

**HORRY COUNTY SCHOOLS  
CONWAY, SOUTH CAROLINA**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2010**

**Prepared By:**

**Fiscal Services**

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



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# **INTRODUCTORY SECTION**



## Horry County Schools

November 30, 2010

### **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, 2010, 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 263,868 people.

335 Four Mile Road, Conway, SC (29526), P.O. Box 260005, Conway, SC 29528-6005  
Telephone: 843-488-6930 Fax: 843-488-6945



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 37,421.

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, is a charter school 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 this charter school is 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 school are included in those of the District as a discretely presented component unit.

## **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, 2010, 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, 2010, 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. In addition, South Carolina ranks 18th in the country for the number of people older than 60 moving into the state. Persons 65 years old and older make up fifteen percent of the total population for Horry County. Horry County is first among the top five regions in South Carolina where retirees are relocating.

Horry County was the second-fastest-growing county in South Carolina between 2000 and 2009. According to the U.S. Census Bureau, the population grew by 67,239 residents, or twenty-five and one-half percent, during that period to 263,868 people in 2009 from 196,629 in 2000.

Due to the amount of growth in Horry County, construction, both residential and commercial, had 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 2009 the revenue continued to fall to a new post boom low of \$2.5 million while residential building permits issued declined by fifty-two percent and commercial building permits issued by twenty-eight percent. For FY 2010, building permit revenue continued to decline to \$2.3 million. Although revenue declined, residential building permits rebounded by twenty-one percent, residential remodeling permits increased by fifty-two percent, but commercial permits declined by fifteen percent.

A record number of foreclosures during FY 2009 and FY2010 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. Although development has slowed in Horry County, as it has in much of the rest of the country, there are several projects being planned to continue once the other economic factors turn around.

The tourism industry 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 13.8 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, eight entertainment theaters and 105 golf courses – not to mention miles of beachfront.

There are many amusement attractions spanning the Grand Strand, and the 105 golf courses located in the area constitute one of the largest concentrations of like facilities in the nation. Golfers will be able to tee-off on any of 1,800 golf holes in the area. Vacationing golfers played approximately 4.0 million paid rounds. *The Toronto Sun* presented the Myrtle Beach area with the 2005 Golfer's Choice Bronze Award for Best Travel Destination. The Horry County area accounts for more than thirty-four percent of South Carolina's golf courses. 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 gotten worse the tourism industry and tourism related revenues have suffered. According to Taylor DeMonte of Coastal Carolina's Clay Brittain, Jr. Center for Tourism, the decline in room rates and occupancy over the past year have both contributed to the decline in accommodation and tourism revenue. The Center for Tourism keeps data on the tourism occupancy and maintains a moving 52 week revolving average of occupancy percentage change. From December of 2007 the percentage change in the 52 week average declined steadily each week from two percent at December 2007 to a low of nearly nine percent at December 2008. Since December 2008 the occupancy average rebounded to four percent down.

The other factor affecting the revenues related to tourism is the rate charged per night of lodging. The Center for Tourism also tracks a moving 52 week average of revenue per available room collected by locations within a sample group. For the period from December 2007 to September 2009, there has been a general decline in the 52 week average of the revenues per available room. The general decline rendered a low of over 10 percent below the initial week of the study around week 35 of 2009 and has rebounded slightly to just under ten percent as of September 5, 2009. Part of this decline is from discounting blocks of rooms to national internet reservation companies like Travelocity, Priceline and others. Both the occupancy and revenue per available room statistics end the study period with an upturn in each of the parameters. Hopefully this upward movement of the indicator is indicative of better times ahead.

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. An indicator of the improving tourism economy was the July 2010 hospitality tax revenue collected by the County in August. The county collects one and one-half percent on all prepared food, beverages and accommodations in the county and one percent on the same items from the unincorporated areas of the county. The tax collected for July 2010 was the largest month ever since the inception of the tax in 1997. 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 2010 school year by winning numerous honors and awards.

- The graduating Class of 2010 earned \$42.4 million in scholarships; seventy-three percent plan to go to college.
- 16 HCS high school seniors named semifinalists in 2011 National Merit Scholarship Program.
- HCS had six seniors recognized as 2010 National Merit Semi-Finalists; five went on to be named National Merit Finalists.
- Nine HCS seniors won Robert C. Byrd scholarships.
- HCS students gained six points on the 2010 SAT. Test takers increased two percent.
- Four schools surpassed the national average on the 2010 SAT.
- HCS students gained two-tenths of a point on the 2010 ACT. Test takers increased 12 percent.
- Forty-seven percent more HCS students participated in AP courses and took AP exams in 2009.
- 288 Horry County eighth graders were recognized as South Carolina Junior Scholars based on their performance on the PSAT and/or their recognition as Duke TIP Scholars.
- The Scholars Academy won an honorable mention in the National School Boards Association Magna Award Program.
- The HCS Early College High School and Horry Georgetown Technical College were named to the 2009 President's Higher Education Community Service Honor Roll with Distinction.

- The Academy for Arts, Science and Technology was recognized in 2010 by High Schools That Work as a “Pacesetter” school.
- The Scholars Academy was the highest scoring high school among the participating seniors from high schools across the nation that took the College and Work Readiness Assessment.
- Loris Middle School was a finalist in the Palmetto’s Finest competition.
- Midland Elementary School earned the National Blue Ribbon Schools Award.
- Green Sea Floyds and North Myrtle Beach high schools are two of 22 South Carolina high schools to make US News & World Report’s annual ranking of America’s Best High Schools.
- Socastee High School took first place in the Marine Advanced Technology Education Center’s Carolina regional competition and competed internationally in Hawaii.
- In 2009, ninety-eight percent of schools received Absolute ratings of Excellent, Good or Average on the Palmetto Assessment of State Standards (PASS) Test, compared to eighty-four percent statewide.
- HCS met 94.6 % of federal objectives for AYP, up from 91.9 % in 2009.
- HCS students out-performed the state average at every grade in every subject tested on Palmetto Assessment of State Standards (PASS) Test.
- The SC Education Oversight Committee recognized 17 schools for significant improvement and closing the achievement gap of low-achieving students.
- North Myrtle Beach Primary was named an Exemplar School for improving discipline, school climate through the Positive Behavior Interventions and Supports Initiative.
- Loris Elementary won the 2010 Outstanding Recycling Program of the Year Award for North and South Carolina
- Forestbrook Middle School won the SC 2009 Middle School Mock Trial State Championship
- Ocean Bay Middle was named a Red Carpet School.

#### **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 three years, more than \$3 million dollars has been allocated for a laptop initiative for teachers, giving them equipment and training to enhance the use of technology in instruction.

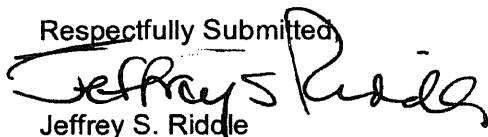
- The District has developed an accountability system for the Board of Education, principals, assistant principals and district office staff to ensure performance and focus on results.
- Since the mid-1990's, the District invested nearly \$500 million in new and renovated facilities. Twenty-one new schools 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 nine 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 nine 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 2010 Comprehensive Annual Financial Report would not have been possible.

Respectfully Submitted,



Jeffrey S. Riddle

Chief Finance and Human Resources Officer

**HORRY COUNTY SCHOOLS**  
**CONWAY, SOUTH CAROLINA**  
**BOARD OF EDUCATION AND ADMINISTRATION**  
**JUNE 30, 2010**

**BOARD OF EDUCATION**

- Will Garland ..... Chairperson  
Harvey Eisner ..... District 1  
Mary Ellen Greene ..... District 2  
Joe J. Defeo ..... District 3  
Kay Loftus ..... Vice Chairperson -District 4  
Dr. Paul Peterson ..... District 5  
Pam 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. Bobby Nalley ..... Deputy Superintendent  
Cynthia Ambrose ..... Chief Academic 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.



**MaryEllen Greene, District 2** – MaryEllen Greene has served as a member of the Board since November, 1998. A graduate of St. John's University with a Bachelor of Science in Education, she has earned an additional 24 hours in graduate studies. Mrs. Greene is married to retired physician, Doctor William Greene and has one daughter, Erin.



**Joe J. Defeo, 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 Maintenance 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, Vice Chair, 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.







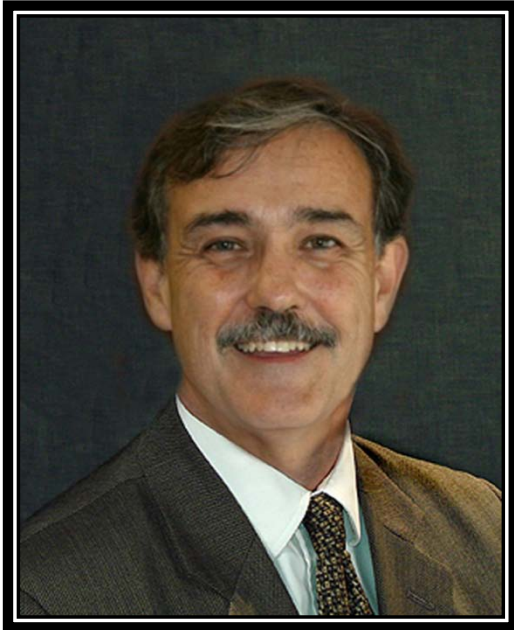
**Pamela C. Timms, District 6** – Pam Timms has been a member of the Horry County Schools Board of Education since November, 1998. A native of Horry County, Mrs. Timms is a 1972 graduate of Myrtle Beach High School and attended Coastal Carolina’s school of nursing program from 1973-76. She is self-employed with Pamela’s Custom Framing. 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 the Asst. Branch Mgr. of First Federal Savings & Loan (Wal-Mart Super Center). 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 wife, Darlene have two children, Craig and Jaleesa.

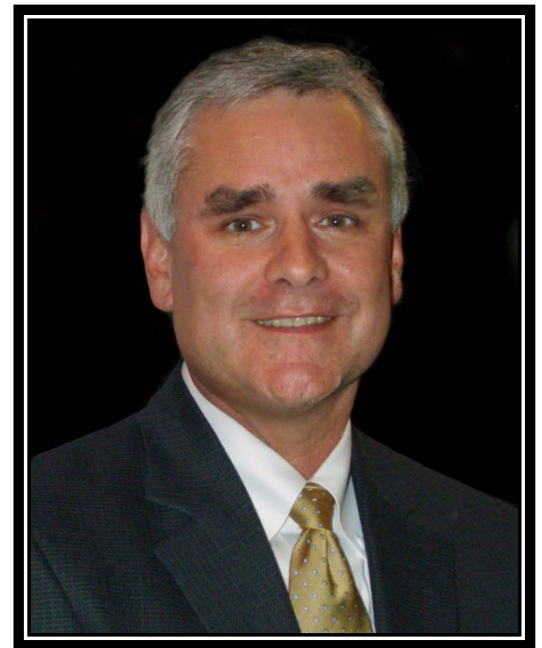
**John R. Poston, District 8** – John Poston has served on the Board of Education since November 2008. He is a professional land surveyor and an engineer. He is the Chief Operating Officer and a partner with Castles Engineering, Inc. Mr. Poston received his Bachelor of Science degree in Mathematics from 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 and will be running unopposed in November 2010. Mr. James is employed by Santee Cooper. He is a graduate of Clemson University and Webster where he earned a Master's degree in Business Administration (MBA). 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 co-owner of Jayco, Inc., a general contractor. He earned a Civil Engineering degree from Clemson University in 1997. Mr. Hardee and wife, Amanda have three daughters.



# 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, 2009

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, 2009

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

*Erin Green*

President

*John D. Quasar*

Executive Director

# **FINANCIAL SECTION**

# McGregor & COMPANY<sup>LLP</sup>

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

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1906-1968

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W.W. Francis, CPA

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H.D. Brown, Jr, CPA  
L.B. Salley, CPA

D.K. Strickland, CPA  
J.P. McGuire, CPA  
L.H. Kelly, CPA

## ASSOCIATES

V.K. Laroche, CPA  
G.N. Mundy, CPA  
M.L. Layman, CPA  
P.A. Betette, Jr, CPA  
S. Wo, CPA

G.A. Farmer, CPA  
C.D. Hinchee, CPA  
J.R. Matthews, II, CPA  
D.E. Knobloch, CPA  
L.M. Harrelson, 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 unit, 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, 2010, 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 unit, each major fund, and the aggregate remaining fund information, and budgetary comparison information of Horry County Schools as of June 30, 2010, 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, 2010, 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 22 through 33 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 as a whole. 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 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 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. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Columbia, South Carolina  
November 30, 2010



**HORRY COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2010**

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, 2010. 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 \$44.2 million which represents a 15.3 percent increase from fiscal year 2009 as a result of current year funding used for capital additions and debt service.
- Our principal operating fund, the General Fund, had \$283.5 million in fiscal year 2010 revenues, which primarily consisted of state aid and property taxes. In addition, the General Fund had \$6.8 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 \$292.8 million in expenditures, as well as \$1.6 million in other financing uses.
- The General Fund's fund balance decreased from \$55.8 million as of June 30, 2009 to \$51.7 million as of June 30, 2010. During the course of the year, the District experienced two budget reductions from the State. The total impact of these reductions was \$8.9 million. In addition, the Horry County Assessor reported over 11,800 property value appeals that occurred in 2009-10 where the typical appeals range from 1,500 to 2,000. The impact of these appeals coupled with the low interest rates on investments resulted in an unexpected decrease in local revenue of \$7.4 million. To offset these revenue reductions, The District utilized \$5.2 million in State Fiscal Stabilization funds. Furthermore, the District took proactive measures by eliminating nonessential travel, curtailing expenditures, and instituting a hiring freeze for non-core academic areas. Due to adequate reserves, the District was able to weather this segment of the economic crisis without severely impacting the academic program.
- The District's total debt decreased by \$37 million during fiscal year 2010. The key factor in this change was principal payments of \$34.6 million on existing debt and the advance refunding of the 2001A issue. The advance refunding was undertaken to reduce total debt service over the next eleven years by \$4 million and resulted in an economic gain of \$3.9 million.
- 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 middle school was completed and capitalized during fiscal year 2010. The District expects to capitalize the remaining six schools during fiscal year 2011.
- The District's only Proprietary Fund is the Food Service Fund. The fund ended the year with revenues and transfers exceeding expenses by \$.6 million and total net assets equaling \$5.8 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 a component unit, Waccamaw Park Public Charter Schools, Inc. (also known as Bridgewater Academy). Bridgewater Academy is a charter school sponsored by the District. Financial information for the charter school is reported separately from the financial information presented for the primary government itself. Additional information on the District's component unit can be found on page 48.

The government-wide financial statements are included on pages 34 and 35 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 37 and 39.

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 48 - 61.

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 \$333.8 million as of June 30, 2010.

The following table presents a comparative analysis of the District's net assets for the fiscal years ended June 30, 2010 and June 30, 2009.

**Net Assets**  
(Amounts expressed in thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 211,383	\$ 216,794	\$ 3,429	\$ 3,751	\$ 214,812	\$ 220,545
Capital assets, net	590,129	586,101	2,525	2,711	592,654	588,812
<b>Total assets</b>	<b>801,512</b>	<b>802,895</b>	<b>5,954</b>	<b>6,462</b>	<b>807,466</b>	<b>809,357</b>
Current liabilities	70,256	91,614	171	1,275	70,427	92,889
Long-term liabilities	403,207	426,850	29	19	403,236	426,869
<b>Total liabilities</b>	<b>473,463</b>	<b>518,464</b>	<b>200</b>	<b>1,294</b>	<b>473,663</b>	<b>519,758</b>
<b>Net assets</b>						
Invested in capital assets, net of related debt	165,675	126,186	2,525	2,711	168,200	128,897
Restricted	101,572	94,786	-	-	101,572	94,786
Unrestricted	60,802	63,459	3,229	2,457	64,031	65,916
<b>Total net assets</b>	<b>\$ 328,049</b>	<b>\$ 284,431</b>	<b>\$ 5,754</b>	<b>\$ 5,168</b>	<b>\$ 333,803</b>	<b>\$ 289,599</b>

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 2006 through 2010.

**Net Assets By Component**  
(Amounts expressed in thousands)

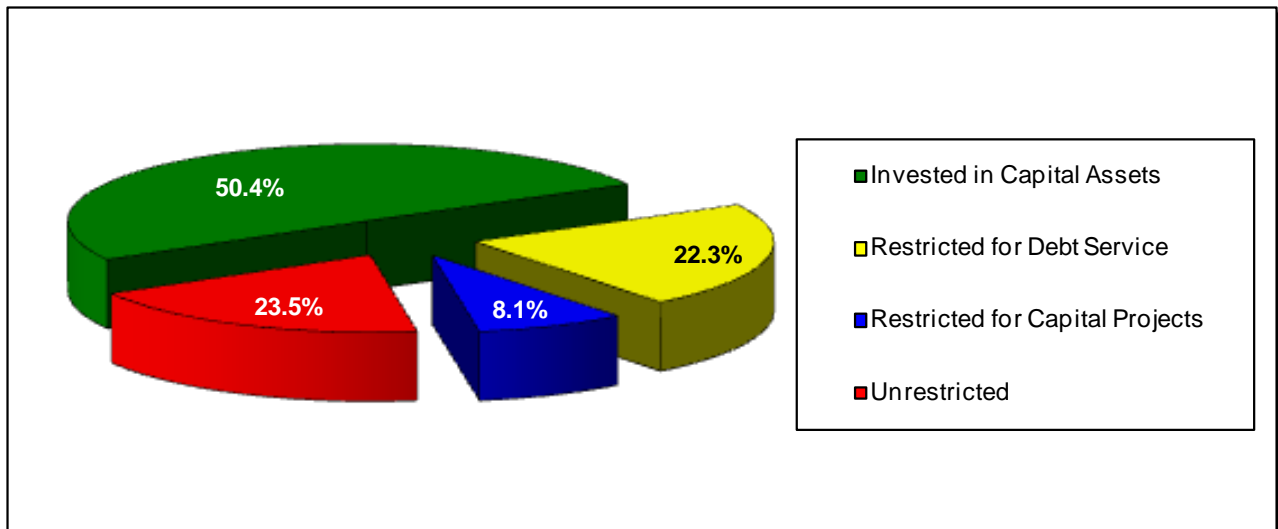
	2006	2007	2008	2009	2010
Governmental Activities	\$ 193,927	\$ 221,266	\$ 258,723	\$ 284,431	\$ 328,049
Business - Type Activities	2,456	2,901	3,491	5,168	5,754
<b>Total Primary Government</b>	<b>\$ 196,383</b>	<b>\$ 224,167</b>	<b>\$ 262,214</b>	<b>\$ 289,599</b>	<b>\$ 333,803</b>

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 2011. 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 \$10.6 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 2009.
- The \$1.9 million increase in property taxes receivable. This is due to taxes receivable recognized under the accrual basis.
- The net addition of \$19.4 million in capital assets through construction of school improvements, and purchases of furniture, equipment and vehicles less current depreciation of \$15.6 million.
- The \$37 million decrease in outstanding general obligation debt.
- The \$2.4 million decrease in accounts and retainage payable is largely attributed to the phase out of current construction projects.

Changes in net assets. The District's total revenues for the fiscal year ended June 30, 2010 were \$448.6 million. The total cost of all programs and services before transfers was \$404.4 million.

The following table presents a comparative analysis of changes in net assets for the fiscal years ended June 30, 2010 and June 30, 2009.

**Changes in Net Assets**  
(Amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues						
Charges for services	\$ 3,625	\$ 3,782	\$ 5,357	\$ 5,933	\$ 8,982	\$ 9,715
Operating grants and contributions	112,481	123,701	14,023	12,425	126,504	136,126
General revenues						
Property taxes	265,424	237,110	-	-	265,424	237,110
State aid	46,155	45,149	-	-	46,155	45,149
Other	1,504	5,558	11	111	1,515	5,669
Total revenues	<u>429,189</u>	<u>415,300</u>	<u>19,391</u>	<u>18,469</u>	<u>448,580</u>	<u>433,769</u>
Expenses						
Instruction	236,394	234,511	-	-	236,394	234,511
Support services	127,351	130,780	-	-	127,351	130,780
Community services	1,218	1,087	-	-	1,218	1,087
Pupil Activities	341	133	-	-	341	133
Interest on long-term debt	19,980	21,042	-	-	19,980	21,042
Food service	-	-	19,092	18,831	19,092	18,831
Total expenses	<u>385,284</u>	<u>387,553</u>	<u>19,092</u>	<u>18,831</u>	<u>404,376</u>	<u>406,384</u>
Increase (decrease) in net assets before transfers	43,905	27,747	299	(362)	44,204	27,385
Transfers	<u>(287)</u>	<u>(2,039)</u>	<u>287</u>	<u>2,039</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	43,618	25,708	586	1,677	44,204	27,385
Net assets July 1	<u>284,431</u>	<u>258,723</u>	<u>5,168</u>	<u>3,491</u>	<u>289,599</u>	<u>262,214</u>
Net assets June 30	<u>\$ 328,049</u>	<u>\$ 284,431</u>	<u>\$ 5,754</u>	<u>\$ 5,168</u>	<u>\$ 333,803</u>	<u>\$ 289,599</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 decreased primarily due to reductions in Education Finance Act (EFA) revenues. EFA is the State of South Carolina's primary vehicle for financing public education. The District's EFA revenues decreased \$15.4 million from the prior year which \$8.9 million is attributed to mid-year state-wide funding reductions. In addition, the fiscal year 2010 appropriation from the Education Improvement Act (EIA) fund was \$5.8 million less than fiscal year 2009. These reductions were partially offset by the influx of funds from the American Recovery & Reinvestment Act of 2009 (ARRA). The District utilized \$8.9 million in ARRA funds in fiscal year 2010.
- 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 \$1.6 million as its proportionate share of the fiscal year 2010 entitlement. If the total properties were subject to operational millage, the District would have received \$6.7 million in additional revenue. Furthermore, the District received .4 million less in motor carrier vehicle tax reimbursements.

- Property tax revenue primarily increased due to the collection of the Education Capital Improvements tax. Fiscal year 2010 was the first complete year of collections for the additional one cent sales tax. The District collected \$5.4 million in fiscal year 2009 compared to \$40.1 million in 2010. As a result of property tax appeals, ad valorem tax collections decreased by \$3.6 million. Other taxes decreased by \$1.5 million due to the settlement of the Myrtle Beach Tax Increment Financing (MBTIF) agreement in fiscal year 2009. In addition, the District also incurred a \$1.9 million increase in property tax receivables. Under the accrual approach, a receivable for property taxes (current taxes billed but not paid) is recognized as revenue less an allowance. Under the modified accrual basis, the receivable for property taxes is based on actual collections for July and August of the subsequent year.
- Other revenue decreased due to the interest earned on investments and the sale of property in fiscal year 2009 for \$3 million. The District earned \$1.2 million less in fiscal year 2010 on investments due significant rate decreases and the planned utilization of reserves.
- The District did incur additional operating expenses for the 2010 fiscal year. These include property insurance, health insurance, utilities, applicable step increases for all employees, and maintenance of facilities.

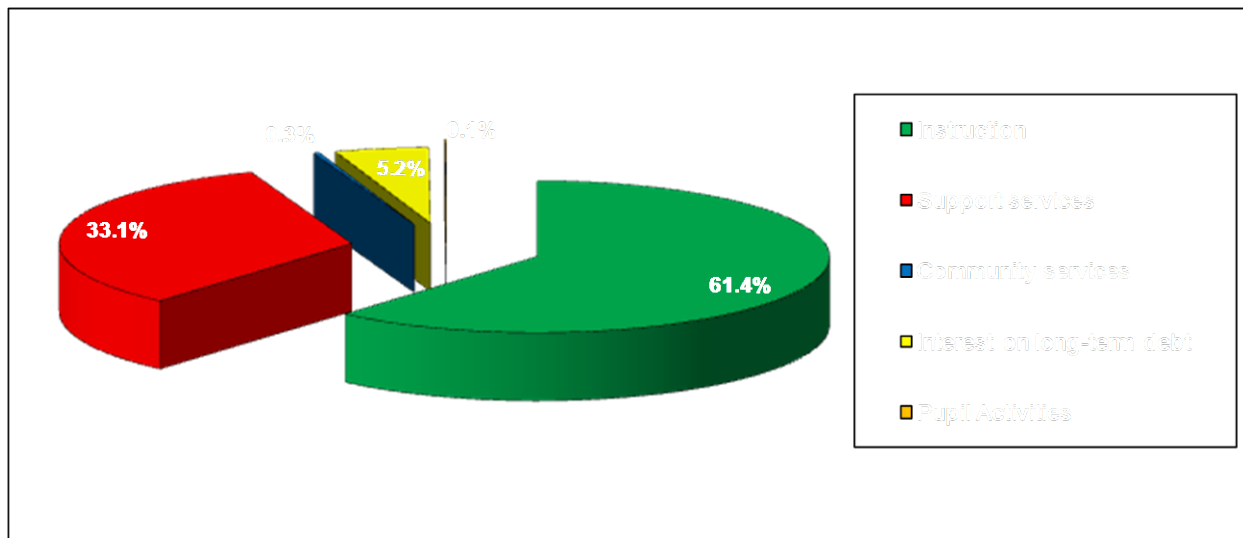
Governmental activities. The following table presents the cost of the five major District functional activities: instruction, support services, community services, pupil activities, and interest on long-term debt for the fiscal years ended June 30, 2010 and June 30, 2009. The table also shows each function's 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.

