
600	National School Lunch Program	10.555	103220	\$ 1,210,400
	Non-Cash Assistance Subtotal			<u>1,210,400</u>
Cash Assistance:				
600	School Breakfast Program	10.553	103220	4,159,524
600	National School Lunch Program	10.555	103220	9,511,868
	Cash Assistance Subtotal			<u>13,671,392</u>
	Total for Program (Cluster)			14,881,792
670	Biodiesel Fuel Pilot Project	10.226	N/A	<u>1,621</u>
	Total U. S. Department of Agriculture			<u>14,883,413</u>
U. S. Department of Education				
Pass-Through State Department of Education:				
Title I Cluster				
201	Title I - Grants to LEA's	84.010	11BA046	9,935,590
237	Title I - School Improvement	84.010	09BJ046	63,113
237	Title I - School Improvement	84.010	10BJ046	274,925
223	School Improvement - ARRA	84.389A	10SJ046	209,879
221	Neglected and Delinquent Children	84.389	11ND046	204,644
222	Title I - ARRA	84.389	09SA046	2,274,792
229	Title I - Neglected and Delinquent	84.389	09SN046	21,343
	Total Title I Cluster			<u>12,984,286</u>
IDEA Cluster **				
203	IDEA - Children with Disabilities	84.027	11CA046	1,767,194
204	IDEA - Extended School Year	84.027	11CA046	50,012
205	Special Education Pre-school Grant	84.173	11CG046	310,520
213	Personnel Development - (Subprogram 01)	84.173	10C0046	38,540
213	Personnel Development - (Subprogram 02)	84.173	10C0046	30,384
213	Personnel Development - (Subprogram 03)	84.173	10C0046	8,271
213	Personnel Development - (Subprogram 04)	84.173	10C0046	34,082
213	Personnel Development - (Subprogram 05)	84.173	10C0046	29,633
213	Personnel Development - (Subprogram 01)	84.173	11C0046	23,142
213	Personnel Development - (Subprogram 02)	84.173	11C0046	49,487
213	Personnel Development - (Subprogram 03)	84.173	11C0046	41,233
213	Personnel Development - (Subprogram 04)	84.173	11C0046	37,832
215	IDEA - ARRA	84.391	11SC046	6,555,931
216	Special Education Pre-school Grant - ARRA	84.392	11SG046	120,606
	Total IDEA Cluster			<u>9,096,867</u>
207	Vocational Education - (Subprogram 03)	84.048	17VA046	10,000
207	Vocational Education - (Subprogram 04)	84.048	17VA046	27,417
207	Vocational Education - (Subprogram 05)	84.048	17VA046	9,598
207	Vocational Education - (Subprogram 06)	84.048	17VA046	300,557
207	Vocational Education - (Subprogram 08)	84.048	17VA046	2,108
207	Vocational Education - (Subprogram 09)	84.048	17VA046	164,564
207	Vocational Education - (Subprogram 10)	84.048	17VA046	77,381
207	Vocational Education - (Subprogram 15)	84.048	17VA046	18,331
207	Vocational Education - (Subprogram 17)	84.048	17VA046	7,944
	Total CFDA 84.048			<u>617,900</u>
209	Drug and Violence Prevention Program	84.186	11FQ046	5,761
224	21st Century Community Learning Centers Program - (Subprogram 01)	84.207	11CL046	141,323
224	21st Century Community Learning Centers Program - (Subprogram 02)	84.207	11CL046	191,170
	Total CFDA 84.207			<u>332,493</u>

HORRY COUNTY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

LEA Subfund Code	Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
U. S. Department of Education (Continued)				
227	Homeless Education Assistance Act - ARRA	84.387	11SM046	\$ 7,261
243	Adult Education	84.002	11EA046	201,406
243	English Literacy/Civics	84.002	11ED046	15,000
	Total CFDA 84.002			<u>216,406</u>
250	State Fiscal Stabilization Fund - ARRA **	84.394	11SF046	13,694,567
	Education Technology Cluster:			
253	Ed Tech Title II	84.318	11ET046	111,265
254	E2T2 Ed Tech - ARRA	84.386	10SS046-01	32,400
	Total Education Technology Cluster			<u>143,665</u>
264	ESOL Title III	84.365	11BP046	228,293
267	Improving Teacher Quality - (Subprogram 01)	84.367	11TQ046	1,273,056
267	Improving Teacher Quality - (Subprogram 02)	84.367	11TQ046	3,615
	Total CFDA 84.367			<u>1,276,671</u>
630	Math Science Partner	84.366	11MS046	17,250
	Total Passed-Through State Department of Education			<u>38,621,420</u>
	Direct Programs			
640	Discovery of American History	84.215X	N/A	275,275
641	Safe School/Health Students	84.184L	N/A	72,076
	Total U. S. Department of Education			<u>38,968,771</u>
	U. S. Department of Labor			
	Pass-Through Waccamaw Council of Government			
651	Workforce Investment Act - Youth	17.267	N/A	43,659
	Total U. S. Department of Labor			<u>43,659</u>
	U. S. Department of Defense			
	Direct Program			
100	Navy ROTC	12.000	N/A	287,887
100	Army ROTC	12.000	N/A	282,083
100	Air Force ROTC	12.000	N/A	74,746
	Total U. S. Department of Defense			<u>644,716</u>
	U. S. Department of Energy			
	Pass-Through SC Budget and Control Board			
680	State Energy Grant - ARRA	81.041	N/A	98,454
	Total U. S. Department of Energy			<u>98,454</u>
	Total Federal Awards Expended			<u>54,639,013</u>

** Denotes Major Program

Summary of Significant Accounting Policies

This schedule includes the federal grant activity of Horry County Schools and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The financial activity shown in this schedule reflects amounts recorded by the District during its fiscal year July 1, 2010 through June 30, 2011, and, accordingly, does not include a full year's financial activity for grants awarded or terminated on dates not coinciding with the District's year.