(Amounts expressed in thousands)

	2010		2009	
	Total Expenses	Net (Expense) Revenue	Total Expenses	Net (Expense) Revenue
Instruction	\$ 236,394	\$ (163,493)	\$ 234,511	\$ (155,246)
Support services	127,351	(84,526)	130,780	(82,938)
Community services	1,218	(839)	1,087	(711)
Pupil Activities	341	(341)	133	(133)
Interest on long-term debt	19,980	(19,980)	21,042	(21,042)
Total expenses	<u>\$ 385,284</u>	<u>\$ (269,179)</u>	<u>\$ 387,553</u>	<u>\$ (260,070)</u>

- The cost of all governmental activities this fiscal year was \$385.3 million.
- Operating grants, capital grants, and charges for services subsidized certain programs in the amount of \$116.1 million.
- Net cost of governmental activities, \$269.2 million was financed by general revenues, which are made up primarily of property taxes in the amount of \$265.4 million and state aid of \$46.2 million. Unrestricted grants/other contributions and other revenue accounted for \$1.5 million. In addition, a transfer of \$.3 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 decrease in fund balance in the General Fund for the fiscal year was \$4.1 million. Incorporating reservations for inventories, prepaid expenditures, and encumbrances, combined with designations for school carryover budgets and subsequent years' expenditures, the remaining fund balance was \$45.3 million. It is the policy of the Board of Education to designate 7.5 percent of the ensuing year's General Fund revenue as a minimum fund balance designation as advised by the District's bond counsel and financial advisors. The actual fund balance designation is \$27.5 million which represents 9.4 percent of the ensuing year's General Fund revenue. The unreserved and undesignated fund balance of \$17.7 million is available for future Board initiatives.

The Debt Service fund balance showed an increase of \$28 million from the prior year. This increase is primarily due to the sales tax collections from Education Capital Improvements tax. The additional penny sales tax will allow for 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 20 mills in 2010 and positioned the District to reduce millage to 14 mills in 2011. 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 collection of the tax began in March of 2009. By statute, only funds received and certified as of June 30 could be considered in the establishment of millage for 2009-10 principal and interest payments.

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.

The Capital Projects fund balance decreased from \$48.3 million to \$27.1 million. This decrease was anticipated due to the substantive completion of the Phase III Building Program. There remain 6 renovation projects in the final stages of completion. In addition, the District has an ERP solution (PeopleSoft) nearing completion and several other maintenance projects pending.

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 \$.6 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 (\$5.6 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	\$ 1,389,131
Insurance Claims	30,024
Contributions and Donations	1,350
School Carryover Budgets and Enrollment Adjustments	306,615
Subsequent Years Expenditures	<u>3,876,493</u>
Total Changes	<u><u>\$5,603,613</u></u>

The net change between the General Fund’s revenue original budget and final budget (\$30,024) is due to receipts for insurance claims.

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, 2010, the District had invested \$747 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 \$154.3 million including current depreciation expense of \$15.6 million for the year.

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2010 and June 30, 2009.

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

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 21,276	\$ 21,276	\$ -	\$ -	\$ 21,276	\$ 21,276
Buildings and improvements	499,040	503,742	-	-	499,040	503,742
Improvements other than buildings	13,275	8,084	-	-	13,275	8,084
Autos and trucks	1,036	1,312	12	-	1,048	1,312
Machinery and equipment	7,321	7,616	2,513	2,711	9,834	10,327
Construction in progress	48,181	44,071	-	-	48,181	44,071
<b>Total</b>	<b>\$ 590,129</b>	<b>\$ 586,101</b>	<b>\$ 2,525</b>	<b>\$ 2,711</b>	<b>\$ 592,654</b>	<b>\$ 588,812</b>

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 \$412.6 million in general obligation bonds outstanding, of which \$42 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, 2010 and June 30, 2009.

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

	2010	2009
8% General obligation debt	\$ 20.2	\$ 42.3
Referendum general obligation debt	392.4	407.3
<b>Total</b>	<b>\$ 412.6</b>	<b>\$ 449.6</b>

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 \$140.7 million. Additional information on the District's long-term debt can be found in Note 10 of this report.

**NEXT YEAR'S BUDGET**

The 2010-11 comprehensive budget as proposed by the administration represents months of involvement by various stakeholders. This process began in December, 2009 when the Board of Education established its priorities for the 2010-11 fiscal year.

These priorities are:

- 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 2010-11 State funding plan for public education has presented unique challenges for all school districts in South Carolina. With the uncertain economic climate, school districts are relying on the second (and final) year of the American Recovery and Reinvestment Act (ARRA) funds to help balance their respective budgets.

Included in the District's 2010-11 funding plan is \$20.2 million in stimulus funds provided under the ARRA. The District proposes to utilize \$13.2 million in State Fiscal Stabilization funds to assist in balancing the General Fund. Certain expenditures that include the 3 additional days of staff development, utilities, and property insurances will be funded (for one year only) from these funds.

The remaining \$7 million is targeted to provide academic assistance to students who are in identified socio/economic areas and students with disabilities. The District is currently updating utilization plans for the second year of these funds.

In 2009-10, the District expected to enroll 528 additional students. The historical student growth has begun to level off where the actual growth in students dropped to 79. The District is expecting to serve approximately 51 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. In addition, the District will incur additional operating expenses for the 2010-11 fiscal year. These include property insurance, health insurance, utilities, and maintenance of facilities.

Even with the influx of the State Fiscal Stabilization Funds, the District needed to reduce expenditures by \$7.3 million. To accomplish this, the administration examined all programs (regardless of funding source) to assure alignment with our core beliefs. Although certain positions and programs were eliminated, reduced, or redirected, the administration's primary focus was to align resources in the critical core academic areas. Additionally, the 2010-11 funding plan does not incorporate any step increases for employees.

Horry County is currently in the process of performing the fifth reassessment of all parcels in the county. The reassessment will result in over 240,000 properties being assessed at values as December 31, 2008. Although the county staff will be challenged with the 15% cap on property value increases and potential market declines, the reassessment notices are expected to be issued in July.

State law requires that the District's millage be adjusted so that collections remain the same as the actual receipts for 2009-10. Excluded from this requirement are any new additions to the tax rolls. The final millage for operations was set in late September at 118.2 mills.

Revenue projections on the Special Revenue and Education Improvement Act Funds are 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 -.4% and the population increase for the County is 2.0%. Under this statute, the District cannot exceed a 2.3 mill increase for operations.

As we look to the future, there remain many uncertainties at the national, state, and local level regarding the economy. At the national and state level, there has been much hope placed on impact of the stimulus package; however, the funding will expire at the end of the 2010-11 fiscal year. Adequate fund balance becomes more critical as the District may continue to experience delays in the flow of reimbursement from the State and/or additional revenue reductions in 2010-11.

The district administration is pleased to provide to the Board of Education the comprehensive budget for 2010-11. This budget does not include a millage increase for operations. In addition, the District will be able to reduce debt service millage by an additional 6.0 mills as a result of the local option sales tax for school construction.

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 2010-11 and 2009-10.

	<b>2010-11</b>	<b>2009-10</b>	<b>Change</b>
Governmental Funds Budget (total)	\$ 520,767,168	\$ 477,855,327	\$42,911,841
General Fund	290,695,399	308,152,502	(17,457,103)
Special Projects Fund	53,902,259	38,224,148	15,678,111
Education Improvement Act Fund (EIA)	17,878,121	19,452,385	(1,574,264)
Debt Service Fund	95,339,290	61,164,578	34,174,712
Capital Projects Fund	62,952,099	50,861,714	12,090,385
Millage required for General Fund	118.2 mills	119.3 mills	(1.1 mills)
Millage required for Debt Service	14.0 mills	20.0 mills	(6.0 mills)
Total millage required	132.2 mills	139.3 mills	(7.1 mills)
Student enrollment	37,645	37,594*	51

\* Actual 2009-10 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, 2010

	Primary Government			Component Units
	Governmental Activities	Business- Type Activities	Total	Charter School
<b>Assets</b>				
Cash and Investments	\$ 173,449,523	\$ 1,446,739	\$ 174,896,262	\$ 447,629
Property Taxes Receivable, Current	21,067,358		21,067,358	
Accrued Interest	175,517		175,517	
Other Receivables	476,684	90,268	566,952	6,990
Due from Other State Agencies	3,957,118		3,957,118	
Due from Federal Government	8,088,199	1,708,897	9,797,096	
Due from State Department of Education	691,220		691,220	
Inventories	443,861	183,178	627,039	
Prepaid Expenses	1,570,096		1,570,096	4,000
Deferred Charges	1,462,995		1,462,995	
Utility Deposits				2,705
Capital Assets Not Being Depreciated:				
Land	21,275,515		21,275,515	
Construction in Progress	48,181,556		48,181,556	26,845
Capital Assets Net of Depreciation:				
Buildings and Improvements	499,040,459		499,040,459	131,420
Land Improvements	13,275,206		13,275,206	
Vehicles	1,035,734	12,314	1,048,048	
Machinery and Equipment	7,320,807	2,512,912	9,833,719	23,110
<b>Total Assets</b>	<b>801,511,848</b>	<b>5,954,308</b>	<b>807,466,156</b>	<b>642,699</b>
<b>Liabilities</b>				
Accounts Payable and Other Liabilities	30,954,282	21,311	30,975,593	26,390
Retainage Payable	424,675		424,675	
Due to State Department of Education	18,413		18,413	
Deferred Revenue	7,206,340	129,653	7,335,993	
Accrued Interest	6,831,856		6,831,856	
Noncurrent Liabilities:				
Due within One Year	24,820,164	19,188	24,839,352	
Due in More Than One Year	403,207,011	30,532	403,237,543	
<b>Total Liabilities</b>	<b>473,462,741</b>	<b>200,684</b>	<b>473,663,425</b>	<b>26,390</b>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	165,674,187	2,525,226	168,199,413	181,375
Restricted for:				
Debt Service	74,448,807		74,448,807	
Capital Projects	27,123,515		27,123,515	
Net Assets - Unrestricted	60,802,598	3,228,398	64,030,996	434,934
<b>Total Net Assets</b>	<b>328,049,107</b>	<b>5,753,624</b>	<b>333,802,731</b>	<b>616,309</b>

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

HORRY COUNTY SCHOOLS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2010

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government			Charter School
				Governmental Activities	Business-Type Activities		
<b>Primary Government</b>							
Governmental Activities:							
Instruction	\$236,394,263	\$ 94,406	\$ 72,807,136	\$ (163,492,721)	-	\$ (163,492,721)	
Support Services	127,350,949	3,530,440	39,294,244	(84,526,265)	-	(84,526,265)	
Community Services	1,218,425		379,520	(838,905)	-	(838,905)	
Pupil Activities	341,317			(341,317)	-	(341,317)	
Interest Expense	19,979,588			(19,979,588)	-	(19,979,588)	
<b>Total Governmental Activities</b>	<b>385,284,542</b>	<b>3,624,846</b>	<b>112,480,900</b>	<b>(269,178,796)</b>		<b>(269,178,796)</b>	
<b>Business-Type Activities:</b>							
Food Service	19,091,700	5,356,843	14,022,783	-	\$ 287,926	287,926	
Total Business-Type Activities	19,091,700	5,356,843	14,022,783	-	287,926	287,926	
<b>Total Primary Government</b>	<b>404,376,242</b>	<b>8,981,689</b>	<b>126,503,683</b>	<b>(269,178,796)</b>	<b>287,926</b>	<b>(268,890,870)</b>	
<b>Component Units</b>							
Waccamaw Park Public Charter Schools, Inc.	1,340,522	73,115	13,109			\$ (1,254,298)	
<b>General Revenues</b>							
Taxes:							
Property Taxes, Levied for General Purposes				185,724,006		185,724,006	
Property Taxes, Levied for Debt Service				79,700,022		79,700,022	
State Aid/Grants (Unrestricted)				46,154,796		46,154,796	
Gain on Sale of Capital Assets				22,479		22,479	
Miscellaneous Revenues				159,390		159,390	
Unrestricted Investment Earnings				1,322,348	10,837	1,333,185	
Transfers				(286,580)	286,580	-	
<b>Total General Revenues and Transfers</b>				<b>312,796,461</b>	<b>297,417</b>	<b>313,093,878</b>	
<b>Change in Net Assets</b>				<b>43,617,665</b>	<b>585,343</b>	<b>44,203,008</b>	
<b>Net Assets - Beginning</b>				<b>284,431,442</b>	<b>5,168,281</b>	<b>289,599,723</b>	
<b>Net Assets - Ending</b>				<b>328,049,107</b>	<b>5,753,624</b>	<b>333,802,731</b>	

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



## HORRY COUNTY SCHOOLS

## BALANCE SHEET

## GOVERNMENTAL FUNDS

JUNE 30, 2010

Assets	Major Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Services	Capital Projects	
Cash and Investments	\$ 65,114,831		\$ 5,230,231	\$73,875,824	\$29,228,637	\$ 173,449,523
Receivables:						
Property Taxes, Current	17,435,155			3,632,203		21,067,358
Accrued Interest	175,517					175,517
Other	92,581	\$ 5,453	3	30,774	347,873	476,684
Due from Special Projects Fund	5,457,425					5,457,425
Due from Other State Agencies	3,910,162	3,902		43,054		3,957,118
Due from Federal Government	102,128	7,986,071				8,088,199
Due from State Department of Education	472,014	67,390	151,816			691,220
Inventories	443,861					443,861
Prepaid Expenditures	1,570,096					1,570,096
<b>Total Assets</b>	<b>94,773,770</b>	<b>8,062,816</b>	<b>5,382,050</b>	<b>77,581,855</b>	<b>29,576,510</b>	<b>215,377,001</b>
<b>Liabilities and Fund Balances</b>						
Accounts Payable	2,400,315	703,306	105,933		2,028,320	5,237,874
Retainage Payable					424,675	424,675
Accrued Salaries	16,671,996	41,877	99,549			16,813,422
Accrued Liabilities	8,875,408	6,985	20,593			8,902,986
Due to State Department of Education		15,388	3,025			18,413
Due to General Fund		5,457,425				5,457,425
Deferred Revenue	15,116,177	1,837,835	5,152,950	3,133,048		25,240,010
<b>Total Liabilities</b>	<b>43,063,896</b>	<b>8,062,816</b>	<b>5,382,050</b>	<b>3,133,048</b>	<b>2,452,995</b>	<b>62,094,805</b>
<b>Fund Balances</b>						
Reserved for:						
Inventories	443,861					443,861
Prepaid Expenditures	1,570,096					1,570,096
Encumbrances	167,310					167,310
Debt Service				74,448,807		74,448,807
Capital Projects					27,123,515	27,123,515
Unreserved and Designated for:						
Carryover School Budgets	375,326					375,326
Subsequent Year Expenditures	3,875,404					3,875,404
Minimum Fund Balance	27,541,000					27,541,000
Unreserved and Undesignated	17,736,877					17,736,877
<b>Total Fund Balances</b>	<b>51,709,874</b>	<b>-</b>	<b>-</b>	<b>74,448,807</b>	<b>27,123,515</b>	<b>153,282,196</b>
<b>Total Liabilities and Fund Balances</b>	<b>94,773,770</b>	<b>8,062,816</b>	<b>5,382,050</b>	<b>77,581,855</b>	<b>29,576,510</b>	<b>215,377,001</b>

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, 2010

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

Ending Fund Balance - Governmental Fund Financial Statements	\$ 153,282,196
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	590,129,277
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.	18,033,670
Interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.	(6,831,856)
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.	1,462,995
Long-term liabilities, including bonds payable \$(412,640,000), unamortized bond premium \$(17,359,489), amount on deferred refunding \$5,544,399, and compensated absences \$(3,572,085) are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	<u>(428,027,175)</u>
<b>Net Assets of Governmental Activities</b>	<u><u>328,049,107</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, 2010

	Major Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Services	Capital Projects	
<b>Revenues</b>						
Local Sources	\$ 188,865,408	\$ 1,491,566		\$ 80,497,900	\$ 744,352	\$ 271,599,226
Intergovernmental	66,970					66,970
State Sources	93,900,392	8,108,783	\$ 17,700,565	1,178,790		120,888,530
Federal Sources	659,845	34,693,205				35,353,050
<b>Total Revenues</b>	<b>283,492,615</b>	<b>44,293,554</b>	<b>17,700,565</b>	<b>81,676,690</b>	<b>744,352</b>	<b>427,907,776</b>
<b>Expenditures</b>						
Current:						
Instruction	182,222,202	30,070,335	9,793,978		61,819	222,148,334
Support Services	104,967,412	10,515,099	1,148,489		3,252,821	119,883,821
Community Services	2,398	1,116,625	25,956			1,144,979
Intergovernmental	1,788,610	123,976	39,053			1,951,639
Capital Outlay	3,862,654	1,270,156	135,088		18,654,257	23,922,155
Debt Service:						
Principal				34,590,000		34,590,000
Interest and Fiscal Charges				21,153,094		21,153,094
<b>Total Expenditures</b>	<b>292,843,276</b>	<b>43,096,191</b>	<b>11,142,564</b>	<b>55,743,094</b>	<b>21,968,897</b>	<b>424,794,022</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,350,661)	1,197,363	6,558,001	25,933,596	(21,224,545)	3,113,754
<b>Other Financing Sources (Uses)</b>						
Premium on Bonds Sold				6,492,467		6,492,467
Proceeds from Refunding Debt				43,330,000		43,330,000
Payments to Refunded Debt						
Escrow Agent				(49,646,378)		(49,646,378)
Sale of Capital Assets	66,580				400	66,980
Transfers In	6,788,393	36,702		1,901,206		8,726,301
Transfers Out	(1,562,132)	(1,234,065)	(6,558,001)			(9,354,198)
<b>Total Other Financing Sources (Uses)</b>	<b>5,292,841</b>	<b>(1,197,363)</b>	<b>(6,558,001)</b>	<b>2,077,295</b>	<b>400</b>	<b>(384,828)</b>
<b>Net Change in Fund Balances</b>	<b>(4,057,820)</b>	<b>-</b>	<b>-</b>	<b>28,010,891</b>	<b>(21,224,145)</b>	<b>2,728,926</b>
<b>Fund Balance - Beginning</b>	<b>55,767,694</b>	<b>-</b>	<b>-</b>	<b>46,437,916</b>	<b>48,347,660</b>	<b>150,553,270</b>
<b>Fund Balance - Ending</b>	<b>51,709,874</b>	<b>-</b>	<b>-</b>	<b>74,448,807</b>	<b>27,123,515</b>	<b>153,282,196</b>

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**

JUNE 30, 2010

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

Net Change in Fund Balances - Total Governmental Funds:	\$ 2,728,926
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 \$(19,459,661) exceeds the depreciation \$15,386,725.	4,072,936
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.	1,258,535
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 \$(140,819) exceeds cost \$176,089; bond premium amortization \$1,531,058 exceeds bond premium \$(6,492,467); and amount deferred on refunding amortization \$(485,544).	(5,411,683)
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 \$(14,355).	14,355
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.	(44,501)
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.	92,719
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 \$(84,236,378) exceeds bonds issued during the year \$43,330,000.	40,906,378

**Change in Net Assets - Governmental Activities**

43,617,665

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, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local Sources	\$ 196,231,719	\$ 196,261,743	\$ 188,865,408	\$ (7,396,335)
Intergovernmental	1,562	1,562	66,970	65,408
State Sources	104,769,762	104,769,762	93,900,392	(10,869,370)
Federal Sources	614,088	614,088	659,845	45,757
<b>Total Revenues</b>	<u>301,617,131</u>	<u>301,647,155</u>	<u>283,492,615</u>	<u>(18,154,540)</u>
<b>Expenditures</b>				
Instruction	193,491,797	192,941,844	182,222,202	10,719,642
Support Services	108,768,544	111,837,027	104,967,412	6,869,615
Community Services	707	2,468	2,398	70
Intergovernmental	3,244,845	3,244,845	1,788,610	1,456,235
Capital Outlay	1,089,796	4,204,492	3,862,654	341,838
<b>Total Expenditures</b>	<u>306,595,689</u>	<u>312,230,676</u>	<u>292,843,276</u>	<u>19,387,400</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,978,558)</u>	<u>(10,583,521)</u>	<u>(9,350,661)</u>	<u>1,232,860</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	3,892	5,242	66,580	61,338
Transfers In	6,406,947	6,406,947	6,788,393	381,446
Transfers Out	(1,556,813)	(1,556,813)	(1,562,132)	(5,319)
<b>Total Other Financing Sources (Uses)</b>	<u>4,854,026</u>	<u>4,855,376</u>	<u>5,292,841</u>	<u>437,465</u>
<b>Net Change in Fund Balances</b>	<u>(124,532)</u>	<u>(5,728,145)</u>	<u>(4,057,820)</u>	<u>1,670,325</u>
<b>Fund Balance - Beginning</b>			<u>55,767,694</u>	
<b>Fund Balance - Ending</b>			<u>51,709,874</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, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local Sources	\$ 1,518,364	\$ 2,504,855	\$ 1,491,566	\$ (1,013,289)
State Sources	5,785,902	9,741,125	8,108,783	(1,632,342)
Federal Sources	30,779,888	50,190,544	34,693,205	(15,497,339)
<b>Total Revenues</b>	<u>38,084,154</u>	<u>62,436,524</u>	<u>44,293,554</u>	<u>(18,142,970)</u>
<b>Expenditures</b>				
Instruction	26,904,419	42,612,991	30,070,335	12,542,656
Support Services	8,460,588	14,450,492	10,515,099	3,935,393
Community Services	1,539,558	2,036,329	1,116,625	919,704
Intergovernmental	48,093	124,420	123,976	444
Capital Outlay	484,011	1,800,258	1,270,156	530,102
<b>Total Expenditures</b>	<u>37,436,669</u>	<u>61,024,490</u>	<u>43,096,191</u>	<u>17,928,299</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>647,485</u>	<u>1,412,034</u>	<u>1,197,363</u>	<u>(214,671)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	10,507	36,702	26,195
Transfers Out	(647,485)	(1,422,541)	(1,234,065)	188,476
<b>Total Other Financing Sources (Uses)</b>	<u>(647,485)</u>	<u>(1,412,034)</u>	<u>(1,197,363)</u>	<u>214,671</u>
<b>Net Change in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - Beginning</b>			<u>-</u>	
<b>Fund Balance - Ending</b>			<u>-</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, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
State Sources	\$ 19,452,385	\$ 22,756,783	\$ 17,700,565	\$ (5,056,218)
<b>Total Revenues</b>	<u>19,452,385</u>	<u>22,756,783</u>	<u>17,700,565</u>	<u>(5,056,218)</u>
<b>Expenditures</b>				
Instruction	13,450,680	14,741,057	9,793,978	4,947,079
Support Services	1,514,989	1,450,613	1,148,489	302,124
Community Services	27,771	53,727	25,956	27,771
Intergovernmental	2,475	2,475	39,053	(36,578)
Capital Outlay	16,626	136,453	135,088	1,365
<b>Total Expenditures</b>	<u>15,012,541</u>	<u>16,384,325</u>	<u>11,142,564</u>	<u>5,241,761</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>4,439,844</u>	<u>6,372,458</u>	<u>6,558,001</u>	<u>185,543</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(4,439,844)</u>	<u>(6,372,458)</u>	<u>(6,558,001)</u>	<u>(185,543)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(4,439,844)</u>	<u>(6,372,458)</u>	<u>(6,558,001)</u>	<u>(185,543)</u>
<b>Net Change in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - Beginning</b>			<u>-</u>	
<b>Fund Balance - Ending</b>			<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, 2010**

<b>Assets</b>	<b>Food Service Fund</b>
Current Assets:	
Cash and Cash Equivalents	\$ 1,446,739
Due from Federal Government	1,708,897
Accounts Receivable	90,268
Inventories	<u>183,178</u>
<b>Total Current Assets</b>	<u>3,429,082</u>
Noncurrent Assets:	
Property and Equipment	5,121,877
Accumulated Depreciation	<u>(2,596,651)</u>
Total Noncurrent Assets	<u>2,525,226</u>
<b>Total Assets</b>	<u>5,954,308</u>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	21,311
Deferred Revenue	129,653
Compensated Absences Payable	<u>19,188</u>
<b>Total Current Liabilities</b>	<u>170,152</u>
Noncurrent Liabilities:	
Compensated Absences Payable	<u>30,532</u>
Total Noncurrent Liabilities	<u>30,532</u>
<b>Total Liabilities</b>	<u>200,684</u>
<b>Net Assets</b>	
Invested in Capital Assets	2,525,226
Unrestricted	<u>3,228,398</u>
<b>Total Net Assets</b>	<u><u>5,753,624</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, 2010

	<b>Food Service Fund</b>
<b>Operating Revenue</b>	
Proceeds from Sale of Meals	\$ 5,356,843
<b>Total Operating Revenue</b>	<u>5,356,843</u>
<b>Operating Expenses</b>	
Food Costs	8,115,665
Salaries	7,399,448
Employee Benefits	2,742,429
Purchased Services	113,523
Supplies and Materials	422,969
Other Objects	40,112
Depreciation	257,554
<b>Total Operating Expenses</b>	<u>19,091,700</u>
<b>Operating Income (Loss)</b>	<u>(13,734,857)</u>
<b>Nonoperating Revenue</b>	
Interest	10,837
USDA Commodities	954,096
USDA Reimbursements	12,949,406
Other State Aid	14,795
Other Income	104,486
<b>Total Nonoperating Revenue</b>	<u>14,033,620</u>
<b>Income (Loss) Before Transfers</b>	<u>298,763</u>
<b>Interfund Transfers From (To) Other Funds</b>	
Transfers In	1,437,337
Transfers Out	<u>(1,150,757)</u>
<b>Total Transfers</b>	<u>286,580</u>
<b>Change in Net Assets</b>	585,343
<b>Total Net Assets - Beginning</b>	<u>5,168,281</u>
<b>Total Net Assets - Ending</b>	<u><u>5,753,624</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, 2010**

	<u><b>Business-Type Activities</b></u> <b>Enterprise Fund - Food Service</b>
<b>Cash Flows from Operating Activities</b>	
Received from Patrons	\$ 5,400,629
Payments to Employees for Services	(11,250,320)
Payments to Suppliers for Goods and Services	<u>(7,742,083)</u>
<b>Net Cash Used by Operating Activities</b>	<u>(13,591,774)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Federal Subsidy	11,240,509
State Subsidy	14,795
Non-operating Local Support	104,763
Transfers from Other Funds	1,437,337
Transfers to Other Funds	<u>(1,150,757)</u>
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>11,646,647</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of Capital Assets	<u>(71,433)</u>
<b>Cash Flows from Investing Activities</b>	
Interest on Investments	<u>10,837</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(2,005,723)
Cash and Cash Equivalents - Beginning	<u>3,452,462</u>
Cash and Cash Equivalents - Ending	<u><u>1,446,739</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities</b>	
Operating Income (Loss)	<u>(13,734,857)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:	
Depreciation Expense	257,554
Commodities Received from USDA	954,096
Change in Assets and Liabilities:	
Decrease in Accounts Receivable	30,847
(Increase) in Inventories	(6,045)
(Decrease) in Accounts Payable and Other Liabilities	(319,674)
(Decrease) in Accrued Salaries and Compensated Absences	(786,634)
Increase in Deferred Revenue	<u>12,939</u>
<b>Total Adjustments</b>	<u>143,083</u>
<b>Net Cash Used by Operating Activities</b>	<u><u>(13,591,774)</u></u>
Non-Cash Transactions:	
Commodities Received from the USDA	<u><u>954,096</u></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, 2010

<b>Assets</b>	<b>Private-Purpose Trusts</b>	<b>Agency Funds</b>
Cash and Investments	\$ 162,902	\$ 5,084,780
Other Assets		9,763
<b>Total Assets</b>	<u>162,902</u>	<u>5,094,543</u>
 <b>Liabilities</b>		
Accounts Payable		362,970
Due to Other Governments		1,117,304
Due to Schools and School Organizations		3,614,269
<b>Total Liabilities</b>	<u>-</u>	<u>5,094,543</u>
 <b>Restricted Net Assets</b>		
Held in Trust for Individuals and Organizations	<u>162,902</u>	
<b>Total Net Assets</b>	<u>162,902</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, 2010**

	<b>Private-Purpose Trusts</b>
<b>Additions</b>	
Contributions:	
Scholarship Receipts	\$ 9,051
Other Income:	
Other Income	1,750
Investment Earnings:	
Interest	7,813
Net Increase (Decrease) in Fair Value of Investments	3,054
	21,668
<b>Total Additions</b>	<b>21,668</b>
<b>Deductions</b>	
Scholarships Awarded	10,595
	10,595
<b>Total Deductions</b>	<b>10,595</b>
<b>Change in Net Assets</b>	11,073
<b>Total Net Assets - Beginning</b>	151,829
<b>Total Net Assets - Ending</b>	162,902

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 37,000 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 Unit:** Waccamaw Park Public Charter Schools, also known as Bridgewater Academy, is a charter school 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 the charter school is fiscally dependent on the District and exclusion of the charter school would cause the District's financial statements to be incomplete, the financial statements of the charter school are included in those of the District. The charter school is presented as a governmental fund type. Complete separately issued financial statements may be obtained from the administrative offices of Bridgewater Academy, 316 Bush Drive, Myrtle Beach, SC 29579.

**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. 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.

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Government-Wide Statements** (Continued): 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 except those that are required to be accounted for 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 legally restricted 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 resources for and the payment of general long-term debt, principal and interest.

**Capital Projects Fund:** The Capital Projects Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities, 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, 2010, 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 reserved 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.

**Prepaids:** 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 pro rated 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/Fund Balances:** The District's net assets in the government-wide financial statements and proprietary fund 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.

The District's policy for applying expenses that can use both restricted and unrestricted resources is designated to the program administrative level. General practice is to first apply the expense to the restricted resource then to unrestricted resources.

## Note 1. Summary of Significant Accounting Policies (Continued)

### **Unrestricted Net Assets** (Continued):

In the governmental fund financial statements, reservations or restriction of fund balance represent amounts that are not available for appropriation, are legally separated for a specific purpose, or are restricted by a grant agreement. Designations of fund balance represent tentative management plans that are subject to change.

The governmental fund types classify fund balances as follows:

#### *Reserved:*

**Reserved for Inventories** - portion of fund balance that is not available for appropriation because it represents the year-end fund balances of ending inventories, which are not expendable, available resources.

**Reserved for Prepaid Expenditures** - portion of fund balance that is not available for appropriation because it represents year-end fund balances of prepaid items, which are not expendable, available resources.

#### *Unreserved:*

**Designated for Subsequent Year's Expenditures** - portion of the total fund balance available for appropriation that has been designated based on the adopted 2010-2011 budget ordinance.

**Designated for Minimum Fund Balance** - it is the policy of the Board of Education to designate 7.5% of the ensuing year's General Fund revenue as a minimum fund balance. The actual fund balance designation at year end represents 9.4% of the ensuing year's General Fund revenue.

**Designated for Carryover School Budgets** - schools are allowed to carryover unexpended funds from one fiscal year to the next. Carryover funds may not exceed 10% of each individual school's non-personnel allocation or \$10,000.

**Undesignated** - portion of total fund balance available for appropriation that is uncommitted at year end.

**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, 2010, the carrying amount of the District's deposits was \$180,015,421 and the bank balance was \$185,681,681. Of the bank balance, \$52,514,945 was covered by FDIC insurance, \$116,008,702 was collateralized by securities held in its name and \$17,158,034 was insured and uncollateralized.

In accordance with GASB Statement No. 40, the District and its discretely presented component unit's 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, 2010, the District's investments consisted of the following:

	<b>Reported Amount</b>	<b>Cost Basis</b>
U. S. Treasury Bonds	<u>\$128,523</u>	<u>\$100,000</u>
<b>Total Investments</b>	<u>128,523</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 1<sup>st</sup> of each year. They are due and payable without penalty until January 31<sup>st</sup>. If unpaid on August 1<sup>st</sup> 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, 2010, was as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 21,275,515			\$ 21,275,515
Construction in Progress	44,070,622	\$15,140,006	\$(11,029,072)	48,181,556
<b>Total Capital Assets Not Being Depreciated</b>	<u>65,346,137</u>	<u>15,140,006</u>	<u>(11,029,072)</u>	<u>69,457,071</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	615,587,445	7,909,308	(242,732)	623,254,021
Land Improvements	18,334,478	5,930,679		24,265,157
Vehicles	4,331,800		(18,770)	4,313,030
Machinery and Equipment	19,080,902	1,508,740		20,589,642
<b>Total Capital Assets Being Depreciated</b>	<u>657,334,625</u>	<u>15,348,727</u>	<u>(261,502)</u>	<u>672,421,850</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(111,845,844)	(12,565,949)	198,231	(124,213,562)
Land Improvements	(10,250,008)	(739,943)		(10,989,951)
Vehicles	(3,019,239)	(276,827)	18,770	(3,277,296)
Machinery and Equipment	(11,464,829)	(1,804,006)		(13,268,835)
<b>Total Accumulated Depreciation</b>	<u>(136,579,920)</u>	<u>(15,386,725)</u>	<u>217,001</u>	<u>(151,749,644)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>520,754,705</u>	<u>(37,998)</u>	<u>(44,501)</u>	<u>520,672,206</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>586,100,842</u>	<u>15,102,008</u>	<u>(11,073,573)</u>	<u>590,129,277</u>
<b>Business-Type Activities:</b>				
School Food Service Fund:				
Capital Assets Being Depreciated:				
Machinery and Equipment	5,007,580	71,433		5,079,013
Vehicles	42,864			42,864
<b>Total Capital Assets Being Depreciated</b>	<u>5,050,444</u>	<u>71,433</u>		<u>5,121,877</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(2,310,441)	(255,660)		(2,566,101)
Vehicles	(28,656)	(1,894)		(30,550)
<b>Total Accumulated Depreciation</b>	<u>(2,339,097)</u>	<u>(257,554)</u>		<u>(2,596,651)</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>2,711,347</u>	<u>(186,121)</u>		<u>2,525,226</u>

The District had active construction projects as of June 30, 2010. 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 \$15,100,850 and had a remaining commitment of approximately \$3,957,755, 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	\$10,054,567
Support	5,280,321
Community Services	<u>51,837</u>
<b>Total Depreciation - Governmental Activities</b>	<u>15,386,725</u>
Business-Type Activities:	
Food Service	<u>\$ 257,554</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 12.74%, which includes a 3.5% 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, 2010, 2009, and 2008, were \$28,602,357, \$27,596,607, and \$26,252,953, respectively, and equaled the required contributions. Total payroll for the years ended June 30, 2010, 2009 and 2008 were \$258,093,246, \$219,976,750, and \$216,905,793. Covered payroll for the years ended June 30, 2010, 2009 and 2008 were \$224,508,297, \$216,613,870, and \$210,360,200.

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. Currently, over 20,000 State retirees meet these eligibility requirements.

As discussed in Note 5, the District paid \$7,849,922 applicable to the 3.50% 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 worker's 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 are net of the following allowance for doubtful accounts:

Property Taxes, Current	\$ 35,112,263
Allowance for Doubtful Accounts	<u>(14,044,905)</u>
Property Taxes, Current	<u>21,067,358</u>

**Note 10. Long-Term Obligations**

Bonds payable consisted of the following at June 30, 2010:

		Interest Rates	Maturity Dates	Balance June 30, 2010
<b>General Obligation Bonds</b>				
Series 2000B	\$ 5,400,000	5.50-5.900%	March 1, 2011	\$ 300,000
Series 2001A	70,000,000	4.00-5.375%	March 1, 2021	7,770,000
Series 2002A	74,600,000	3.25-5.125%	March 1, 2022	69,950,000
Series 2003A	63,960,000	3.00-5.000%	January 1, 2016	27,570,000
Series 2003B	16,950,000	2.00-4.000%	March 1, 2016	5,410,000
Series 2005B	3,920,000	3.00-4.500%	March 1, 2020	3,820,000
Series 2005A	70,000,000	3.00-5.000%	March 1, 2030	69,700,000
Series 2006A	125,000,000	4.00-5.000%	March 1, 2031	125,000,000
Series 2007B	68,800,000	4.00-5.000%	March 1, 2027	59,790,000
Series 2010A	43,330,000	2.00-5.000%	March 1, 2021	<u>43,330,000</u>
<b>Total General Obligation Bonds</b>				<u><u>412,640,000</u></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, 2010, 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 February 4, 2010, the District issued \$43,330,000 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 \$45,715,000 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 \$4,064,169 and resulted in an economic gain of \$3,931,378.

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

Year Ended June 30:	Principal	Interest	Payments
2011	\$ 22,210,000	\$ 19,769,181	\$ 41,979,181
2012	18,200,000	18,502,031	36,702,031
2013	19,315,000	17,654,506	36,969,506
2014	20,115,000	16,713,256	36,828,256
2015	21,080,000	15,782,025	36,862,025
2016-20	108,025,000	63,458,214	171,483,214
2021-25	103,080,000	38,331,082	141,411,082
2026-30	83,990,000	14,898,438	98,888,438
2031-32	16,625,000	748,125	17,373,125
<b>Totals</b>	<u>412,640,000</u>	<u>205,856,858</u>	<u>618,496,858</u>

**Note 10. Long-Term Obligations (Continued)**

Long-term liability activity for the year ended June 30, 2010, is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Changes in Long-Term Liabilities					
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds:	\$449,615,000	\$43,330,000	\$(80,305,000)	\$412,640,000	\$22,210,000
Plus Deferred Amounts For Issuance Premiums On Refunding	12,398,080 (2,098,565)	6,492,467 (3,931,378)	(1,531,058) 485,544	17,359,489 (5,544,399)	1,875,356 (694,026)
Total Bonds Payable	459,914,515	45,891,089	(81,350,514)	424,455,090	23,391,330
Compensated Absences	3,586,441	1,528,220	(1,542,576)	3,572,085	1,428,834
Government Activities Long-Term Liabilities	<u>463,500,956</u>	<u>47,419,309</u>	<u>(82,893,090)</u>	<u>428,027,175</u>	<u>24,820,164</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, 2010, \$69,490,000 of general obligation bonds is outstanding defeased debt.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Business-Type Activities:</b>					
Compensated Absences	\$31,273	\$30,956	(\$12,509)	\$49,720	\$19,188
Business-Type Activities Long-Term Liabilities	<u>31,273</u>	<u>30,956</u>	<u>(12,509)</u>	<u>49,720</u>	<u>19,188</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, 2010, are as follows:

Due From:	
General Fund	
Due from Special Projects Fund	\$5,457,425
Due To:	
Special Projects Fund	
Due to General Fund	(5,457,425)



**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, 2010, consist of the following:

From the General Fund to the Food Service Fund for operating costs	\$(1,437,337)
From the Special Projects Fund to the General Fund for indirect costs	(980,841)
From the Education Improvement Act Fund to the General Fund for teacher salaries and benefits	(4,656,795)
From the Food Service Fund to the General Fund for indirect costs	(1,150,757)
From the Education Improvement Act Fund to the Debt Service Fund as mandated by State	(1,901,206)
From the General Fund to the Special Projects Fund for matching funds	(10,495)
To the General Fund from the Education Improvement Act Fund for teacher salaries and benefits	4,656,795
To the General Fund from the Special Projects Fund for indirect costs	980,841
To the General Fund from the Food Service Fund for indirect costs	1,150,757
To the Food Service Fund from the General Fund for operating costs	1,437,337
To the Debt Service Fund from the Education Improvement Act Fund as mandated by State	1,901,206
To the Special Projects Fund from the General Fund for matching funds	<u>10,495</u>
<b>Total</b>	<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 \$1,150,543 was spent under operating leases. A summary of the aggregate minimum future rentals are as follows:

**Year Ending June 30,**

2011	\$1,059,306
2012	931,999
2013	393,589
2014	186,146
2015	<u>72,025</u>
<b>Total</b>	<u><u>2,643,065</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	\$222,148,334	\$119,883,821	\$1,144,979	\$1,951,639
Reconciling Items:				
Depreciation Expense	10,054,567	5,280,321	51,837	
Compensated Absence		(14,355)		
Allocation of Capital Outlay - Not Capitalized	2,916,049	1,531,411	15,034	
Allocation of Intergovernmental Activity	<u>1,275,313</u>	<u>669,751</u>	<u>6,575</u>	<u>(1,951,639)</u>
From Statement of Activities	<u><u>236,394,263</u></u>	<u><u>127,350,949</u></u>	<u><u>1,218,425</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, 2010. 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.

## **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, 2010	June 30, 2009
<b>Assets</b>		
Cash and Investments	\$ 65,114,831	\$ 72,866,559
Receivables:		
Property Taxes, Current	17,435,155	15,327,897
Accrued Interest	175,517	281,078
Other	92,581	18,633
Due from Other State Agencies	3,910,162	3,160,185
Due from State Department of Education	472,014	4,603,930
Due from Federal Government	102,128	-
Due from Special Revenue Fund	5,457,425	6,206,425
Inventories	443,861	440,774
Prepaid Expenditures	1,570,096	1,549,672
	<u>94,773,770</u>	<u>104,455,153</u>
<b>Total Assets</b>		
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable	2,400,315	4,430,434
Due to Other State Agencies	-	26,646
Due to State Department of Education	-	47,937
Accrued Salaries	16,671,996	18,215,048
Accrued Liabilities	8,875,408	12,273,496
Deferred Revenue	15,116,177	13,693,898
	<u>43,063,896</u>	<u>48,687,459</u>
<b>Total Liabilities</b>		
<b>Fund Balances</b>		
Reserved for:		
Inventories	443,861	440,774
Prepaid Expenditures	1,570,096	1,549,672
Encumbrances	167,310	167,310
Unreserved and Designated for:		
Carryover School Budgets	375,326	306,615
Subsequent Years' Expenditures	3,875,404	13,128,723
State Budget Reductions	-	4,086,738
Minimum Fund Balance	27,541,000	29,262,657
Unreserved and Undesignated	17,736,877	6,825,205
	<u>51,709,874</u>	<u>55,767,694</u>
<b>Total Fund Balances</b>		
<b>Total Liabilities and Fund Balances</b>		
	<u>94,773,770</u>	<u>104,455,153</u>

## HORRY COUNTY SCHOOLS

## GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

YEARS ENDED JUNE 30, 2010 AND 2009

	June 30, 2010	June 30, 2009
<b>Revenues</b>		
Local Sources	\$ 188,865,408	\$ 180,795,033
Intergovernmental	66,970	20,745
State Sources	93,900,392	109,765,436
Federal Sources	659,845	-
	<hr/>	<hr/>
<b>Total Revenues</b>	283,492,615	290,581,214
<b>Expenditures</b>		
Instruction	182,222,202	184,356,710
Support Services	104,967,412	107,441,428
Community Services	2,398	5,984
Intergovernmental	1,788,610	2,399,839
Capital Outlay	3,862,654	5,313,407
	<hr/>	<hr/>
<b>Total Expenditures</b>	292,843,276	299,517,368
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<hr/> (9,350,661)	<hr/> (8,936,154)
<b>Other Financing Sources (Uses)</b>		
Sale of Capital Assets	66,580	11,832
Transfers In	6,788,393	6,059,594
Transfers Out	(1,562,132)	(1,678,087)
	<hr/>	<hr/>
<b>Total Other Financing Sources (Uses)</b>	5,292,841	4,393,339
<b>Net Change in Fund Balances</b>	(4,057,820)	(4,542,815)
<b>Fund Balance - Beginning</b>	<hr/> 55,767,694	<hr/> 60,310,509
<b>Fund Balance - Ending</b>	<hr/> <hr/> 51,709,874	<hr/> <hr/> 55,767,694

## HORRY COUNTY SCHOOLS

## GENERAL FUND

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

YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Revenue from Local Sources:			
1110 Ad Valorem Taxes - Including Delinquent	\$ 183,188,832	\$ 176,985,267	\$ (6,203,565)
1140 Penalties & Interest on Taxes	1,652,675	2,590,175	937,500
1280 Revenue in Lieu of Taxes	3,998,807	4,760,347	761,540
1310 From Patrons for Regular Day School	8,831	47,689	38,858
1320 From Other LEAs for Regular Day School	400	-	(400)
1330 From Patrons for Adult/Continuing Ed	19,553	31,673	12,120
1350 From Patrons for Summer School	-	190	190
1510 Interest on Investments	2,827,723	507,102	(2,320,621)
1740 Student Fees	-	119	119
1910 Rentals	41,994	33,966	(8,028)
1920 Contributions & Donations Private Sources	1,000	209	(791)
1930 Medicaid	4,079,364	3,530,440	(548,924)
1950 Refund of Prior Year's Expenditures	226,301	89,624	(136,677)
1993 Receipt of Insurance Proceeds	126,896	40,905	(85,991)
1994 Receipt of Legal Settlements	500	-	(500)
1999 Revenue from Other Local Sources	88,867	247,702	158,835
<b>Total Local Sources</b>	<b>196,261,743</b>	<b>188,865,408</b>	<b>(7,396,335)</b>
Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	1,562	66,970	65,408
Revenue from State Sources:			
3100 Restricted State Funding:			
3131 Handicapped Transportation	8,921	14,045	5,124
3132 Home Schooling	15,475	-	(15,475)
3160 School Bus Drivers' Salary	1,854,202	1,999,247	145,045
3161 EAA Bus Driver	74,285	11,325	(62,960)
3162 Transportation Workers' Compensation	185,304	188,653	3,349
3165 EEDA Transportation	15,344	-	(15,344)
3180 Fringe Benefits Employer Contributions	16,942,882	16,662,545	(280,337)
3181 Retiree Insurance	4,288,337	4,048,103	(240,234)
3199 Other Restricted State Grants	-	170,642	170,642
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	2,582,770	1,871,837	(710,933)
3312 Primary	7,242,272	5,105,796	(2,136,476)
3313 Elementary	8,937,129	6,552,609	(2,384,520)
3314 High School	4,628,141	3,745,300	(882,841)
3315 Trainable Mentally Handicapped	229,710	123,731	(105,979)
3316 Speech Handicapped (Part-Time Program)	2,398,119	1,804,106	(594,013)
3317 Homebound	133,452	181,332	47,880
3320 Part-Time Programs:			
3321 Emotionally Handicapped	314,061	203,419	(110,642)
3322 Educable Mentally Handicapped	268,271	165,058	(103,213)
3323 Learning Disabilities	4,662,909	3,246,416	(1,416,493)
3324 Hearing Handicapped	99,307	82,283	(17,024)
3325 Visually Handicapped	73,633	43,783	(29,850)
3326 Orthopedically Handicapped	89,297	64,090	(25,207)
3327 Vocational	4,569,100	2,756,089	(1,813,011)
3330 Other EFA Programs:			
3331 Autism	252,321	209,878	(42,443)
3350 Residential Treatment Facility	-	40,655	40,655
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	11,678,714	11,496,133	(182,581)
3820 Homestead Exemption (Tier 2)	3,952,008	3,952,008	-
3825 Reimbursement for Property Tax Relief (Tier 3)	27,871,745	27,916,817	45,072
3830 Merchant's Inventory Tax	701,824	701,824	-
3840 Manufacturer's Depreciation Reimbursement	296,309	302,455	6,146
3890 Other State Property Tax Revenues	403,920	240,213	(163,707)
<b>Total State Sources</b>	<b>104,769,762</b>	<b>93,900,392</b>	<b>(10,869,370)</b>
Revenue from Federal Sources			
4999 Revenue from Other Federal Sources	614,088	659,845	45,757
<b>Total Revenue - All Sources</b>	<b>301,647,155</b>	<b>283,492,615</b>	<b>(18,154,540)</b>

HORRY COUNTY SCHOOLS

GENERAL FUND

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

YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	\$ 7,847,736	\$ 6,985,821	\$ 861,915
200 Employee Benefits	2,848,172	2,123,854	724,318
300 Purchased Services	5,602	832	4,770
400 Supplies and Materials	122,430	111,670	10,760
500 Capital Outlay	2,537	226	2,311
112 Primary Programs:			
100 Salaries	26,345,139	26,122,079	223,060
140 Terminal Leave	-	1,200	(1,200)
200 Employee Benefits	7,974,252	7,421,779	552,473
300 Purchased Services	530,234	499,878	30,356
400 Supplies and Materials	1,402,747	1,251,339	151,408
500 Capital Outlay	18,369	15,501	2,868
600 Other Objects	425	424	1
113 Elementary Programs:			
100 Salaries	35,312,330	34,753,574	558,756
200 Employee Benefits	10,640,495	9,855,443	785,052
300 Purchased Services	411,068	392,629	18,439
400 Supplies and Materials	889,389	884,729	4,660
500 Capital Outlay	46,811	46,369	442
600 Other Objects	6,292	6,286	6
114 High School Programs:			
100 Salaries	28,157,564	27,668,865	488,699
200 Employee Benefits	8,351,250	7,462,120	889,130
300 Purchased Services	900,973	874,865	26,108
400 Supplies and Materials	1,503,020	1,310,797	192,223
500 Capital Outlay	143,740	142,995	745
600 Other Objects	46,909	35,559	11,350
115 Vocational Programs:			
100 Salaries	4,534,674	4,286,650	248,024
200 Employee Benefits	1,190,060	1,189,991	69
300 Purchased Services	58,414	58,405	9
400 Supplies and Materials	155,476	138,259	17,217
500 Capital Outlay	10,579	6,815	3,764
600 Other Objects	650	630	20
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	524,186	468,185	56,001
200 Employee Benefits	148,160	124,150	24,010
400 Supplies and Materials	5,850	3,813	2,037
122 Trainable Mentally Handicapped:			
100 Salaries	2,345,767	2,106,237	239,530
200 Employee Benefits	750,888	625,026	125,862
300 Purchased Services	286	192	94
400 Supplies and Materials	19,735	15,157	4,578
500 Capital Outlay	1,491	1,325	166

## HORRY COUNTY SCHOOLS

## GENERAL FUND

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

YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
100 Instruction (Continued):			
120 Exceptional Programs (Continued):			
123 Orthopedically Handicapped:			
100 Salaries	\$ 715,612	\$ 569,566	\$ 146,046
200 Employee Benefits	217,022	172,823	44,199
300 Purchased Services	105,600	8,658	96,942
400 Supplies and Materials	811	447	364
500 Capital Outlay	1,000	-	1,000
124 Visually Handicapped:			
100 Salaries	334,041	236,311	97,730
200 Employee Benefits	109,022	69,428	39,594
300 Purchased Services	6,000	-	6,000
400 Supplies and Materials	5,291	224	5,067
500 Capital Outlay	1,500	-	1,500
125 Hearing Handicapped:			
100 Salaries	497,254	409,542	87,712
200 Employee Benefits	159,066	120,945	38,121
300 Purchased Services	12,315	15	12,300
400 Supplies and Materials	8,244	638	7,606
500 Capital Outlay	5,000	-	5,000
126 Speech Handicapped:			
100 Salaries	2,731,029	2,619,554	111,475
200 Employee Benefits	781,015	727,522	53,493
300 Purchased Services	9,566	35	9,531
400 Supplies and Materials	18,776	10,954	7,822
127 Learning Disabilities:			
100 Salaries	18,147,138	17,861,123	286,015
200 Employee Benefits	5,622,495	5,191,904	430,591
300 Purchased Services	1,302,708	805,443	497,265
400 Supplies and Materials	204,024	130,204	73,820
500 Capital Outlay	12,145	5,899	6,246
600 Other Objects	500	490	10
128 Emotionally Handicapped:			
100 Salaries	1,600,805	1,541,319	59,486
200 Employee Benefits	516,341	465,693	50,648
300 Purchased Services	320	40	280
400 Supplies and Materials	10,924	6,603	4,321
500 Capital Outlay	220	217	3
130 Pre-School Programs:			
137 Pre-School Handicapped - Self-Contained (3 & 4 yr. olds):			
100 Salaries	1,789,413	1,614,059	175,354
200 Employee Benefits	579,137	487,381	91,756
400 Supplies and Materials	764	249	515
139 Early Childhood Programs:			
100 Salaries	878,372	248,839	629,533
200 Employee Benefits	268,765	43,361	225,404
300 Purchased Services	17,393	17,259	134
400 Supplies and Materials	88,856	86,484	2,372
500 Capital Outlay	3,024	41	2,983
600 Other Objects	250	240	10



HORRY COUNTY SCHOOLS

GENERAL FUND

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

YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
100 Instruction (Continued):			
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	\$ 3,079,220	\$ 3,067,961	\$ 11,259
200 Employee Benefits	904,062	843,328	60,734
300 Purchased Services	70,424	42,445	27,979
400 Supplies and Materials	77,600	57,348	20,252
500 Capital Outlay	28,200	28,196	4
600 Other Objects	150	150	-
143 Advanced Placement:			
100 Salaries	22,455	22,455	-
200 Employee Benefits	4,440	4,353	87
300 Purchased Services	55,320	54,930	390
400 Supplies and Materials	18,991	9,869	9,122
500 Capital Outlay	520	517	3
145 Homebound:			
100 Salaries	717,121	637,702	79,419
200 Employee Benefits	147,297	121,763	25,534
300 Purchased Services	190,000	85,903	104,097
400 Supplies and Materials	838	8	830
149 Other Special Programs:			
100 Salaries	3,184,939	3,092,500	92,439
200 Employee Benefits	919,712	820,520	99,192
300 Purchased Services	89,617	46,608	43,009
400 Supplies and Materials	121,178	40,608	80,570
500 Capital Outlay	10,000	7,832	2,168
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	2,025,835	1,730,734	295,101
200 Employee Benefits	662,693	571,860	90,833
300 Purchased Services	61,000	4,585	56,415
400 Supplies and Materials	30,292	1,089	29,203
500 Capital Outlay	5,000	-	5,000
170 Summer School Program:			
173 High School Summer School:			
100 Salaries	3,500	3,405	95
200 Employee Benefits	719	699	20
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	8,862	8,862	-
200 Employee Benefits	1,629	1,336	293
300 Purchased Services	400	400	-
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
100 Salaries	149,410	139,538	9,872
200 Employee Benefits	39,471	35,361	4,110
300 Purchased Services	14,889	14,803	86
400 Supplies and Materials	7,300	7,294	6

## HORRY COUNTY SCHOOLS

## GENERAL FUND

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

YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
100 Instruction (Continued):			
180 Adult/Continuing Educational Programs (Continued):			
182 Adult Secondary Education Programs:			
100 Salaries	\$ 289,373	\$ 288,547	\$ 826
200 Employee Benefits	74,205	73,874	331
300 Purchased Services	600	509	91
400 Supplies and Materials	11,400	9,376	2,024
183 Adult English Literacy (ESL):			
100 Salaries	6,120	-	6,120
200 Employee Benefits	468	-	468
400 Supplies and Materials	500	493	7
188 Parenting/Family Literacy:			
100 Salaries	22,977	22,809	168
200 Employee Benefits	5,553	5,421	132
400 Supplies and Materials	700	178	522
190 Instructional Pupil Activity:			
100 Salaries	66,041	60,862	5,179
200 Employee Benefits	13,512	11,605	1,907
300 Purchased Services	63,643	45,630	18,013
400 Supplies and Materials	3,969	2,449	1,520
600 Other Objects	4,377	4,241	136
<b>Total Instruction</b>	<b>193,231,980</b>	<b>182,478,135</b>	<b>10,753,845</b>
200 Supporting Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	2,273,652	2,273,567	85
200 Employee Benefits	715,603	697,431	18,172
300 Purchased Services	31,554	26,456	5,098
400 Supplies and Materials	13,703	11,086	2,617
500 Capital Outlay	2,397	1,652	745
212 Guidance Services:			
100 Salaries	5,247,568	5,247,513	55
200 Employee Benefits	1,532,371	1,462,833	69,538
300 Purchased Services	327,948	315,916	12,032
400 Supplies and Materials	22,426	15,646	6,780
213 Health Services:			
100 Salaries	1,823,985	1,808,373	15,612
200 Employee Benefits	680,025	544,603	135,422
300 Purchased Services	94,775	66,959	27,816
400 Supplies and Materials	139,986	119,594	20,392
500 Capital Outlay	3,380	3,319	61
600 Other Objects	50	41	9
214 Psychological Services:			
100 Salaries	1,458,929	1,458,927	2
200 Employee Benefits	398,088	389,100	8,988
300 Purchased Services	20,000	-	20,000
400 Supplies and Materials	6,900	1,000	5,900
500 Capital Outlay	10,736	-	10,736

## HORRY COUNTY SCHOOLS

## GENERAL FUND

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

YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
200 Supporting Services (Continued):			
210 Pupil Services (Continued):			
215 Exceptional Program Services:			
100 Salaries	\$ 183,874	\$ 144,842	\$ 39,032
200 Employee Benefits	64,454	46,622	17,832
400 Supplies and Materials	475,500	-	475,500
500 Capital Outlay	10,000	-	10,000
220 Instructional Staff Services:			
221 Improvement of Instruction - Curriculum Development:			
100 Salaries	2,579,662	2,378,874	200,788
200 Employee Benefits	671,688	604,206	67,482
300 Purchased Services	88,531	54,575	33,956
400 Supplies and Materials	31,161	27,843	3,318
500 Capital Outlay	10,000	5,416	4,584
600 Other Objects	6,100	6,079	21
222 Library and Media Services:			
100 Salaries	3,861,621	3,841,599	20,022
200 Employee Benefits	1,240,860	1,153,120	87,740
300 Purchased Services	6,650	5,977	673
400 Supplies and Materials	381,868	348,625	33,243
500 Capital Outlay	32,132	31,942	190
223 Supervision of Special Programs:			
100 Salaries	1,234,252	1,217,920	16,332
200 Employee Benefits	349,213	325,047	24,166
300 Purchased Services	37,905	36,583	1,322
400 Supplies and Materials	21,698	8,069	13,629
500 Capital Outlay	1,500	-	1,500
600 Other Objects	1,000	539	461
224 Improvement of Instruction - Inservice and Staff Training:			
100 Salaries	380,324	200,295	180,029
200 Employee Benefits	93,345	50,978	42,367
300 Purchased Services	342,756	233,864	108,892
400 Supplies and Materials	135,145	128,029	7,116
500 Capital Outlay	22,999	22,924	75
600 Other Objects	32,036	20,768	11,268
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	134,740	118,465	16,275
200 Employee Benefits	26,841	25,613	1,228
300 Purchased Services	498,050	205,417	292,633
318 Audit Services	46,000	46,000	-
400 Supplies and Materials	8,000	3,328	4,672
600 Other Objects	62,000	61,031	969
232 Office of the Superintendent:			
100 Salaries	696,212	696,212	-
200 Employee Benefits	184,467	184,422	45
300 Purchased Services	37,837	29,535	8,302
400 Supplies and Materials	26,480	25,018	1,462
500 Capital Outlay	2,200	2,130	70
600 Other Objects	8,600	4,079	4,521

HORRY COUNTY SCHOOLS

GENERAL FUND

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

YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
200 Supporting Services (Continued):			
230 General Administrative Services (Continued):			
233 School Administration:			
100 Salaries	\$ 15,418,670	\$ 15,416,952	\$ 1,718
140 Terminal Leave	-	1,200	(1,200)
200 Employee Benefits	4,249,599	4,112,959	136,640
300 Purchased Services	115,451	115,285	166
400 Supplies and Materials	145,374	143,231	2,143
500 Capital Outlay	39,603	39,583	20
600 Other Objects	11,549	10,462	1,087
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	61	60	1
200 Employee Benefits	13	12	1
300 Purchased Services	17,500	1,480	16,020
252 Fiscal Services:			
100 Salaries	1,439,795	1,439,749	46
200 Employee Benefits	405,612	396,557	9,055
300 Purchased Services	22,324	22,064	260
400 Supplies and Materials	25,069	21,398	3,671
500 Capital Outlay	21,260	11,073	10,187
600 Other Objects	24,555	5,875	18,680
253 Facilities Acquisition & Construction:			
300 Purchased Services	232,423	142,713	89,710
500 Capital Outlay			
545 Technological Equipment and Software	8,930	8,929	1
254 Operation and Maintenance of Plant:			
100 Salaries	8,667,591	8,577,434	90,157
200 Employee Benefits	2,899,897	2,659,422	240,475
300 Purchased Services	6,254,988	5,124,638	1,130,350
321 Public Utilities	915,696	861,890	53,806
400 Supplies and Materials	2,641,903	2,264,619	377,284
470 Energy	8,608,120	8,894,307	(286,187)
500 Capital Outlay	76,400	47,177	29,223
600 Other Objects	555	554	1
255 Student Transportation:			
100 Salaries	8,998,167	8,793,900	204,267
200 Employee Benefits	3,421,323	3,030,771	390,552
300 Purchased Services	486,206	335,142	151,064
400 Supplies and Materials	164,800	136,047	28,753
500 Capital Outlay	25,000	5,918	19,082
600 Other Objects	275	275	-
256 Food Services:			
100 Salaries	86,128	86,031	97
200 Employee Benefits	7,511	7,503	8
300 Purchased Services	10,508	6,436	4,072
400 Supplies and Materials	62,324	61,811	513

HORRY COUNTY SCHOOLS

GENERAL FUND

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

YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
200 Supporting Services (Continued):			
250 Finance and Operations Services (Continued):			
257 Internal Services:			
100 Salaries	\$ 484,849	\$ 484,800	\$ 49
200 Employee Benefits	123,774	121,158	2,616
300 Purchased Services	84,014	77,379	6,635
400 Supplies and Materials	39,669	31,102	8,567
500 Capital Outlay	9,542	9,506	36
600 Other Objects	2,150	2,063	87
258 Security:			
100 Salaries	141,891	141,752	139
200 Employee Benefits	40,728	40,662	66
300 Purchased Services	1,160,471	1,056,671	103,800
400 Supplies and Materials	89,084	62,473	26,611
500 Capital Outlay	68,728	46,276	22,452
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
100 Salaries	439,081	439,030	51
200 Employee Benefits	115,498	115,367	131
300 Purchased Services	359,000	85,297	273,703
400 Supplies and Materials	30,398	10,163	20,235
500 Capital Outlay	10,000	2,256	7,744
600 Other Objects	27,250	26,750	500
263 Information Services:			
100 Salaries	614,400	614,388	12
200 Employee Benefits	158,167	152,812	5,355
300 Purchased Services	77,215	58,806	18,409
400 Supplies and Materials	165,361	135,512	29,849
500 Capital Outlay	17,549	7,136	10,413
264 Staff Services:			
100 Salaries	1,566,246	1,566,198	48
200 Employee Benefits	4,291,599	3,185,385	1,106,214
300 Purchased Services	171,503	157,281	14,222
400 Supplies and Materials	86,650	63,962	22,688
500 Capital Outlay	23,238	1,627	21,611
600 Other Objects	21,000	13,328	7,672
266 Technology and Data Processing Services:			
100 Salaries	2,308,095	2,307,977	118
200 Employee Benefits	617,717	617,716	1
300 Purchased Services	341,369	138,929	202,440
400 Supplies and Materials	266,276	263,350	2,926
500 Capital Outlay	3,349,549	3,351,137	(1,588)
600 Other Objects	200	190	10
270 Supporting Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries	2,887,050	2,763,216	123,834
200 Employee Benefits	672,711	573,008	99,703
300 Purchased Services	307,458	265,633	41,825
400 Supplies and Materials	30,429	18,024	12,405
500 Capital Outlay	169,213	8,720	160,493
600 Other Objects	45,304	33,634	11,670
<b>Total Supporting Services</b>	<b>115,751,383</b>	<b>108,574,133</b>	<b>7,177,250</b>

## HORRY COUNTY SCHOOLS

## GENERAL FUND

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

YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
300 Community Services:			
350 Custody and Care of Children Services:			
100 Salaries	\$ 2,266	\$ 2,216	\$ 50
200 Employee Benefits	202	182	20
<b>Total Community Services</b>	<b>2,468</b>	<b>2,398</b>	<b>70</b>
400 Other Charges:			
410 Intergovernmental Expenditures:			
411-720 Payments to State Department of Education			-
412-720 Payments to Other Governmental Units	163,700	31,650	132,050
414-420 Medicaid Payments to SDE	1,709,145	636,046	1,073,099
416-720 Payments to Public Charter Schools	1,352,000	1,120,914	231,086
<b>Total Intergovernmental Expenditures</b>	<b>3,224,845</b>	<b>1,788,610</b>	<b>1,436,235</b>
<b>Total Expenditures</b>	<b>312,210,676</b>	<b>292,843,276</b>	<b>19,367,400</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(10,563,521)</b>	<b>(9,350,661)</b>	<b>1,212,860</b>
<b>Other Financing Sources (Uses)</b>			
5300 Sale of Capital Assets	5,242	66,580	61,338
<b>Interfund Transfers, from (to) Other Funds:</b>			
5230 Transfer from Special Revenue EIA Fund	4,434,298	4,656,795	222,497
5280 Transfer from Other Funds Indirect Cost	1,972,649	2,131,598	158,949
421-710 Transfer to Special Revenue Fund	-	(10,495)	(10,495)
425-710 Transfer to Food Service Fund	(1,461,613)	(1,437,337)	24,276
426-710 Transfer to Pupil Activity Fund	(115,200)	(114,300)	900
<b>Total Other Financing Sources (Uses)</b>	<b>4,835,376</b>	<b>5,292,841</b>	<b>457,465</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(5,728,145)</b>	<b>(4,057,820)</b>	<b>1,670,325</b>
<b>Fund Balance July 1, 2009</b>		<b>55,767,694</b>	
<b>Fund Balance June 30, 2010</b>		<b>51,709,874</b>	

## **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, 2010	June 30, 2009
<b>Assets</b>		
Receivables:		
Other	\$ 5,453	\$ 35,140
Due from Other State Agencies	3,902	8,352
Due from Federal Government	7,986,071	9,513,570
Due from State Department of Education	67,390	1,421,765
	<hr/>	<hr/>
<b>Total Assets</b>	<b>8,062,816</b>	<b>10,978,827</b>
	<hr/>	<hr/>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable	703,306	409,555
Accrued Salaries	41,877	1,477,827
Accrued Liabilities	6,985	439,116
Due to Other Organizations	-	237
Due to State Department of Education	15,388	6,856
Due to Federal Government	-	500
Due to General Fund	5,457,425	6,206,425
Deferred Revenue	1,837,835	2,438,311
	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>8,062,816</b>	<b>10,978,827</b>
	<hr/>	<hr/>
<b>Fund Balances</b>		
Unreserved and Undesignated	-	-
	<hr/>	<hr/>
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Total Liabilities and Fund Balances</b>	<b>8,062,816</b>	<b>10,978,827</b>
	<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, 2010 AND 2009

	June 30, 2010	June 30, 2009
<b>Revenues</b>		
Local Sources	\$ 1,491,566	\$ 1,292,985
State Sources	8,108,783	6,294,682
Federal Sources	34,693,205	25,922,814
	<hr/>	<hr/>
<b>Total Revenues</b>	44,293,554	33,510,481
	<hr/>	<hr/>
<b>Expenditures</b>		
Instruction	30,070,335	19,686,709
Support Services	10,515,099	9,915,987
Community Services	1,116,625	997,880
Intergovernmental	123,976	62,198
Capital Outlay	1,270,156	2,264,863
	<hr/>	<hr/>
<b>Total Expenditures</b>	43,096,191	32,927,637
	<hr/>	<hr/>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	1,197,363	582,844
	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>		
Transfers In	36,702	88,327
Transfers Out	(1,234,065)	(671,171)
	<hr/>	<hr/>
<b>Total Other Financing Sources (Uses)</b>	(1,197,363)	(582,844)
	<hr/>	<hr/>
<b>Net Change in Fund Balances</b>	-	-
	<hr/>	<hr/>
<b>Fund Balance - Beginning</b>	-	-
	<hr/>	<hr/>
<b>Fund Balance - Ending</b>	-	-
	<hr/> <hr/>	<hr/> <hr/>

HORRY COUNTY SCHOOLS  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2010

	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
<b>Revenues</b>									
1000 Revenue - Local Sources:									
1350 Summer School from Patrons							\$ 14,360	\$ 14,360	
1720 Bookstore Sales							75	75	
1790 Other Pupil Activity Revenue							300	300	
1910 Rentals							35,800	35,800	
1999 Revenue from Other Local Sources							1,441,031	1,441,031	
<b>Total Revenues - Local Sources</b>							<b>1,491,566</b>	<b>1,491,566</b>	
3000 Revenue - State Sources:									
3100 Restricted Grants:									
3110 Vocational:									
3113 Twelve Month AG Program							20,068	20,068	
3116 EEDA 9th Grade Career Awareness						\$ 33,538		33,538	
3117 EEDA 8th Grade Career Awareness						29,724		29,724	
3118 EEDA Career Specialist						998,254		998,254	
3120 General Education:									
3123 Formative Assessment									172,151
3125 Career and Technology Career Equipment									210,274
3126 Refurbishment of K-8 Science Kits									170,209
3127 Student Health and Fitness									402,911
3128 High Schools that Work									39,011
3130 Special Programs:									
3136 Student Health and Fitness - Nurses							789,647		789,647
3150 Adult Education:									
3151 Basic							9,537		9,537
3154 Young Adult Education							145,548		145,548
3185 National Board Certified							2,983,923		2,983,923
3190 Other Restricted Grants:									
3193 Education License Plates							7,370		7,370
3199 Other Restricted State Grants							2,189		2,189
3600 Education Lottery Act Revenue:									
3607 6-8 Enhancement							95,837		95,837
3610 K-5 Enhancement							1,632,036		1,632,036
3990 Other State Revenue:									
3991 ADEPT							40,513		40,513
3999 Revenue from Other State Sources							326,043		326,043
<b>Total Revenue - State Sources</b>							<b>7,760,483</b>	<b>348,300</b>	<b>8,108,783</b>

HORRY COUNTY SCHOOLS  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2010

	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
<b>Revenues</b>									
4000 Revenue - Federal Sources:									
4200 Occupational Education:				\$ 696,709				\$ 696,709	
4210 Vocational Aid									
4300 Elementary and Secondary Education Act of 1965:									
4310 Title I	\$ 10,138,561								
4315 ARRA - Title I Basic State Grant Programs							\$ 396,389	10,536,950	
4331 Enhancing Technology Through Technology, Title II							2,976,050	2,976,050	
4333 Enhancing Technology Through Technology, Title II (ARRA)							105,773	105,773	
4340 Promoting Informed Parental Choice, Title V							121,908	121,908	
4341 Language Instruction, Title III							10,942	10,942	
4344 McKinney-Vento Homeless Educational Assistance Act (ARRA)							134,809	134,809	
4350 State Fiscal Stabilization Fund (ARRA)							22,263	22,263	
4351 Improving Teacher Quality							5,120,472	5,120,472	
4400 Adult Education:							1,351,100	1,351,100	
4410 Basic Adult Education						\$ 184,806		184,806	
4430 State Literacy Resource						10,500		10,500	
4500 Program for Children with Disabilities:									
4510 IDEA		\$ 8,295,332						8,295,332	
4520 Pre-School			\$ 225,352					225,352	
4540 IDEA (ARRA 611)							2,265,887	2,265,887	
4550 IDEA Preschool (ARRA 619)							135,589	135,589	
4900 Other Federal Sources:									
4920 Drug and Violence Prevention					\$ 149,096			149,096	
4924 21st Century Community Learning Centers Grants, Title IV							365,877	365,877	
4999 Other Federal Revenue							1,892,767	1,892,767	
<b>Total Revenue - Federal Sources</b>	10,138,561	8,295,332	225,352	696,709	149,096	195,306	-	14,992,849	34,693,205
<b>Total Revenue - All Sources</b>	10,138,561	8,295,332	225,352	696,709	149,096	195,306	\$ 7,760,483	16,892,715	44,293,554

HORRY COUNTY SCHOOLS  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2010

	Title I 201	IDEA 203	Preschool Handicapped Education 205	Occupational Education 207	Drug and Violence Prevention 209	Adult Education 243	Other Restricted State Grant	Other Special Revenue Programs	Total
<b>Expenditures</b>									
100 Instruction:									
110 General Instruction:									
111 Kindergarten Programs:									
100 Salaries	\$ 24,986						\$ 60,434	\$ 1,170,133	\$ 1,255,553
200 Employee Benefits	2,614						11,653	470,339	484,606
400 Supplies and Materials							11,791	1,466	13,257
112 Primary Programs:									
100 Salaries	1,187,364						960,556	1,184,302	3,332,222
200 Employee Benefits	347,069						208,196	335,165	890,430
300 Purchased Services	10,205	\$ 21					36,918	91,209	413,939
400 Supplies and Materials	285,812						386		10,226
500 Capital Outlay	101,005								101,391
113 Elementary Programs:									
100 Salaries	812,134						969,035	886,344	2,667,513
200 Employee Benefits	228,130						215,963	221,914	666,007
300 Purchased Services	490,077						171,564	164,250	825,891
400 Supplies and Materials	30,642						937,043	1,626,396	2,594,081
500 Capital Outlay							5,510	352,852	358,362
114 High School Programs:									
100 Salaries	3,582						653,068	603,762	1,260,412
200 Employee Benefits	715						133,869	143,604	278,188
300 Purchased Services								150	150
400 Supplies and Materials	20,327						2,023	8,438	30,788
500 Capital Outlay	74,198						1,406	331,933	407,537
115 Vocational Programs:									
100 Salaries							37,500	41,052	78,552
200 Employee Benefits							7,703	8,241	15,944
300 Purchased Services				\$ 8,316				1,871	10,187
400 Supplies and Materials				255,716			108,523	42,900	407,139
500 Capital Outlay				136,492			101,785	33,253	271,530
120 Exceptional Programs:									
121 Educable Mentally Handicapped:									
100 Salaries		16,576						6,804	23,380
200 Employee Benefits		2,145						1,313	3,458
122 Trainable Mentally Handicapped:									
100 Salaries		576,870					37,500	28,968	643,338
200 Employee Benefits		168,892					7,702	5,172	181,766
300 Purchased Services		99						99	99
400 Supplies and Materials		5,751						537,210	542,961

HORRY COUNTY SCHOOLS  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2010

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):									
120 Exceptional Programs (Continued):									
123 Orthopedically Handicapped:		\$						\$	
100 Salaries		38,713							38,713
200 Employee Benefits		11,595							11,595
300 Purchased Services		183,090							183,090
400 Supplies and Materials		58,448						34,251	92,699
124 Visually Handicapped:							\$		
100 Salaries		73,215					15,000	3,420	91,635
200 Employee Benefits		20,434					3,081	639	24,154
300 Purchased Services		10,830							10,830
400 Supplies and Materials		26,801							26,801
500 Capital Outlay		160							160
125 Hearing Handicapped:								5,214	96,379
100 Salaries		91,165						844	32,190
200 Employee Benefits		31,346							13,471
300 Purchased Services		13,471							13,993
400 Supplies and Materials		13,993							12,431
500 Capital Outlay		12,431							
126 Speech Handicapped:									
100 Salaries		78,180					13,349	39,859	131,388
200 Employee Benefits		22,551					2,742	7,653	32,946
300 Purchased Services		33,733							33,733
400 Supplies and Materials		19,278							19,278
500 Capital Outlay		4,342							4,342
127 Learning Disabilities:									
100 Salaries		2,089,121					141,754	297,356	2,508,231
200 Employee Benefits		601,117					29,116	61,160	691,393
300 Purchased Services		59,206						69,510	128,716
400 Supplies and Materials		206,483						26,407	232,890
500 Capital Outlay		14,727						15,477	30,204
128 Emotionally Handicapped:									
100 Salaries		258,029					7,500	16,419	281,948
200 Employee Benefits		68,501					1,541	3,049	73,091
129 Coordinated Early Intervening Services (CEIS):									
300 Purchased Services								215,600	215,600
400 Supplies and Materials								1,025,352	1,025,352
130 Preschool Handicapped Programs:									
137 Preschool Handicapped Self-Contained (3 and 4 Year Olds):									
100 Salaries		129,459	\$	160,947			15,000	15,163	320,569
200 Employee Benefits		44,330		44,342			3,081	2,989	94,742
300 Purchased Services		645		10,639					11,284
400 Supplies and Materials		29,602		568				98,461	128,631

HORRY COUNTY SCHOOLS  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2010

	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
<b>Expenditures (Continued)</b>									
100 Instruction (Continued):									
130 Preschool Handicapped Programs (Continued):									
139 Early Childhood:									
100 Salaries	\$ 2,880,027						\$ 58,854	\$ 39,040	\$ 2,977,921
200 Employee Benefits	940,172						12,089	7,759	960,020
140 Special Programs:									
141 Gifted and Talented - Academic:									
100 Salaries							124,516	35,505	160,021
200 Employee Benefits							26,644	6,930	33,574
149 Other Special Programs:									
100 Salaries		\$ 42,199					51,000	368,675	461,874
200 Employee Benefits		8,668					10,302	71,576	90,546
300 Purchased Services								15,893	15,893
400 Supplies and Materials								24,308	24,308
500 Capital Outlay								1,386	1,420
600 Other Objects							34	2,119	2,119
160 Other Exceptional Programs:									
161 Autism:									
100 Salaries		438,305						4,542	442,847
200 Employee Benefits		151,968						921	152,889
300 Purchased Services		35,059							35,059
400 Supplies and Materials		16,436							16,436
170 Summer School Programs:									
172 Elementary Summer School:									
100 Salaries	17,110							17,463	34,573
200 Employee Benefits	3,424							3,617	7,041
400 Supplies and Materials								1,864	1,864
173 High School Summer School:									
100 Salaries								10,853	10,853
200 Employee Benefits								2,243	2,243
400 Supplies and Materials								497	497

HORRY COUNTY SCHOOLS  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2010

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):									
170 Summer School Programs (Continued):									
175 Instructional Programs Beyond Regular School Day:									
100 Salaries	\$ 66,433						\$ 234,288	\$ 130,454	\$ 431,175
200 Employee Benefits	11,548						36,256	24,614	72,418
300 Purchased Services							53	7,965	8,018
400 Supplies and Materials							6,777	92,020	98,797
500 Capital Outlay							1,026	8,437	9,463
180 Adult/Continuing Educational Programs:									
181 Adult Basic:									
100 Salaries						\$ 71,218	7,785	11,068	90,071
200 Employee Benefits						7,728	1,599	2,270	11,597
300 Purchased Services						211			211
400 Supplies and Materials						431	153	121	705
182 Adult Secondary:									
100 Salaries							37,463	4,841	42,304
200 Employee Benefits							10,575	983	11,558
300 Purchased Services							440	1,152	1,592
400 Supplies and Materials									
183 Adult English Literacy:									
100 Salaries						94,063			94,063
200 Employee Benefits						14,593			14,593
300 Purchased Services						153			153
400 Supplies and Materials						963	727		1,690
188 Parenting/Family Literacy:									
100 Salaries	277,007							41,922	318,929
200 Employee Benefits	97,367							10,351	107,718
300 Purchased Services	24,421							432	24,853
400 Supplies and Materials	92,447							14,585	107,032
190 Instructional Pupil Activity:									
100 Salaries								2,159	2,159
200 Employee Benefits								439	439
400 Supplies and Materials								4,253	4,253
<b>Total Instruction</b>	<b>8,028,816</b>	<b>\$ 5,687,985</b>	<b>\$ 216,496</b>	<b>\$ 400,524</b>	<b>-</b>	<b>189,360</b>	<b>5,632,146</b>	<b>11,211,848</b>	<b>31,267,175</b>

HORRY COUNTY SCHOOLS  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2010

	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
<b>Expenditures (Continued)</b>									
200 Supporting Services:									
210 Pupil Services:									
211 Attendance and Social Work Services:									
100 Salaries								\$ 30,389	\$ 30,389
200 Employee Benefits								12,777	12,777
300 Purchased Services								748	748
212 Guidance Services:									
100 Salaries				\$ 126,912			\$ 115,096	41,862	283,870
200 Employee Benefits				35,562			22,735	8,191	66,488
300 Purchased Services				8,781			1,755		10,668
400 Supplies and Materials		132					27,924		27,924
213 Health:									
100 Salaries		44,682					601,727	1,479	647,888
200 Employee Benefits		13,210					187,920	301	201,431
300 Purchased Services		25						181,713	181,738
400 Supplies and Materials	9,857							1,420	11,277
214 Psychological:									
100 Salaries		391,859							391,859
200 Employee Benefits		111,245							111,245
300 Purchased Services		58,898							58,898
400 Supplies and Materials		19,287						167,399	186,686
500 Capital Outlay		9,647							9,647
215 Exceptional Program Services:									
100 Salaries		133,147							133,147
200 Employee Benefits		39,067							39,067
300 Purchased Services		102							102
400 Supplies and Materials		9,331							9,331
600 Other Objects		6,149							6,149
217 Career Specialist Services:									
100 Salaries							784,605	12,033	796,638
200 Employee Benefits							211,722	2,293	214,015
300 Purchased Services									130



HORRY COUNTY SCHOOLS  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2010

	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
<b>Expenditures (Continued)</b>									
200 Supporting Services (Continued):									
220 Instructional Staff Services:									
221 Improvement of Instruction - Curriculum:									
100 Salaries	\$ 293,823	\$ 565,810			\$ 34,655			\$ 164,357	\$ 1,058,645
200 Employee Benefits	82,959	135,822			8,788			33,885	281,454
300 Purchased Services		43,733		\$ 25,844	56,319			617	126,513
400 Supplies and Materials		3,636			15,831			16,046	35,513
222 Library and Media:									
100 Salaries							\$ 86,807	40,027	128,834
200 Employee Benefits							18,241	7,935	26,176
400 Supplies and Materials								74,842	74,842
223 Supervision of Special Programs:									
100 Salaries	194,318	362,646					79,627	378,576	1,015,167
200 Employee Benefits	50,250	112,272					15,699	123,923	302,144
300 Purchased Services	20,495	49,758					1,744	8,378	80,375
400 Supplies and Materials	7,676	23,219						12,707	43,602
500 Capital Outlay		2,606							2,606
224 Improvement of Instruction - In-Service:									
100 Salaries	102,436	39,721					570	296,083	438,810
200 Employee Benefits	23,735	6,823					116	63,543	94,217
300 Purchased Services	626,487	94,644		10,531			38,109	937,647	1,707,418
400 Supplies and Materials	56,396	2,074					8,391	216,476	283,337
500 Capital Outlay								33,700	33,700

HORRY COUNTY SCHOOLS  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2010

	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
<b>Expenditures (Continued)</b>									
200 Supporting Services (Continued):									
250 Finance and Operations Services:									
251 Student Transportation:									
100 Salaries		\$ 13,475					\$ 45,981	\$ 59,456	
200 Employee Benefits		2,697					8,952	11,649	
300 Purchased Services	\$ 294,564	11,367					51,504	357,435	
400 Supplies and Materials	1,419						4,207	5,626	
254 Operation and Maintenance of Plant:									
100 Salaries							15,408	15,408	
200 Employee Benefits							3,140	3,140	
300 Purchased Services							198,114	198,114	
400 Supplies and Materials							341,171	341,171	
255 Pupil Transportation:									
100 Salaries		230						230	
200 Employee Benefits		46						46	
300 Purchased Services							408	408	
258 Security:									
300 Purchased Services					\$ 28,964		16,047	45,011	
400 Supplies and Materials							81,135	81,135	
500 Capital Outlay							25,985	25,985	
260 Central Support Services:									
262 Planning:									
300 Purchased Services							48,800	48,800	
264 Staff Services:									
100 Salaries							64,409	64,409	
200 Employee Benefits							17,079	17,079	
300 Purchased Services							13,478	13,478	
400 Supplies and Materials							3,025	3,025	
270 Support Services - Pupil Activities:									
271 Pupil Service Activities:									
100 Salaries		78					3,750	9,849	13,677
200 Employee Benefits		16					777	1,267	2,060
300 Purchased Services							3,104	3,104	3,104
400 Supplies and Materials							5,727	5,727	5,727
600 Other Objects	8,100	10,985	\$ 1,995	\$ 71,500			33	32,786	125,399
<b>Total Supporting Services</b>	<b>1,772,515</b>	<b>2,318,569</b>	<b>1,995</b>	<b>279,130</b>	<b>144,557</b>	<b>-</b>	<b>2,209,756</b>	<b>3,860,515</b>	<b>10,587,037</b>

HORRY COUNTY SCHOOLS  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2010

	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
<b>Expenditures (Continued)</b>									
300 Community Services:									
350 Custody and Care of Children:								\$	
100 Salaries								734,223	734,223
200 Employee Benefits								124,709	124,709
300 Purchased Services								4,952	4,952
400 Supplies and Materials								63,422	63,422
500 Capital Outlay								1,378	1,378
600 Other Objects								9,171	9,171
360 Welfare:									
100 Salaries								96,216	96,216
200 Employee Benefits								19,779	19,779
300 Purchased Services								6,014	6,014
400 Supplies and Materials								17,394	17,394
390 Other Community Services:									
300 Purchased Services								3,551	3,551
400 Supplies and Materials								946	946
600 Other Objects								2,343	2,343
<b>Total Community Services</b>	33,905	-	-	-	-	-	-	1,084,098	1,118,003
410 Intergovernmental Expenditures:									
416-720 Payments to Public Charter Schools		\$ 37,571					\$ 18,581	67,824	123,976
<b>Total - Intergovernmental Expenditures</b>	-	37,571	-	-	-	-	18,581	67,824	123,976
<b>Total Expenditures</b>	9,835,236	8,044,125	\$ 218,491	\$ 679,654	\$ 144,557	\$ 189,360	7,760,483	16,224,285	43,096,191
<b>Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	303,325	251,207	6,861	17,055	4,539	5,946	-	608,430	1,197,363
<b>Transfers from (to) Other Funds:</b>									
5210 Transfer from General Fund								10,495	10,495
5270 Transfer from Pupil Activity Fund								26,207	26,207
426-720 Transfer to Pupil Activity Fund								(253,224)	(253,224)
431-791 Special Revenue - Indirect Costs	(303,325)	(251,207)	(6,861)	(17,055)	(4,539)	(5,946)		(391,908)	(980,841)
<b>Total Other Financing Sources (Uses)</b>	(303,325)	(251,207)	(6,861)	(17,055)	(4,539)	(5,946)		(608,430)	(1,197,363)
<b>Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	-	-	-	-	-	-	-	-	-
<b>Fund Balance July 1, 2009</b>	-	-	-	-	-	-	-	-	-
<b>Fund Balance June 30, 2010</b>	-	-	-	-	-	-	-	-	-

**HORRY COUNTY SCHOOLS**  
**SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF OTHER STATE RESTRICTED GRANTS**  
**YEAR ENDED JUNE 30, 2010**

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	\$ 210,274	\$ 210,274	-	-	\$ 117,516
908	3126	Refurbishment of K-8 Science Kits	170,209	170,209	-	-	-
916	3991	ADEPT	40,513	40,513	-	-	41,280
918	3151	Adult Education - Basic	9,537	9,537	-	-	687
919	3193	Education License Plates	7,370	7,370	-	-	-
920	3154	Young Adult Education	145,548	145,548	-	-	10,020
926	3116	EEDA - 9th Grade Awareness	33,538	33,538	-	-	20,870
927	3117	EEDA - 8th Grade Awareness	29,724	29,724	-	-	5,920
928	3118	EEDA - Career Specialist	998,254	998,254	-	-	105,070
933	3123	Formative Assessment	172,151	172,151	-	-	-
935	3185	National Board Certified	2,983,923	2,983,923	-	-	-
936	3136	Student Health and Fitness - Nurses	789,647	789,647	-	-	-
937	3127	Student and Health Fitness - PE Teachers	402,911	402,911	-	-	-
938	3128	High Schools that Work	39,011	39,011	-	-	-
960	3610	K-5 Enhancement	1,632,036	1,632,036	-	-	1,110,054
967	3607	6-8 Enhancement	95,837	95,837	-	-	92,818
<b>Totals - Other Restricted State Grants</b>			<b>7,760,483</b>	<b>7,760,483</b>	<b>-</b>	<b>-</b>	<b>1,504,235</b>

HORRY COUNTY SCHOOLS

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

YEAR ENDED JUNE 30, 2010

Program	Subfund	Revenue Code	Revenues			Total	Expenditures	Transfers In (Out)	Deferred
			Local	State	Federal				
IDEA - Extended School Year	204	4510			\$ 62,693	\$ 62,693	-	-	
IDEA - Personnel Development	213	4510			28,330	27,468	(862)	-	
IDEA (ARRA 611)	215	4540			2,265,887	2,196,904	(68,983)	-	
IDEA Preschool (ARRA 619)	216	4550			135,589	131,461	(4,128)	-	
Preschool Program for Children	217	3999			-	-	-	\$ 6,036	
Neglected and Delinquent Children	221	4310			175,786	175,786	-	-	
ARRA - Title I Basic State Grant Programs	222	4315			2,946,068	2,875,852	(70,216)	-	
21st Century Community Learning Center	224	4924			365,877	354,995	(10,882)	-	
McKinney-Vento Homeless Educational Assistance Act	227	4344			22,263	22,263	-	-	
ARRA - Title I Basic State Grant Programs	229	4315			29,982	29,982	-	5,713	
Title I - Program Improvement	237	4310			222,603	222,603	-	-	
Title V - Innovative Education	241	4340			10,942	10,942	(322)	-	
State Fiscal Stabilization Fund (ARRA)	250	4350			5,120,472	4,964,584	(155,888)	-	
Title II - Education Technology - E2T2	253	4331			105,773	105,773	-	-	
Enhancing Technology Through Technology, Title II (ARRA)	254	4333			121,908	120,341	(1,567)	-	
Title III - ESOL	264	4341			134,809	132,193	(2,616)	-	
Improving Teacher Quality	267	4351			1,351,100	1,309,967	(41,133)	-	
Waccamaw Mini Grant	415	1999	\$ 15,000		15,000	15,000	-	-	
Nursing Program	416	1999	1,420		1,420	1,420	-	72,729	
COPS - Secure our Schools	420	1999	96,625		96,625	107,120	10,495	-	
After School Childcare	432	1999/3999	1,023,154	\$ 4,020	1,027,174	796,690	(230,484)	-	
After School Childcare Summer	433	1999	99,042		99,042	102,509	3,467	10,232	
123 ABC Tutor Me	450	1999	14,310		14,310	14,310	-	-	
Exxon Mobile Grant	453	1999	500		500	500	-	750	
Teacher Staff Development	455	1999	20,100		20,100	20,100	-	68,899	
Lesley College	463	1999	17,337		17,337	17,337	-	9,521	
Miscellaneous Grants	470	1999	36,047		36,047	36,047	-	14,651	
Great to Wait	471	1999			-	-	-	11,080	
Santee Cooper	472	1999	76,035		76,035	76,035	-	65,963	
Technology Fair	473	1999	5,533		5,533	5,533	-	467	
Recycling Grants	482	1999	416		416	416	-	-	
Prevent Teen Pregnancy	485	1999	6,840		6,840	6,840	-	2,959	
Television Services	486	1999	131		131	131	-	2,596	
Pace Courses - Horry Georgetown	492	1999	1,471		1,471	1,471	-	4,821	
College Courses - Coastal Carolina	493	1999	233		233	233	-	-	
Myrtle Beach Auditorium	497	1910/1999	62,472		62,472	62,472	-	56,293	
Middle School Summer Program	498	1350/1999	1,307		1,307	1,307	-	-	
High School Summer Program	499	1350/1720/1790	13,593		13,593	13,593	-	-	
SC Coalition Math/Science Coach	527	3999		25,000	25,000	25,000	-	-	
12 Month Agriculture Program	528	3113		20,068	20,068	20,068	-	-	
Parent Empowerment	529	3135		2,189	2,189	2,189	-	500	
Extended School Year	560	3199		9,999	9,999	9,999	-	-	
Adult Education - Vocational Rehabilitation	601	4999	6,844		6,844	6,844	-	390	
Teen Lead	603	4510	69,510		69,510	69,510	-	-	
IDEA - Private Placement	640	4999	261,954		261,954	253,979	(7,975)	-	
Discovery of American History	641	4999	745,124		745,124	727,174	(17,950)	-	
Safe Schools/Healthy Students									

HORRY COUNTY SCHOOLS

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

YEAR ENDED JUNE 30, 2010

Program	Subfund	Revenue Code	Revenues			Total	Expenditures	Transfers	
			Local	State	Federal			In (Out)	Deferred
WIA - Youth	651	4999			\$ 81,630	\$ 81,630	-	-	
WIA - Youth Summer - Stimulus	652	4999			81,667	81,667	-	-	
Workforce Investment - Adult Education	663	4999			80,480	80,480	-	-	
WIA - Adult Summer - Stimulus	664	4999			46,517	46,517	-	-	
Bio-Diesel Fuel Pilot Program	670	4999			19,139	18,746	\$ (393)	-	
State Energy Program	680	4999			499,902	499,902	-	-	
First Steps - Director Salary	982	3999		\$ 287,024	287,024	278,031	(8,993)	-	
<b>Totals - Other Special Revenue Programs</b>			\$ 1,491,566	348,300	14,992,849	16,832,715	16,224,285	(608,430)	\$ 333,600

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND

COMPARATIVE BALANCE SHEETS

	June 30, 2010	June 30, 2009
<b>Assets</b>		
Cash and Investments	\$ 5,230,231	\$ 1,506,090
Accounts Receivable - Other	3	-
Due from State Department of Education	151,816	3,118,472
	<u>5,382,050</u>	<u>4,624,562</u>
<b>Total Assets</b>		
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable	105,933	73,799
Accrued Salaries	99,549	1,503,500
Accrued Liabilities	20,593	405,923
Due to State Department of Education	3,025	23,342
Deferred Revenue	5,152,950	2,617,998
	<u>5,382,050</u>	<u>4,624,562</u>
<b>Total Liabilities</b>		
<b>Fund Balances</b>		
Unreserved and Undesignated	-	-
	<u>-</u>	<u>-</u>
<b>Total Fund Balances</b>		
	<u>5,382,050</u>	<u>4,624,562</u>
<b>Total Liabilities and Fund Balances</b>		

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND

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

YEARS ENDED JUNE 30, 2010 AND 2009

	June 30, 2010	June 30, 2009
<b>Revenues</b>		
State Sources	\$ 17,700,565	\$ 23,476,042
<b>Total Revenues</b>	<u>17,700,565</u>	<u>23,476,042</u>
<b>Expenditures</b>		
Instruction	9,793,978	16,236,774
Support Services	1,148,489	1,710,646
Community Services	25,956	24,245
Payment to Public Charter Schools	39,053	49,571
Capital Outlay	135,088	1,096,161
<b>Total Expenditures</b>	<u>11,142,564</u>	<u>19,117,397</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>6,558,001</u>	<u>4,358,645</u>
<b>Other Financing Sources (Uses)</b>		
Transfers Out	<u>(6,558,001)</u>	<u>(4,358,645)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(6,558,001)</u>	<u>(4,358,645)</u>
<b>Net Change in Fund Balance</b>	-	-
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<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, 2010

	<b>Actual</b>
<b>Revenues</b>	
3000 Revenue from State Sources:	
3100 Restricted State Funding:	
3199 Other Restricted State Grants	\$ 3,250
3500 Education Improvement Act:	
3501 Increase High School Diploma Requirements	883,986
3509 Arts in Education	13,185
3511 Professional Development	237,035
3513 Family Literacy	67,752
3515 Advanced Placement Courses	5,142
3517 Advanced Placement - Singleton	2,668
3520 Gifted and Talented - Academic	378,429
3530 Profoundly & Trainable Handicapped Services	144,755
3533 Teacher of the Year Awards	1,077
3534 Professional Development on Standards	28,179
3538 Students at Risk of School Failure	2,976,907
3540 Four-Year Old Early Childhood	1,024,220
3542 Preschool Programs for Children with Disabilities	72,074
3544 High Achieving Students	1,140,623
3546 Academic Assistance K-3	1,771,331
3548 Academic Assistance 4-12	12,605
3549 Academic Assistance Reading Recovery	51,918
3550 Teacher Salary Increase	4,062,005
3553 Adult Education - Remedial	7,501
3555 School Employer Contributions	834,336
3558 Reading	74,255
3562 Adult Education Basic	191,715
3565 Adult Education Literacy	30,681
3568 EAA Technical Assistance	603,407
3577 Teacher Supplies	744,150
3578 High Schools that Work	19,771
3582 Principal's Salary/Fringe Increase	117,383
3583 EAA Summer School/Comprehensive Remediation	28,245
3588 EAA Palmetto Gold and Silver Awards	13,335
3590 Reallocation of EIA Funds (School Building)	1,901,206
3591 Excellence in Middle Schools	162,081
3592 School-to-Work Transition	71,958
3599 Other EIA	23,400
<b>Total Revenues - All Sources</b>	<u>17,700,565</u>

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2010

Expenditures	Actual
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
400 Supplies and Materials	\$ 31,625
112 Primary Programs:	
100 Salaries	961,054
200 Employee Benefits	246,483
300 Purchased Services	16,956
400 Supplies and Materials	1,035,626
500 Capital Outlay	11,648
600 Other Objects	120
113 Elementary Programs:	
100 Salaries	243,867
200 Employee Benefits	65,864
300 Purchased Services	90,940
400 Supplies and Materials	637,686
500 Capital Outlay	31,738
114 High School Programs:	
100 Salaries	1,266,460
200 Employee Benefits	339,463
300 Purchased Services	145,964
400 Supplies and Materials	624,344
500 Capital Outlay	48,938
115 Vocational Programs:	
100 Salaries	137,595
200 Employee Benefits	40,360
300 Purchased Services	216
400 Supplies and Materials	15,410
500 Capital Outlay	24,225
117 Driver Education Program:	
300 Purchased Services	208
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
400 Supplies and Materials	1,925
122 Trainable Mentally Handicapped:	
100 Salaries	117,160
200 Employee Benefits	32,749
400 Supplies and Materials	13,150
124 Visually Handicapped:	
400 Supplies and Materials	1,100
125 Hearing Handicapped:	
400 Supplies and Materials	1,650
126 Speech Handicapped:	
400 Supplies and Materials	14,025
127 Learning Disabilities:	
400 Supplies and Materials	69,025
128 Emotionally Handicapped:	
400 Supplies and Materials	6,325

## HORRY COUNTY SCHOOLS

## SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2010

	Actual
<b>Expenditures (Continued)</b>	
100 Instruction (Continued):	
130 Pre-School Programs:	
137 Pre-School Handicapped Self-Contained (3 and 4 Year Olds):	
100 Salaries	\$ 53,028
200 Employee Benefits	20,163
400 Supplies and Materials	6,600
139 Early Childhood:	
100 Salaries	773,457
200 Employee Benefits	254,537
300 Purchased Services	3,175
400 Supplies and Materials	26,062
500 Capital Outlay	2,813
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	967,206
200 Employee Benefits	275,812
300 Purchased Services	51,235
400 Supplies and Materials	110,961
500 Capital Outlay	5,314
143 Advanced Placement:	
400 Supplies and Materials	44,963
148 Gifted and Talented - Artistic:	
100 Salaries	130
200 Employee Benefits	10
400 Supplies and Materials	780
149 Other Special Programs:	
100 Salaries	215,755
200 Employee Benefits	55,423
400 Supplies and Materials	13,200
160 Other Exceptional Programs:	
161 Autism:	
400 Supplies and Materials	1,375
170 Summer School Program:	
172 Elementary Summer School:	
100 Salaries	132,797
200 Employee Benefits	26,738
300 Purchased Services	982
400 Supplies and Materials	3,227
173 High School Summer School:	
100 Salaries	13,075
200 Employee Benefits	2,700
400 Supplies and Materials	886

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2010

	Actual
<b>Expenditures (Continued)</b>	
100 Instruction (Continued):	
170 Summer School Program (Continued):	
174 Gifted and Talented Summer School:	
100 Salaries	\$ 15,608
200 Employee Benefits	3,172
300 Purchased Services	132,598
400 Supplies and Materials	164
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	203,525
200 Employee Benefits	39,364
300 Purchased Services	920
400 Supplies and Materials	432
180 Adult/Continuing Educational Programs:	
181 Adult Basic Programs:	
100 Salaries	31,902
200 Employee Benefits	7,723
300 Purchased Services	2,081
182 Adult Secondary Education:	
100 Salaries	12,991
200 Employee Benefits	3,253
400 Supplies and Materials	651
187 Adult Education - Remedial:	
100 Salaries	27,509
200 Employee Benefits	2,450
188 Parenting/Family Literacy:	
100 Salaries	68,296
200 Employee Benefits	18,782
300 Purchased Services	3,198
400 Supplies and Materials	7,732
<b>Total Instruction</b>	<u>9,918,654</u>
200 Support Services:	
210 Pupil Services:	
212 Guidance:	
100 Salaries	67,351
200 Employee Benefits	19,664
400 Supplies and Materials	24,200

## HORRY COUNTY SCHOOLS

## SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2010

	Actual
<b>Expenditures (Continued)</b>	
200 Support Services (Continued):	
220 Instructional Staff Services:	
221 Improvement of Instruction - Curriculum Development:	
300 Purchased Services	\$ 28,298
400 Supplies and Materials	17,076
500 Capital Outlay	10,412
222 Library and Media:	
400 Supplies and Materials	13,063
223 Supervision of Special Programs:	
100 Salaries	132,266
200 Employee Benefits	32,865
400 Supplies and Materials	5,157
224 Improvement of Instruction - Inservice Training:	
100 Salaries	171,218
200 Employee Benefits	33,588
300 Purchased Services	182,116
400 Supplies and Materials	44,138
230 General Administrative Services:	
233 School Administration:	
100 Salaries	97,582
200 Employee Benefits	19,800
250 Finance and Operations Services:	
254 Operations and Maintenance of Plant:	
100 Salaries	99
200 Employee Benefits	20
255 Student Transportation (State Mandate):	
100 Salaries	105,726
200 Employee Benefits	21,705
300 Purchased Services	48,791
258 Security:	
300 Purchased Services	77,508

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2010

	Actual
<b>Expenditures (Continued)</b>	
200 Support Services (Continued):	
270 Support Services - Pupil Activity:	
271 Pupil Service Activities:	
400 Supplies and Materials	\$ 2,285
600 Other Objects	3,973
	<hr/>
<b>Total Support Services</b>	1,158,901
	<hr/>
300 Community Services:	
350 Custody and Care of Children Services:	
100 Salaries	21,524
200 Employee Benefits	4,432
	<hr/>
<b>Total Community Services</b>	25,956
	<hr/>
<b>410 Intergovernmental Expenditures:</b>	
416 Payments to Public Charter Schools:	
720 Transits	39,053
	<hr/>
<b>Total Intergovernmental Expenditures</b>	39,053
	<hr/>
<b>Total Expenditures</b>	11,142,564
	<hr/>
<b>Excess of Revenues Over Expenditures</b>	6,558,001
	<hr/>
<b>Other Financing Sources (Uses)</b>	
<b>Interfund Transfers, From (To) Other Funds:</b>	
420-710 Transfer to General Fund	(4,656,795)
423-710 Transfer to Debt Service Fund	(1,901,206)
	<hr/>
<b>Total Other Financing Sources (Uses)</b>	(6,558,001)
	<hr/>
<b>Excess of Revenues Over Expenditures and Other Financing Sources (Uses)</b>	-
	<hr/>
<b>Fund Balance, July 1, 2009</b>	-
	<hr/>
<b>Fund Balance, June 30, 2010</b>	-
	<hr/> <hr/>

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2010

Program	Revenues	Expenditures	EIA Interfund Transfers In (Out)	Other Fund Transfers In (Out)	EIA Fund Deferred Revenue
3500 Education Improvement Act:					
3501 Increase High School Diploma Requirements	\$ 883,986	\$ 883,986			
3509 Arts in Education	13,185	13,185			\$ 303
3511 Professional Development	237,035	237,035			78,472
3513 Family Literacy	67,752	67,752			
3515 Advanced Placement Courses	5,142	5,142			
3517 Advanced Placement - Singleton	2,668	2,668			
3520 Gifted and Talented - Academic	378,429	378,429			
3530 Profoundly & Trainable Handicapped Services	144,755	144,755			6,626
3533 Teacher of the Year Awards	1,077	1,077			
3534 Professional Development on Standards	28,179	28,179			
3538 Students at Risk of School Failure	2,976,907	2,976,907			4,070,453
3540 Four-Year Old Early Childhood	1,024,220	1,024,220			267,171
3542 Preschool Programs for Children with Disabilities	72,074	72,074			
3544 High Achieving Students	1,140,623	1,140,623			438,202
3546 Academic Assistance K-3	1,771,331	1,771,331			
3548 Academic Assistance 4-12	12,605	12,605			
3549 Academic Assistance Reading Recovery	51,918	51,918			
3550 Teacher Salary Increase	4,062,005	198,727		\$ (3,863,278)	
3553 Adult Education - Remedial	7,501	7,501			
3555 School Employer Contributions	834,336	40,819		(793,517)	
3558 Reading	74,255	74,255			92,932
3562 Adult Education Basic	191,715	191,715			38,544
3565 Adult Education Literacy	30,681	30,681			1,252
3568 EAA Technical Assistance	603,407	603,407			90,188
3577 Teacher Supplies	744,150	744,150			
3578 High Schools that Work	19,771	19,771			29,229
3582 Principal's Salary/Fringe Increase	117,383	117,383			
3583 EAA Summer School/Comprehensive Remediation	28,245	28,245			
3588 EAA Palmetto Gold and Silver Awards	13,335	13,335			
3590 Reallocation of EIA Funds (School Building)	1,901,206	-		(1,901,206)	
3591 Middle School Initiative	162,081	162,081			
3592 School to Work Transition Act	71,958	71,958			39,578
3599 Other EIA	23,400	23,400			
<b>Total</b>	<b>17,697,315</b>	<b>11,139,314</b>	<b>-</b>	<b>(6,558,001)</b>	<b>5,152,950</b>





## **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**

	<b>June 30, 2010</b>	<b>June 30, 2009</b>
<b>Assets</b>		
Cash and Investments	\$ 73,875,824	\$ 42,680,266
Accounts Receivable - Other	30,774	2,125
Property Taxes, Current	3,632,203	3,805,843
Due from Other State Agencies	43,054	3,218,147
	<hr/>	<hr/>
<b>Total Assets</b>	<b>77,581,855</b>	<b>49,706,381</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Due to Other State Agencies	-	5,732
Deferred Revenue	3,133,048	3,262,733
	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>3,133,048</b>	<b>3,268,465</b>
	<hr/>	<hr/>
<b>Fund Balances</b>		
Reserved for Debt Service	74,448,807	46,437,916
	<hr/>	<hr/>
<b>Total Fund Balances</b>	<b>74,448,807</b>	<b>46,437,916</b>
	<hr/>	<hr/>
<b>Total Liabilities and Fund Balances</b>	<b>77,581,855</b>	<b>49,706,381</b>
	<hr/> <hr/>	<hr/> <hr/>

## HORRY COUNTY SCHOOLS

## DEBT SERVICE FUND

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

YEARS ENDED JUNE 30, 2010 AND 2009

	June 30, 2010	June 30, 2009
<b>Revenues</b>		
Local Sources	\$ 80,497,900	\$ 58,620,329
State Sources	1,178,790	1,558,782
<b>Total Revenues</b>	<u>81,676,690</u>	<u>60,179,111</u>
<b>Expenditures</b>		
Debt Service	<u>55,743,094</u>	<u>38,573,643</u>
<b>Total Expenditures</b>	<u>55,743,094</u>	<u>38,573,643</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>25,933,596</u>	<u>21,605,468</u>
<b>Other Financing Sources (Uses)</b>		
Premium on Bonds Sold	6,492,467	91,657
Proceeds of Refunding Debt	43,330,000	-
Payments to Refunded Debt Escrow Agent	(49,646,378)	-
<b>Interfund Transfers, From (To) Other Funds</b>		
Transfers In	<u>1,901,206</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>2,077,295</u>	<u>91,657</u>
<b>Net Change in Fund Balance</b>	28,010,891	21,697,125
<b>Fund Balance - Beginning</b>	<u>46,437,916</u>	<u>24,740,791</u>
<b>Fund Balance - Ending</b>	<u><u>74,448,807</u></u>	<u><u>46,437,916</u></u>

HORRY COUNTY SCHOOLS

DEBT SERVICE FUND

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

YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local Sources	\$ 49,424,414	\$ 49,424,414	\$ 80,497,900	\$ 31,073,486
State Sources	1,291,396	1,291,396	1,178,790	(112,606)
<b>Total Revenues</b>	<u>50,715,810</u>	<u>50,715,810</u>	<u>81,676,690</u>	<u>30,960,880</u>
<b>Expenditures</b>				
Debt Service	61,164,578	61,164,578	55,743,094	5,421,484
<b>Total Expenditures</b>	<u>61,164,578</u>	<u>61,164,578</u>	<u>55,743,094</u>	<u>5,421,484</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(10,448,768)</u>	<u>(10,448,768)</u>	<u>25,933,596</u>	<u>36,382,364</u>
<b>Other Financing Sources (Uses)</b>				
Premium on Bonds Sold	-	-	6,492,467	6,492,467
Proceeds of Refunding Debt	-	-	43,330,000	43,330,000
Payments to Refunded Debt Escrow Agent	-	-	(49,646,378)	(49,646,378)
<b>Interfund Transfers, From (To) Other Funds Transfers In</b>	-	-	1,901,206	1,901,206
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>2,077,295</u>	<u>2,077,295</u>
<b>Net Change in Fund Balance</b>	<u>(10,448,768)</u>	<u>(10,448,768)</u>	<u>28,010,891</u>	<u>38,459,659</u>
<b>Fund Balance - Beginning</b>			<u>46,437,916</u>	
<b>Fund Balance - Ending</b>			<u>74,448,807</u>	

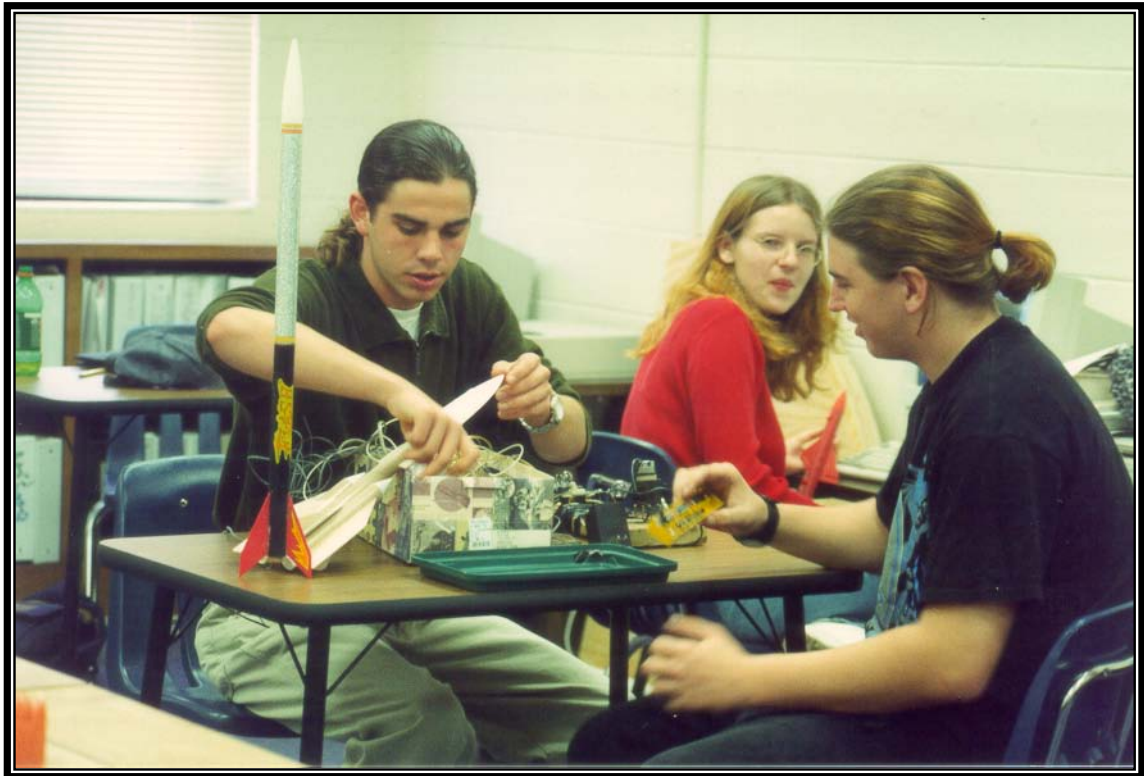
## HORRY COUNTY SCHOOLS

## DEBT SERVICE FUND

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

YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance
<b>Revenues</b>			
1000 Revenue from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes	\$ 35,783,341	\$ 38,321,201	\$ 2,537,860
1140 Penalties & Interest/Delinquent Taxes	422,314	587,849	165,535
1190 Other Taxes	11,609,493	40,103,665	28,494,172
1280 Revenue in Lieu of Taxes	927,984	816,993	(110,991)
1500 Earnings on Investments:			
1510 Interest on Investments	681,282	668,192	(13,090)
<b>Total Revenue - Local Sources</b>	<b>49,424,414</b>	<b>80,497,900</b>	<b>31,073,486</b>
3000 Revenue from State Sources:			
3800 State Revenue in Lieu of Taxes:			
3820 Homestead Exemption	939,132	877,596	(61,536)
3830 Merchant's Inventory Tax	201,985	201,985	-
3840 Manufacturer's Depreciation Reimbursement	61,675	50,705	(10,970)
3890 Other State Property Tax Revenues	88,604	48,504	(40,100)
<b>Total Revenue - State Sources</b>	<b>1,291,396</b>	<b>1,178,790</b>	<b>(112,606)</b>
<b>Total Revenue - All Sources</b>	<b>50,715,810</b>	<b>81,676,690</b>	<b>30,960,880</b>
<b>Expenditures</b>			
500 Debt Service:			
610 Redemption on Principal	39,590,000	34,590,000	5,000,000
620 Interest	21,197,960	20,970,609	227,351
690 Other Objects (Includes Fees for Servicing Bonds)	376,618	182,485	194,133
<b>Total Expenditures</b>	<b>61,164,578</b>	<b>55,743,094</b>	<b>5,421,484</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(10,448,768)</b>	<b>25,933,596</b>	<b>36,382,364</b>
<b>Other Financing Sources (Uses)</b>			
5110 Premium on Bonds Sold	-	6,492,467	6,492,467
5130 Proceeds of Refunding Debt	-	43,330,000	43,330,000
441-720 Payment to Refunded Debt Escrow Agent	-	(49,646,378)	(49,646,378)
<b>Interfund Transfers, From (To) Other Funds</b>			
5230 Transfer from Special Revenue EIA Fund	-	1,901,206	1,901,206
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>2,077,295</b>	<b>2,077,295</b>
<b>Excess of Revenues Over Expenditures and Other Financing Sources (Uses)</b>	<b>(10,448,768)</b>	<b>28,010,891</b>	<b>38,459,659</b>
<b>Fund Balance July 1, 2009</b>		<b>46,437,916</b>	
<b>Fund Balance June 30, 2010</b>		<b>74,448,807</b>	



## **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, 2010	June 30, 2009
<b>Assets</b>		
Cash and Investments	\$ 29,228,637	\$ 51,630,775
Receivables:		
Other	347,873	177,056
	29,576,510	51,807,831
<b>Total Assets</b>	<b>29,576,510</b>	<b>51,807,831</b>
 <b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable	2,028,320	2,538,164
Retainage Payable	424,675	922,077
	2,452,995	3,460,241
<b>Total Liabilities</b>	<b>2,452,995</b>	<b>3,460,241</b>
 <b>Fund Balances</b>		
Reserved for Capital Projects	27,123,515	48,347,660
	27,123,515	48,347,660
<b>Total Fund Balances</b>	<b>27,123,515</b>	<b>48,347,660</b>
 <b>Total Liabilities and Fund Balances</b>	<b>29,576,510</b>	<b>51,807,901</b>



## HORRY COUNTY SCHOOLS

## CAPITAL PROJECTS FUND

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

YEARS ENDED JUNE 30, 2010 AND 2009

	June 30, 2010	June 30, 2009
<b>Revenues</b>		
Local Sources	\$ 744,352	\$ 1,200,691
<b>Total Revenues</b>	<u>744,352</u>	<u>1,200,691</u>
<b>Expenditures</b>		
Instruction	61,819	2,901
Support Services	3,252,821	3,769,727
Capital Outlay	18,654,257	40,863,885
<b>Total Expenditures</b>	<u>21,968,897</u>	<u>44,636,513</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(21,224,545)</u>	<u>(43,435,822)</u>
<b>Other Financing Sources (Uses)</b>		
General Obligation Bonds Issued	-	15,100,000
Sale of Capital Assets	400	2,988,375
<b>Interfund Transfers, From (To) Other Funds</b>		
Transfer Out	-	(1,611,936)
<b>Total Other Financing Sources (Uses)</b>	<u>400</u>	<u>16,476,439</u>
<b>Net Change in Fund Balance</b>	(21,224,145)	(26,959,383)
<b>Fund Balance - Beginning</b>	<u>48,347,660</u>	<u>75,307,043</u>
<b>Fund Balance - Ending</b>	<u><u>27,123,515</u></u>	<u><u>48,347,660</u></u>

## HORRY COUNTY SCHOOLS

## CAPITAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local Sources	\$ 1,203,391	\$ 744,351	\$ 744,352	\$ 1
<b>Total Revenues</b>	<u>1,203,391</u>	<u>744,351</u>	<u>744,352</u>	<u>1</u>
<b>Expenditures</b>				
Instruction	2,180,000	2,203,674	61,819	2,141,855
Support Services	21,012,380	16,558,067	3,252,821	13,305,246
Capital Outlay	27,669,334	31,641,334	18,654,257	12,987,077
<b>Total Expenditures</b>	<u>50,861,714</u>	<u>50,403,075</u>	<u>21,968,897</u>	<u>28,434,178</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(49,658,323)</u>	<u>(49,658,724)</u>	<u>(21,224,545)</u>	<u>28,434,179</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	-	400	400	-
<b>Total Other Financial Sources (Uses)</b>	<u>-</u>	<u>400</u>	<u>400</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(49,658,323)</u>	<u>(49,658,324)</u>	<u>(21,224,145)</u>	<u>28,434,179</u>
<b>Fund Balance - Beginning</b>			<u>48,347,660</u>	
<b>Fund Balance - Ending</b>			<u>27,123,515</u>	

## HORRY COUNTY SCHOOLS

## CAPITAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance
<b>Revenues</b>			
1000 Revenue - Local Sources	\$ 147,053	\$ 147,054	\$ 1
1510 Interest on Investments			
1900 Miscellaneous Local Revenue			
1999 Other Local Revenue	597,298	597,298	-
<b>Total Revenue - Local Sources</b>	<b>744,351</b>	<b>744,352</b>	<b>1</b>
<b>Total Revenue - All Sources</b>	<b>744,351</b>	<b>744,352</b>	<b>1</b>
<b>Expenditures</b>			
100 Instruction:			
110 General Instructions:			
112 Primary Programs:			
400 Supplies and Materials	550	550	-
500 Capital Outlay	27,614	27,614	-
113 Elementary Programs:			
400 Supplies and Materials	45,934	45,940	(6)
500 Capital Outlay	1,630,909	988,737	642,172
114 High School Programs:			
400 Supplies and Materials	12,423	12,425	(2)
500 Capital Outlay	479,576	479,575	1
115 Career and Technology Education Programs:			
400 Supplies and Materials	2,105	2,106	(1)
500 Capital Outlay	3,765	3,765	-
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
400 Supplies and Materials	798	798	-
<b>Total Instruction</b>	<b>2,203,674</b>	<b>1,561,510</b>	<b>642,164</b>
200 Support Services:			
250 Finance and Operations Services:			
253 Facilities Acquisition and Construction Services:			
100 Salaries	475,295	396,138	79,157
200 Employee Benefits	129,340	101,962	27,378
300 Purchased Services	833,372	43,030	790,342
400 Supplies and Materials	1,851,937	1,330,772	521,165
500 Capital Outlay:			
520 Construction Services	19,397,995	12,443,376	6,954,619
530 Improvements Other Than Buildings	2,000,000	1,277,512	722,488
545 Technology Equipment and Software	1,000,000	988,980	11,020
600 Other Objects	9,493,891	150	9,493,741
254 Operation and Maintenance of Plant:			
100 Salaries	387	387	-
200 Employee Benefits	78	78	-
300 Purchased Services	2,102,839	1,302,903	799,936
400 Supplies and Materials	982,500	18,758	963,742
500 Capital Outlay	3,338,216	426,043	2,912,173

HORRY COUNTY SCHOOLS

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance
<b>Expenditures (Continued)</b>			
200 Support Services (Continued):			
250 Finance and Operations Services (Continued):			
256 Food Service:			
300 Purchased Services	\$ 60	\$ 60	-
257 Internal Services:			
300 Purchased Services	2,273	2,273	-
258 Security:			
300 Purchased Services	315,500	1,680	\$ 313,820
400 Supplies and Materials	36,500	-	36,500
500 Capital Outlay	1,200,000	1,130,784	69,216
260 Central Support Services:			
262 Planning:			
100 Salaries	82,075	-	82,075
200 Employee Benefits	24,637	-	24,637
266 Technology and Data Processing Services:			
100 Salaries	114,945	-	114,945
200 Employee Benefits	22,807	-	22,807
300 Purchased Services	35,000	-	35,000
400 Supplies and Materials	54,631	54,630	1
500 Capital Outlay	4,201,345	847,950	3,353,395
270 Support Services Pupil Activities:			
271 Pupil Services Activities:			
500 Capital Outlay	503,778	39,921	463,857
<b>Total Support Services</b>	<u>48,199,401</u>	<u>20,407,387</u>	<u>27,792,014</u>
<b>Total Expenditures</b>	<u>50,403,075</u>	<u>21,968,897</u>	<u>28,434,178</u>
<b>Other Financing Sources (Uses)</b>			
5300 Sale of Capital Assets	400	400	-
<b>Total Other Financing Sources (Uses)</b>	<u>400</u>	<u>400</u>	<u>-</u>
<b>Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<u>(49,658,324)</u>	<u>(21,224,145)</u>	<u>28,434,179</u>
<b>Fund Balance, July 1, 2009</b>		<u>48,347,660</u>	
<b>Fund Balance, June 30, 2010</b>		<u>27,123,515</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, 2010	June 30, 2009
<b>Assets</b>		
Current Assets:		
Cash and Investments	\$ 1,446,739	\$ 3,452,462
Due from Federal Government	1,708,897	-
Accounts Receivable	90,268	121,392
Inventories	183,178	177,133
	<u>3,429,082</u>	<u>3,750,987</u>
<b>Total Current Assets</b>		
Noncurrent Assets:		
Property and Equipment	5,121,877	5,050,444
Accumulated Depreciation	(2,596,651)	(2,339,097)
	<u>2,525,226</u>	<u>2,711,347</u>
<b>Total Noncurrent Assets</b>		
	<u>5,954,308</u>	<u>6,462,334</u>
<b>Total Assets</b>		
<b>Liabilities</b>		
Current Liabilities:		
Accounts Payable	21,311	19,176
Accrued Liabilities	-	321,809
Accrued Salaries	-	805,081
Deferred Revenue	129,653	116,714
Compensated Absences Payable	19,188	12,509
	<u>170,152</u>	<u>1,275,289</u>
<b>Total Current Liabilities</b>		
Noncurrent Liabilities:		
Compensated Absences Payable	30,532	18,764
	<u>30,532</u>	<u>18,764</u>
<b>Total Noncurrent Liabilities</b>		
	<u>200,684</u>	<u>1,294,053</u>
<b>Total Liabilities</b>		
<b>Net Assets</b>		
Invested in Capital Assets	2,525,226	2,711,347
Unrestricted	3,228,398	2,456,934
	<u>5,753,624</u>	<u>5,168,281</u>
<b>Total Net Assets</b>		

## HORRY COUNTY SCHOOLS

## PROPRIETARY FUND - FOOD SERVICE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2010 AND 2009

	June 30, 2010	June 30, 2009
<b>Operating Revenue</b>		
Proceeds from Sale of Meals	\$ 5,356,843	\$ 5,709,133
<b>Total Operating Revenue</b>	<u>5,356,843</u>	<u>5,709,133</u>
<b>Operating Expenses</b>		
Food Costs	8,115,665	7,923,702
Salaries	7,399,448	7,262,761
Employee Benefits	2,742,429	2,743,482
Purchased Services	113,523	118,406
Supplies and Materials	422,969	542,726
Other Objects	40,112	41,477
Depreciation	257,554	198,369
<b>Total Operating Expenses</b>	<u>19,091,700</u>	<u>18,830,923</u>
<b>Operating Income (Loss)</b>	<u>(13,734,857)</u>	<u>(13,121,790)</u>
<b>Nonoperating Revenue</b>		
Interest	10,837	110,702
USDA Commodities	954,096	1,117,711
USDA Reimbursements	12,949,406	11,291,008
Other Federal and State Aid	14,795	16,244
Other Income	104,486	224,145
<b>Total Nonoperating Revenue (Expense)</b>	<u>14,033,620</u>	<u>12,759,810</u>
<b>Income (Loss) Before Other Financing Sources and Transfers</b>	298,763	(361,980)
<b>Other Financing Sources (Uses)</b>		
<b>Interfund Transfers, From (To) Other Funds</b>		
Transfers In	1,437,337	3,088,704
Transfers Out	(1,150,757)	(1,049,671)
<b>Total Other Financing Sources (Uses)</b>	<u>286,580</u>	<u>2,039,033</u>
<b>Changes in Net Assets</b>	585,343	1,677,053
<b>Net Assets, Beginning</b>	<u>5,168,281</u>	<u>3,491,228</u>
<b>Net Assets, Ending</b>	<u><u>5,753,624</u></u>	<u><u>5,168,281</u></u>

## HORRY COUNTY SCHOOLS

## FOOD SERVICE FUND

## SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance
<b>Revenues</b>			
1000 Revenue - Local Sources:			
1500 Earnings on Investments:			
1510 Interest on Investments	\$ 4,000	\$ 10,837	\$ 6,837
1600 Food Services:			
1610 Lunch Sales to Pupils	4,690,610	3,759,995	(930,615)
1620 Breakfast Sales to Pupils	20,936	7,702	(13,234)
1630 Special Sales to Pupils	1,617,312	1,007,616	(609,696)
1640 Lunch Sales to Adults	543,151	524,981	(18,170)
1650 Breakfast Sales to Adults	5,050	2,538	(2,512)
1660 Special Sales to Adults	50,980	54,011	3,031
1900 Other Revenue from Local Sources:			
1999 Revenue from Other Local Sources	181,505	104,486	(77,019)
<b>Total Revenue - Local Sources</b>	<u>7,113,544</u>	<u>5,472,166</u>	<u>(1,641,378)</u>
3000 Revenue - State Sources:			
3100 Restricted State Funding:			
3140 School Lunch:			
3142 Program Aid	16,845	14,795	(2,050)
<b>Total Revenue - State Sources</b>	<u>16,845</u>	<u>14,795</u>	<u>(2,050)</u>
4000 Revenue - Federal Sources:			
4800 USDA Reimbursement:			
4810 School Lunch Program	8,285,893	9,034,970	749,077
4830 School Breakfast Program	3,035,414	3,889,436	854,022
4870 School Food Service (Equipment)	25,000	25,000	-
4900 Other Federal Sources:			
4991 USDA Commodities	954,096	954,096	-
<b>Total Revenue - Federal Sources</b>	<u>12,300,403</u>	<u>13,903,502</u>	<u>1,603,099</u>
<b>Total Revenue - All Sources</b>	<u>19,430,792</u>	<u>19,390,463</u>	<u>(40,329)</u>
<b>Expenses</b>			
256 Food Services:			
100 Salaries	7,490,098	7,399,448	90,650
200 Employee Benefits	3,089,548	2,742,429	347,119
300 Purchased Services	124,595	113,523	11,072
400 Supplies and Materials	8,764,174	8,528,977	235,197
500 Capital Outlay	248,354	267,211	(18,857)
600 Other Objects	35,000	40,112	(5,112)
<b>Total Expenses</b>	<u>19,751,769</u>	<u>19,091,700</u>	<u>660,069</u>
<b>Other Financing Sources (Uses)</b>			
<b>Interfund Transfers From (To) Other Funds</b>			
5210 Transfer from General Fund (Excludes Indirect Costs)	1,461,613	1,437,337	(24,276)
432-791 Transfer to General Fund (Indirect Costs)	(1,325,164)	(1,150,757)	174,407
<b>Total Other Financing Sources (Uses)</b>	<u>136,449</u>	<u>286,580</u>	<u>150,131</u>
<b>Changes in Net Assets</b>	<u>(184,528)</u>	<u>585,343</u>	<u>769,871</u>
<b>Net Assets July 1, 2009</b>		<u>5,168,281</u>	
<b>Net Assets June 30, 2010</b>		<u>5,753,624</u>	



## **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.**

HORRY COUNTY SCHOOLS

PRIVATE-PURPOSE TRUST FUNDS

COMBINING SCHEDULE OF FIDUCIARY NET ASSETS

JUNE 30, 2010

<b>Assets</b>	<b>Education Endowment Fund</b>	<b>Scholarship Endowment Fund</b>	<b>Total</b>
Cash and Investments	\$ 129,096	\$ 33,806	\$ 162,902
<b>Total Assets</b>	<u>129,096</u>	<u>33,806</u>	<u>162,902</u>
<b>Restricted Net Assets</b>	<u>129,096</u>	<u>33,806</u>	<u>162,902</u>

HORRY COUNTY SCHOOLS

PRIVATE-PURPOSE TRUST FUNDS

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS

YEAR ENDED JUNE 30, 2010

	Education Endowment Fund	Scholarship Endowment Fund	Total
<b>Additions</b>			
Contributions:			
Scholarship Receipts		\$ 9,051	\$ 9,051
Other Income:			
Other Income		1,750	1,750
Investment Earnings:			
Interest	\$ 7,633	180	7,813
Net Increase (Decrease) in Fair Value of Investments	3,054	-	3,054
<b>Total Additions</b>	<u>10,687</u>	<u>10,981</u>	<u>21,668</u>
<b>Deductions</b>			
Scholarships Awarded	<u>7,060</u>	<u>3,535</u>	<u>10,595</u>
<b>Total Deductions</b>	<u>7,060</u>	<u>3,535</u>	<u>10,595</u>
<b>Changes in Net Assets</b>	3,627	7,446	11,073
<b>Total Net Assets - Beginning</b>	<u>125,469</u>	<u>26,360</u>	<u>151,829</u>
<b>Total Net Assets - Ending</b>	<u><u>129,096</u></u>	<u><u>33,806</u></u>	<u><u>162,902</u></u>

HORRY COUNTY SCHOOLS

PRIVATE-PURPOSE TRUST FUNDS

SCHEDULE OF CHANGES IN ASSETS AND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b>Assets</b>				
Cash and Investments	\$ 151,829	\$ 21,668	\$ 10,595	\$ 162,902
<b>Total Assets</b>	<u>151,829</u>	<u>21,668</u>	<u>10,595</u>	<u>162,902</u>
<b>Net Assets</b>				
Restricted Net Assets	<u>151,829</u>	<u>21,668</u>	<u>10,595</u>	<u>162,902</u>
<b>Total Net Assets</b>	<u><u>151,829</u></u>	<u><u>21,668</u></u>	<u><u>10,595</u></u>	<u><u>162,902</u></u>

HORRY COUNTY SCHOOLS

EDUCATION ENDOWMENT TRUST FUND - PRIVATE PURPOSE

COMPARATIVE SCHEDULE OF FIDUCIARY NET ASSETS

YEARS ENDED JUNE 30, 2010 AND 2009

	June 30, 2010	June 30, 2009
<b>Assets</b>		
Cash and Investments	\$ 129,096	\$ 125,469
<b>Total Assets</b>	<u>129,096</u>	<u>125,469</u>
<b>Restricted Net Assets</b>		
Held in Trust for Individuals and Organizations	<u>129,096</u>	<u>125,469</u>

## HORRY COUNTY SCHOOLS

## EDUCATION ENDOWMENT TRUST FUND - PRIVATE PURPOSE

## COMPARATIVE SCHEDULE OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2010 AND 2009

	June 30, 2010	June 30, 2009
<b>Additions</b>		
Investment Earnings:		
Interest	\$ 7,633	\$ 7,060
Net Increase (Decrease) in Fair Value of Investments	3,054	2,516
<b>Total Additions</b>	<u>10,687</u>	<u>9,576</u>
<b>Deductions</b>		
Scholarships Awarded	<u>7,060</u>	<u>7,060</u>
<b>Total Deductions</b>	<u>7,060</u>	<u>7,060</u>
<b>Changes in Net Assets</b>	3,627	2,516
<b>Total Net Assets - Beginning</b>	<u>125,469</u>	<u>122,953</u>
<b>Total Net Assets - Ending</b>	<u><u>129,096</u></u>	<u><u>125,469</u></u>

HORRY COUNTY SCHOOLS

SCHOLARSHIP ENDOWMENT FUND - PRIVATE PURPOSE

COMPARATIVE SCHEDULE OF FIDUCIARY NET ASSETS

YEARS ENDED JUNE 30, 2010 AND 2009

	June 30, 2010	June 30, 2009
<b>Assets</b>		
Cash and Investments	\$ 33,806	\$ 26,360
<b>Total Assets</b>	<u>33,806</u>	<u>26,360</u>
<b>Restricted Net Assets</b>		
Held in Trust for Individuals and Organizations	<u>33,806</u>	<u>26,360</u>

HORRY COUNTY SCHOOLS

SCHOLARSHIP ENDOWMENT FUND - PRIVATE PURPOSE

COMPARATIVE SCHEDULE OF ADDITIONS, DEDUCTIONS AND  
CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2010 AND 2009

	June 30, 2010	June 30, 2009
<b>Additions</b>		
Contributions:		
Scholarship Receipts	\$ 9,051	\$ 1,467
Other Income:		
Other Income	1,750	-
Investment Earnings:		
Interest	180	349
	<hr/>	<hr/>
<b>Total Additions</b>	10,981	1,816
	<hr/>	<hr/>
<b>Deductions</b>		
Scholarships Awarded	3,535	16,110
	<hr/>	<hr/>
<b>Total Deductions</b>	3,535	16,110
	<hr/>	<hr/>
<b>Changes in Net Assets</b>	7,446	(14,294)
<b>Total Net Assets - Beginning</b>	26,360	40,654
	<hr/>	<hr/>
<b>Total Net Assets - Ending</b>	33,806	26,360
	<hr/> <hr/>	<hr/> <hr/>



## HORRY COUNTY SCHOOLS

## AGENCY FUNDS

## COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES

JUNE 30, 2010

	Pupil Activity	Federal Program	Total
<b>Assets</b>			
Cash and Investments	\$ 3,967,476	\$ 1,117,304	\$ 5,084,780
Other Assets	9,763	-	9,763
<b>Total Assets</b>	<b>3,977,239</b>	<b>1,117,304</b>	<b>5,094,543</b>
<b>Liabilities</b>			
Accounts Payable	362,970	-	362,970
Due to Other Governments	-	1,117,304	1,117,304
Due to Schools and School Organizations	3,614,269	-	3,614,269
<b>Total Liabilities</b>	<b>3,977,239</b>	<b>1,117,304</b>	<b>5,094,543</b>

## HORRY COUNTY SCHOOLS

## AGENCY FUNDS

## COMBINED SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2010

<b>Assets</b>	<b>Balance July 1, 2009</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2010</b>
Cash and Investments	\$ 4,630,297	\$ 7,459,912	\$ 7,005,429	\$ 5,084,780
Other Assets	1,948	9,763	1,948	9,763
<b>Total Assets</b>	<u>4,632,245</u>	<u>7,469,675</u>	<u>7,007,377</u>	<u>5,094,543</u>
 <b>Liabilities</b>				
Accounts Payable	93,672	7,141,730	6,872,432	362,970
Accrued Liabilities	12,152	-	12,152	-
Due to Other Governments	1,144,477	-	27,173	1,117,304
Due to Schools and School Organizations	3,381,944	7,467,701	7,235,376	3,614,269
<b>Total Liabilities</b>	<u>4,632,245</u>	<u>14,609,431</u>	<u>14,147,133</u>	<u>5,094,543</u>

**HORRY COUNTY SCHOOLS**  
**PUPIL ACTIVITY - AGENCY FUND**  
**COMPARATIVE BALANCE SHEETS**  
**YEARS ENDED JUNE 30, 2010 AND 2009**

	<b>June 30, 2010</b>	<b>June 30, 2009</b>
<b>Assets</b>		
Cash and Investments	\$ 3,967,476	\$ 3,485,820
Other Assets	9,763	1,948
<b>Total Assets</b>	<b>3,977,239</b>	<b>3,487,768</b>
<b>Liabilities</b>		
Accounts Payable	362,970	93,672
Accrued Liabilities	-	12,152
Due to Schools and School Organizations	3,614,269	3,381,944
<b>Total Liabilities</b>	<b>3,977,239</b>	<b>3,487,768</b>

HORRY COUNTY SCHOOLS

PUPIL ACTIVITY - AGENCY FUND

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b>Assets</b>				
Cash and Investments	\$ 3,485,820	\$ 7,459,912	\$ 6,978,256	\$ 3,967,476
Other Assets	1,948	9,763	1,948	9,763
<b>Total Assets</b>	<u>3,487,768</u>	<u>7,469,675</u>	<u>6,980,204</u>	<u>3,977,239</u>
<b>Liabilities</b>				
Accounts Payable	93,672	7,141,730	6,872,432	362,970
Accrued Liabilities	12,152	-	12,152	-
Due to Schools and School Organizations	3,381,944	7,467,701	7,235,376	3,614,269
<b>Total Liabilities</b>	<u>3,487,768</u>	<u>14,609,431</u>	<u>14,119,960</u>	<u>3,977,239</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, 2010

	Budget	Actual	Variance
<b>Receipts</b>			
1000 Receipts from Local Sources:			
1500 Earnings on Investments:			
1510 Interest on Investments	\$ 79,634	\$ 25,903	\$ (53,731)
1700 Pupil Activities:			
1710 Admissions	704,572	728,286	23,714
1720 Bookstore Sales	349,797	277,974	(71,823)
1730 Pupil Organization Membership Dues and Fees	33,669	28,639	(5,030)
1740 Student Fees	1,578	1,346	(232)
1790 Other	5,521,636	5,273,221	(248,415)
1900 Other Revenue from Local Sources:			
1910 Rentals	275	696	421
1920 Contributions and Donations Private Sources	266,150	190,548	(75,602)
1999 Revenue from Other Local Sources	-	1,500	1,500
<b>Total Receipts - Local Sources</b>	<b>6,957,311</b>	<b>6,528,113</b>	<b>(429,198)</b>
<b>Disbursements</b>			
100 Instruction:			
190 Instructional Pupil Activity:			
100 Salaries	63,005	82,569	(19,564)
200 Employee Benefits	23,055	20,339	2,716
400 Supplies and Materials	-	19,274	(19,274)
600 Other Objects	72,159	486	71,673
<b>Total Instruction</b>	<b>158,219</b>	<b>122,668</b>	<b>35,551</b>
200 Support Services:			
258 Security:			
100 Salaries	11,016	15,523	(4,507)
200 Employee Benefits	5,609	5,398	211
300 Purchased Services	72,317	44,306	28,011
400 Supplies and Materials	-	570	(570)
600 Other Objects	-	500	(500)

## HORRY COUNTY SCHOOLS

## PUPIL ACTIVITY FUND

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

YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance
<b>Disbursements (Continued)</b>			
200 Support Services (Continued):			
270 Support Services Pupil Activity:			
271 Pupil Service Activities:			
100 Salaries	\$ 105,181	\$ 270,965	\$ (165,784)
200 Employee Benefits	32,806	51,771	(18,965)
300 Purchased Services	202,123	320,156	(118,033)
400 Supplies and Materials	212,763	563,088	(350,325)
500 Capital Outlay		11,118	(11,118)
600 Other Objects	6,654,254	5,172,395	1,481,859
272 Enterprise Activities:			
600 Other Objects	49,788	41,453	8,335
273 Trust and Agency Activities:			
600 Other Objects	18,798	17,194	1,604
<b>Total Support Services</b>	<u>7,364,655</u>	<u>6,514,437</u>	<u>850,218</u>
<b>Total Pupil Activity Expenditures</b>	<u>7,522,874</u>	<u>6,637,105</u>	<u>885,769</u>
<b>Other Financing Sources (Uses)</b>			
<b>Transfers, From (To) Other Funds:</b>			
5210 Transfer from General Fund	114,300	114,300	-
5220 Transfer from Special Revenue Fund	13,790	253,224	239,434
421-710 Transfer to Special Revenue Fund	(8,852)	(26,207)	(17,355)
<b>Total Other Financing Sources (Uses)</b>	<u>119,238</u>	<u>341,317</u>	<u>222,079</u>
<b>Excess of Receipts Over (Under) Disbursements and Other Financing Sources (Uses)</b>	<u>(446,325)</u>	232,325	<u>678,650</u>
<b>Due to Schools and School Organizations, July 1, 2009</b>		<u>3,381,944</u>	
<b>Due to Schools and School Organizations, June 30, 2010</b>		<u>3,614,269</u>	

**HORRY COUNTY SCHOOLS**  
**FEDERAL PROGRAM - AGENCY FUND**  
**COMPARATIVE BALANCE SHEETS**  
**FOR YEARS ENDED JUNE 30, 2010 AND 2009**

	<b>June 30, 2010</b>	<b>June 30, 2009</b>
<b>Assets</b>		
Cash and Investments	<u>\$ 1,117,304</u>	<u>\$ 1,144,477</u>
<b>Total Assets</b>	<u><u>1,117,304</u></u>	<u><u>1,144,477</u></u>
<b>Liabilities</b>		
Due to Other Governments	<u>1,117,304</u>	<u>1,144,477</u>
<b>Total Liabilities</b>	<u><u>1,117,304</u></u>	<u><u>1,144,477</u></u>

HORRY COUNTY SCHOOLS

FEDERAL PROGRAM - AGENCY FUND

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b>Assets</b>				
Cash and Investments	\$ 1,144,477	-	27,173	\$ 1,117,304
<b>Total Assets</b>	<u>1,144,477</u>	<u>-</u>	<u>27,173</u>	<u>1,117,304</u>
<b>Liabilities</b>				
Due to Other Governments	1,144,477		27,173	1,117,304
<b>Total Liabilities</b>	<u>1,144,477</u>	<u>-</u>	<u>27,173</u>	<u>1,117,304</u>



**COMPONENT UNIT  
WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.**

## WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

## BALANCE SHEET

## GOVERNMENTAL FUND

JUNE 30, 2010

	<b>General Fund</b>
<b>Assets</b>	
Cash and Investments	\$ 447,565
Prepaid Assets	4,000
Utility Deposits	<u>2,705</u>
<b>Total Assets</b>	<u><u>454,270</u></u>
<b>Liabilities and Fund Balances</b>	
<b>Liabilities</b>	
Accounts Payable	<u>26,390</u>
<b>Total Liabilities</b>	<u>26,390</u>
<b>Fund Balance</b>	
Reserved for Prepaid Assets	4,000
Unreserved and Undesignated	<u>423,880</u>
<b>Total Fund Balance</b>	<u>427,880</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>454,270</u></u>

## WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE

## GOVERNMENTAL FUND

YEAR ENDED JUNE 30, 2010

	<b>General Fund</b>
<b>Revenues</b>	
Local Sources	\$ 20,365
Intergovernmental	1,285,495
	<hr/>
<b>Total Revenues</b>	1,305,860
	<hr/>
<b>Expenditures</b>	
Instruction	844,615
Support Services	410,608
Capital Outlay	26,845
	<hr/>
<b>Total Expenditures</b>	1,282,068
	<hr/>
<b>Net Change in Fund Balance</b>	23,792
	<hr/>
<b>Fund Balance - Beginning</b>	404,088
	<hr/>
<b>Fund Balance - Ending</b>	427,880
	<hr/> <hr/>

WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

STATEMENT OF NET ASSETS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2010

<b>Assets</b>	<b>Food Services Enterprise Fund</b>
Cash and Cash Equivalents	\$ 64
Accounts Receivable	6,990
Capital Assets (Net)	<u>13,095</u>
<b>Total Assets</b>	<b><u><u>20,149.</u></u></b>
 <b>Net Assets</b>	
Invested in Capital Assets	13,095
Unrestricted	<u>7,054</u>
<b>Total Net Assets</b>	<b><u><u>20,149</u></u></b>

WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2010

	<u>Food Services Enterprise Fund</u>
<b>Operating Revenues</b>	
Sales of Meals	\$ 69,723
<b>Operating Expenses</b>	
Salaries and Benefits	36,096
Food and Operating Costs	23,952
Depreciation	4,236
<b>Total Operating Expenses</b>	<u>64,284</u>
<b>Change in Net Assets</b>	5,439
<b>Total Assets - Beginning</b>	<u>14,710</u>
<b>Total Assets - Ending</b>	<u><u>20,149</u></u>

## WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUND

YEAR ENDED JUNE 30, 2010

	<u>Food Services Enterprise Fund</u>
<b>Cash Flows from Operating Activities</b>	
Proceeds from Sale of Meals	\$ 62,733
Payments to Suppliers	(29,386)
Payments to Employees	(30,662)
	<u>2,685</u>
<b>Net Cash Provided by Operating Activities</b>	
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of Capital Assets	(7,117)
	<u>(7,117)</u>
<b>Net Cash Used by Capital and Related Financing Activities</b>	
	<u>(7,117)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(4,432)
<b>Cash and Cash Equivalents - Beginning</b>	<u>4,496</u>
<b>Cash and Cash Equivalents - Ending</b>	<u><u>64</u></u>
<b>Reconciliation of Operating Income to Net Cash</b>	
<b>Provided by Operating Activities:</b>	
Operating Income	5,439
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
Depreciation	4,236
Increase in Accounts Receivable	(6,990)
	<u>2,685</u>
<b>Net Cash and Cash Equivalents Provided by Operating Activities</b>	
	<u><u>2,685</u></u>

## WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

## GENERAL FUND

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

## BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2010

	Original & Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Local Sources	\$ 16,000	\$ 20,365	\$ 4,365
Intergovernmental	1,269,991	1,285,495	15,504
<b>Total Revenues</b>	<u>1,285,991</u>	<u>1,305,860</u>	<u>19,869</u>
<b>Expenditures</b>			
Instruction	762,046	844,615	(82,569)
Support Services	307,638	410,608	(102,970)
Capital Outlay	3,623	26,845	(23,222)
<b>Total Expenditures</b>	<u>1,073,307</u>	<u>1,282,068</u>	<u>(208,761)</u>
<b>Net Change in Fund Balance</b>	<u>212,684</u>	<u>23,792</u>	<u>(188,892)</u>
<b>Fund Balance - Beginning</b>		<u>404,088</u>	
<b>Fund Balance - Ending</b>		<u>427,880</u>	

## WACCAMAW PARK PUBLIC CHARTER SCHOOLS, INC.

## GENERAL FUND

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

## BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2010

	Original & Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Revenue from Local Sources:			
1510 Interest on Investments	\$ 4,000	\$ 3,864	\$ (136)
1999 Revenue from Other Local Sources	12,000	16,501	4,501
<b>Total Local Sources</b>	16,000	20,365	4,365
Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	1,269,991	1,285,495	15,504
<b>Total Revenue - All Sources</b>	1,285,991	1,305,860	19,869
<b>Expenditures:</b>			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	61,477	62,031	(554)
200 Employee Benefits	14,475	12,167	2,308
300 Purchased Services	-	914	(914)
400 Supplies and Materials	2,400	1,553	847
112 Primary Programs:			
100 Salaries	163,620	166,433	(2,813)
200 Employee Benefits	38,531	54,765	(16,234)
300 Purchased Services	-	1,979	(1,979)
400 Supplies and Materials	4,950	3,266	1,684
113 Elementary Programs:			
100 Salaries	313,721	324,048	(10,327)
200 Employee Benefits	73,864	96,695	(22,831)
300 Purchased Services	-	292	(292)
400 Supplies and Materials	6,150	5,165	985
500 Capital Outlay	1,200	-	1,200
120 Exceptional Programs:			
127 Learning Disabilities:			
100 Salaries	67,066	72,763	(5,697)
200 Employee Benefits	15,792	21,477	(5,685)
300 Purchased Services	-	20,328	(20,328)
400 Supplies and Materials	-	739	(739)
<b>Total - Instruction</b>	763,246	844,615	(81,369)



## WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

## GENERAL FUND

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

## BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2010

	Original & Final Budget	Actual	Variance Positive (Negative)
<b>Expenditures (Continued):</b>			
200 Supporting Services:			
230 General Administrative Services:			
233 School Administration:			
100 Salaries	\$ 120,780	\$ 155,450	\$ (34,670)
200 Employee Benefits	28,437	50,823	(22,386)
300 Purchased Services	37,900	55,609	(17,709)
400 Supplies and Materials	10,000	8,812	1,188
500 Capital Outlay	2,423	-	2,423
250 Finance and Operations Services:			
253 Facilities Acquisition and Construction:			
500 Capital Outlay			
520 Construction Services	-	26,845	(26,845)
254 Operation and Maintenance of Plant:			
100 Salaries	-	3,630	(3,630)
200 Employee Benefits	-	278	(278)
300 Purchased Services	110,521	135,523	(25,002)
400 Supplies and Materials	-	483	(483)
<b>Total - Supporting Services</b>	<u>310,061</u>	<u>437,453</u>	<u>(127,392)</u>
<b>Total Expenditures</b>	<u>1,073,307</u>	<u>1,282,068</u>	<u>(208,761)</u>
<b>Changes in Fund Balance</b>	<u>212,684</u>	<u>23,792</u>	<u>(188,892)</u>
<b>Fund Balance July 1, 2009</b>		<u>404,088</u>	
<b>Fund Balance June 30, 2010</b>		<u>427,880</u>	

## WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

## FOOD SERVICE FUND

## SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

## BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2010

	Original & Final Budget	Actual	Variance Positive (Negative)
<b>Operating Revenues</b>			
<b>Revenues:</b>			
Revenue from Local Sources:			
1600 Food Service:			
1610 Lunch Sales to Pupils	\$ 3,345	\$ 4,401	\$ 1,056
1620 Breakfast Sales to Pupils	436	574	138
1640 Lunch Sales to Adults	1,179	1,551	372
	<hr/>	<hr/>	<hr/>
Total Revenue from Local Sources	4,960	6,526	1,566
Revenue from Federal Sources:			
4800 USDA Reimbursements:			
4810 School Lunch Program	42,427	49,235	6,808
4830 School Breakfast Program	10,613	13,962	3,349
	<hr/>	<hr/>	<hr/>
Total Revenue from Federal Sources	53,040	63,197	10,157
	<hr/>	<hr/>	<hr/>
<b>Total Revenue all Sources</b>	<b>58,000</b>	<b>69,723</b>	<b>11,723</b>
	<hr/>	<hr/>	<hr/>
<b>Operating Expenses</b>			
256 Food Service:			
100 Salaries	33,690	30,661	3,029
200 Employee Benefits	1,500	5,435	(3,935)
300 Purchased Services	-	280	(280)
400 Supplies and Materials	16,000	23,672	(7,672)
500 Depreciation	6,000	4,236	1,764
	<hr/>	<hr/>	<hr/>
<b>Total Expenses</b>	<b>57,190</b>	<b>64,284</b>	<b>(7,094)</b>
	<hr/>	<hr/>	<hr/>
<b>Change In Net Assets</b>	<b>810</b>	<b>5,439</b>	<b>4,629</b>
	<hr/>	<hr/>	<hr/>
<b>Total Net Assets - Beginning</b>		<b>14,710</b>	
		<hr/>	
<b>Total Net Assets - Ending</b>		<b>20,149</b>	
		<hr/>	

**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, 2010**

<b>Program</b>	<b>Project/Grant Number</b>	<b>Revenue/ Subfund Code</b>	<b>Description</b>	<b>Total Due June 30, 2010</b>	<b>Status of Amount Due to Grantors</b>
National Board Certified	-	3185/935	Unspent Allocation	\$ 8,099	Outstanding
EEDA - 9th Grade Awareness	-	3116/926	Unspent Allocation	4,109	Repaid 08/13
High Schools that Work	09VA046	3128/938	Unspent Allocation	3,180	Repaid 08/13
Teacher Supplies	-	3577/377	Unspent Allocation	3,025	Outstanding
<b>Total</b>				<b>18,413</b>	

**HORRY COUNTY SCHOOLS**  
**LOCATION RECONCILIATION SCHEDULE**  
**YEAR ENDED JUNE 30, 2010**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
001	Aynor High	High School	School	\$ 7,107,407
002	North Myrtle Beach High	High School	School	10,679,442
004	Conway High	High School	School	13,046,143
006	Green Sea Floyds High	Middle-High School	School	8,357,943
008	Loris High	High School	School	8,366,958
010	Myrtle Beach High	High School	School	11,504,163
011	Socastee High	High School	School	12,427,983
013	Whittemore Park Middle	Middle School	School	6,252,674
014	Aynor Elementary	Elementary School	School	5,713,642
016	Myrtle Beach Middle	Middle School	School	7,486,672
017	Conway Middle	Middle School	School	5,880,826
021	Daisy Elementary	Elementary School	School	6,016,385
023	Green Sea Floyds Elementary	Elementary School	School	6,344,947
025	Homewood Elementary	Elementary School	School	6,053,017
027	Loris Middle	Middle School	School	6,970,817
028	Kingston Elementary	Elementary School	School	5,180,188
029	Lakewood Elementary	Elementary School	School	6,887,943
030	St. James Elementary	Elementary School	School	5,833,465
032	Loris Elementary	Elementary School	School	8,040,337
033	Midland Elementary	Elementary School	School	4,133,923
034	Myrtle Beach Elementary	Elementary School	School	5,958,975
035	Myrtle Beach Primary	Primary School	School	7,696,371
036	Conway Elementary	Elementary School	School	5,367,915
037	North Myrtle Beach Middle	Middle School	School	8,249,050
038	North Myrtle Beach Primary	Primary School	School	7,311,902
039	Pee Dee Elementary	Elementary School	School	6,626,134
042	Waccamaw Elementary	Elementary School	School	9,120,892
045	South Conway Elementary	Elementary School	School	6,773,656
046	Forestbrook Elementary	Elementary School	School	7,183,145
047	St. James Middle	Middle School	School	8,316,427
048	North Myrtle Beach Elementary	Elementary School	School	5,969,102
049	Carolina Forest Elementary	Elementary School	School	7,561,923
050	Seaside Elementary	Elementary School	School	5,741,139
051	Forestbrook Middle	Middle School	School	8,631,230
052	Carolina Forest High	High School	School	14,460,868
053	Myrtle Beach Intermediate	Elementary School	School	4,871,256
054	Socastee Elementary	Elementary School	School	6,345,918
056	Palmetto Bays Elementary	Elementary School	School	6,073,311
057	Aynor Middle School	Middle School	School	5,385,615
058	St. James High School	High School	School	10,847,978
059	NMB Intermediate	Elementary School	School	5,081,818
060	Ocean Bay Elementary School	Elementary School	School	7,858,523
061	Ocean Bay Middle School	Middle School	School	7,095,716
062	Black Water Middle School	Middle School	School	6,196,670
063	Burgess Elementary School	Elementary School	School	4,882,744
065	New Elementary for Carolina Forest Area	Elementary School	School	34,253
072	Conway Education Center	Various	School	1,972,734
073	Myrtle Beach Education Center	Various	School	168,577
074	Early College	Various	School	2,780,309
075	Chabad Academy	Various	Central	23,668
076	Conway Alternative School	Various	School	3,045,983

(Continued)

**HORRY COUNTY SCHOOLS**  
**LOCATION RECONCILIATION SCHEDULE (Continued)**  
**YEAR ENDED JUNE 30, 2010**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
077	Loris Alternative School	Various	School	\$ 3,284
078	CCU Scholars Academy	Various	School	1,224,051
079	Bridgewater Academy	Charter School	Central	1,295,079
080	All Schools	Various	School	306,733
096	Academy of Arts, Science and Technology	High School	School	5,078,852
098	Academy of Technology & Academics	High School	School	5,622,419
100	Office of Superintendent		Central	1,180,306
200	Academics		Central	12,221,115
300	Support Services		Central	12,651,932
400	Fiscal Services		Central	5,818,273
490	Debt Service		Central	55,743,095
500	Construction Services		Central	123,010
600	Personnel Services		Central	2,365,535
800	Information and Accountability Services		Central	4,735,793
900	Instructional Support Services		Central	<u>2,272,441</u>
	<b>Total</b>			<u><u>450,560,595</u></u>
	General Fund			292,843,276
	Special Projects Fund			43,096,191
	Education Improvement Act Fund			11,142,564
	Debt Service			55,743,094
	Capital Projects Fund			21,968,897
	Proprietary Fund			19,091,700
	Agency Funds			6,637,105
	Trust and Other Private Purpose Funds			<u>37,768</u>
	<b>Total by Fund</b>			<u><u>450,560,595</u></u>

# **STATISTICAL SECTION**

## 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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	136-140
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	141-145
<b>Debt Capacity</b> 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.	146-149
<b>Demographic and Economic Information</b> 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.	150-152
<b>Operating Information</b> 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.	153-156

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 2002; schedules presenting government-wide information include information beginning in that year.



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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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
Restricted	57,524	36,258	100,256	40,038	59,646	100,048	94,786	101,572
Unrestricted	17,839	28,603	43,596	41,536	50,549	64,759	63,460	60,803
Total Governmental Activities Net Assets	140,239	151,839	161,036	193,927	221,266	258,723	284,432	328,049
Business-Type Activities								
Invested in Capital Assets, Net of Related Debt	1,105	1,017	912	817	733	1,283	2,711	2,525
Restricted	-	-	-	-	-	-	-	-
Unrestricted	(333)	(337)	614	1,639	2,168	2,208	2,457	3,228
Total Business-Type Activities Net Assets	772	680	1,526	2,456	2,901	3,491	5,168	5,753
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
Restricted	57,524	36,258	100,256	40,038	59,646	100,048	94,786	101,572
Unrestricted	17,506	28,266	44,210	43,175	52,717	66,967	65,917	64,031
Total Primary Government Net Assets	141,011	152,519	162,562	196,383	224,167	262,214	289,600	333,802
Component Units (1)								
Invested in Capital Assets, Net of Related Debt	-	150	182	223	201	181	172	181
Restricted	-	-	-	-	1	-	-	-
Unrestricted	-	52	16	(35)	120	297	409	435
Total Component Units Net Assets	-	202	198	188	322	478	581	616

**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 EIGHT FISCAL YEARS  
(Amounts expressed in thousands)**

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

**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 EIGHT FISCAL YEARS**  
**(Amounts expressed in thousands)**

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

**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)**

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 1,142	\$ 1,170	\$ 1,320	\$ 1,742	\$ 1,283	\$ 2,053	\$ 2,420	\$ 2,021	\$ 2,158	\$ 2,181
Unreserved	12,682	11,204	10,954	17,533	19,931	32,695	43,265	58,290	53,610	49,529
Total General Fund	13,824	12,374	12,274	19,275	21,214	34,748	45,685	60,311	55,768	51,710
All Other Governmental Funds										
Reserved	8,914	35,052	57,524	36,258	100,256	40,038	59,646	100,047	94,785	101,572
Total All Other Governmental Funds	8,914	35,052	57,524	36,258	100,256	40,038	59,646	100,047	94,785	101,572

**Note:** Modified accrual basis of accounting.

**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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Local Sources	\$ 109,071,988	\$ 124,517,482	\$ 128,864,097	\$ 140,429,836	\$ 147,482,030	\$ 185,756,388	\$ 211,185,440	\$ 221,810,847	\$ 241,908,038	\$ 271,589,226
Intergovernmental	-	9,773	75,642	7,855	831	3,088	316	1,562	20,745	66,970
State Sources	101,886,176	102,326,559	85,931,486	95,361,657	106,349,389	118,604,284	127,376,580	157,815,711	141,094,942	120,888,530
Federal Sources	10,060,511	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
Total Revenues	221,028,675	238,456,532	228,762,708	252,203,489	271,630,531	326,223,838	360,887,317	402,629,671	408,947,589	427,907,776
<b>Expenditures</b>										
Instruction	119,574,912	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
Support Services	69,542,900	69,070,829	71,352,499	76,249,848	80,968,682	159,407,537	102,649,771	117,800,850	122,837,788	119,883,821
Community Services	439,569	542,871	609,865	660,004	679,060	639,478	949,467	1,055,713	1,028,109	1,144,979
Intergovernmental	560,807	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
Capital Outlay	16,659,065	67,755,615	69,555,862	26,650,491	35,837,298	3,232,329	130,683,130	55,625,422	49,538,316	23,922,155
Debt Service										
Principal	15,170,000	15,820,000	10,905,000	10,480,000	11,414,357	22,855,000	18,728,860	39,120,000	16,895,000	34,590,000
Interest and Fiscal Charges	6,849,477	8,030,945	9,405,735	11,809,637	11,515,375	15,511,053	17,557,229	20,873,849	21,678,643	21,153,094
Discount on Bonds Sold	-	-	-	-	-	-	-	-	-	-
Total Expenditures	228,796,730	288,840,107	291,154,841	266,764,633	297,131,624	378,322,448	462,426,203	445,052,234	434,772,558	424,794,022
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(7,768,055)	(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
<b>Other Financing Sources (Uses)</b>										
Premium on Bonds Sold	-	3,093,774	4,488,746	-	2,581,380	465,081	3,393,526	2,037,605	3,080,032	6,492,467
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
Payment to Refunded Debt Escrow Agent	-	-	(67,320,274)	(17,010,888)	(3,987,080)	-	-	-	-	(49,646,378)
Sale of Capital Assets	-	11,648	1,103,813	651,914	175,030	82,276	180,836	6,920,373	11,832	66,980
Medicaid Reimbursement	-	1,150,342	-	-	-	-	-	-	-	-
Other Financing Sources	29,327	-	-	-	-	369,581	365,137	-	-	-
Transfers In	9,845,100	12,889,781	9,996,010	11,037,677	13,644,053	25,134,911	6,651,267	5,947,100	6,147,921	8,726,301
Transfers Out	(9,993,370)	(13,275,052)	(10,427,791)	(11,488,243)	(14,110,307)	(25,921,945)	(7,216,891)	(7,455,269)	(8,319,839)	(9,354,198)
Total Other Financing Sources (Uses)	881,057	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)
<b>Net Change in Fund Balances</b>	(6,886,998)	24,686,918	22,372,559	(14,265,046)	(46,683,706)	(46,683,706)	30,544,989	55,027,246	(9,805,073)	2,728,926
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	10.4%	10.8%	9.2%	9.3%	8.8%	10.2%	10.9%	15.4%	10.0%	13.9%

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 <sup>a</sup>	Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2001	\$ 803,683	\$ 15,091,567	\$ 296,050	\$ 3,284,919	\$ 1,099,733	\$ 18,376,486	10.332	5.98%
2002	843,090	15,848,056	278,741	2,654,195	1,121,831	18,502,251	10.737	6.06%
2003	879,182	16,545,968	289,276	3,005,053	1,168,458	19,551,021	10.589	5.98%
2004	955,462	17,917,443	273,908	2,960,155	1,229,370	20,877,598	11.123	5.89%
2005	936,640	17,708,080	272,458	2,521,125	1,209,098	20,229,205	11.533	5.98%
2006	1,206,681	24,133,619	288,608	4,403,525	1,495,289	28,537,144	11.545	5.24%
2007	1,311,110	26,222,200	298,432	4,828,550	1,609,542	31,050,750	12.040	5.18%
2008	1,466,775	29,335,491	316,687	5,215,624	1,783,462	34,551,115	11.530	5.16%
2009	1,663,986	31,058,312	323,386	5,177,005	1,987,372	36,235,317	11.215	5.48%
2010	1,701,553	34,030,462	309,219	5,113,771	2,010,772	39,144,233	10.886	5.14%

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

**Source:** Horry County Auditor and Assessor.

<sup>a</sup> Per \$1,000 of assessed value

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

	<u>Fiscal Year</u>									
	<u>2001</u>	<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>
<b>Jurisdiction:</b>										
Horry County Schools	116.4	124.9	124.9	130.4	130.4	129.7	135.3	143.3	143.3	139.3
<b>Overlapping Rates:</b>										
Horry County	44.5	50.9	50.9	50.9	50.9	46.3	46.3	47.3	47.3	47.3
Town of Atlantic Beach	110.0	110.0	110.0	110.0	90.0	90.0	90.0	94.5	94.5	94.5
Town of Aynor	90.0	90.0	90.0	90.0	90.0	70.8	70.8	72.2	72.2	72.2
Town of Briarcliff Acres	75.0	75.0	42.0	56.0	56.0	47.0	50.0	52.8	55.6	55.6
City of Conway	93.9	93.9	93.9	96.7	96.7	86.6	86.6	86.6	86.6	86.6
City of Loris	115.0	115.0	115.0	115.0	115.0	105.0	105.0	105.0	105.0	105.0
City of Myrtle Beach	60.9	63.2	63.2	63.2	63.2	61.4	61.4	61.4	64.4	64.4
City of North Myrtle Beach	35.7	35.7	35.7	35.7	35.7	30.5	30.5	30.5	32.2	32.2
Town of Surfside Beach	44.0	44.0	44.0	55.0	55.0	44.0	44.0	44.0	44.0	44.0

**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)**

<b>Fiscal Year</b>	<b>School Operation - General Fund</b>	<b>School Debt Service</b>	<b>County Operation - General Fund</b>	<b>County Debt Service</b>	<b>Total</b>
2001	94.4	22.0	35.8	5.7	157.9
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

**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	2010 <sup>a</sup>			2001 <sup>b</sup>		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Burroughs & Chapin Inc. Subsidiaries	\$ 35,853,334	1	1.79%	\$ 18,164,163	1	1.73%
Horry Electric Coop.	18,161,715	2	0.91%	6,894,780	3	0.66%
Horry Telephone Coop.	9,150,492	3	0.46%	4,311,076	5	0.41%
Bluegreen Vacations Unlimited, Inc.	6,650,068	4	0.33%			
Verizon South, Inc.	6,522,700	5	0.33%			
HRP Myrtle Beach Operations, LLC	4,303,486	6	0.21%			
Lawyers Title Insurance Corp.	3,819,929	7	0.19%			
Walmart Real Estate Business Trust/Sam's	1,336,082	8	0.07%			
Time Warner Ent. - Advance/Newhouse	3,468,210	9	0.17%			
Mariott Ownership Resorts, Inc.	3,853,080	10	0.19%			
General Telephone Co. of the Southeast				8,010,510	2	0.76%
AVX Corporation				9,010,940	4	0.86%
Montgomery Company				4,142,300	6	0.39%
Carolina Equipment				4,084,810	7	0.39%
Broadway at the Beach, Inc. (1)				3,962,462	8	0.38%
Justice, Inc.				3,832,900	9	0.36%
Ocean Lakes Family Campground				2,599,825	10	0.25%
<b>Totals</b>	<u>93,119,096</u>		<u>4.65%</u>	<u>65,013,766</u>		<u>6.19%</u>

**Note:** (1) 2010 data for Burroughs & Chapin Inc. Subsidiaries includes Myrtle Beach Farms and Broadway at the Beach.

**Source:** <sup>a</sup> Horry County Treasurer  
<sup>b</sup> 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
2001	113,622	102,090	89.85%	3,135	105,225	92.61%
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%

**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, 2010  
(Amounts expressed in thousands)**

Entity:	Net General Obligation Debt Outstanding	Percentage Applicable to School District <sup>a</sup>	Amount Applicable to School District
Horry County Schools	\$ 412,640	100%	\$ 412,640
<b>Direct Debt</b>	<u>412,640</u>		<u>412,640</u>
Horry County Government	122,175	100%	122,175
City of Conway	1,715	100%	1,715
City of Loris	144	100%	144
City of Myrtle Beach	45,780	100%	45,780
City of North Myrtle Beach	5,031	100%	5,031
Town of Surfside Beach	<u>1,190</u>	100%	<u>1,190</u>
<b>Overlapping Debt</b>	<u>176,035</u>		<u>176,035</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>588,675</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.

<sup>a</sup> 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
2001	116,715	4,922	111,793	1,099,733	201	10.17%	2.41%	556
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%	Unavailable	1,583
2010	412,640	73,876	338,764	2,010,772	264	16.85%	Unavailable	1,283

Sources: Assessed Value - Horry County Auditor and Assessor.  
Population - Coastal Carolina University.

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest and Fiscal Charges</b>	<b>Total</b>	<b>General Governmental Expenditures</b>	<b>Ratio of Debt Service to Total General Expenditures</b>
2001	\$ 15,170,000	\$ 6,837,245	\$ 22,007,245	\$ 228,791,927	9.62%
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%

**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 2010**

Assessed Value	\$ 2,010,772
Debt Limit (8% of Assessed Value)	160,862
Debt Application to Limit	20,200
Legal Debt Margin	<u>140,662</u>

	Fiscal Year									
	2001	2002	2003	2004	2005	2006 <sup>a</sup>	2007	2008	2009	2010
Debt Limit	\$ 88,824	\$ 90,326	\$ 93,477	\$ 98,350	\$ 96,728	\$ 119,623	\$ 128,763	\$ 142,677	\$ 158,990	\$ 160,862
Total Net Debt Applicable to Limit	42,585	32,365	27,482	23,251	36,100	27,244	21,195	36,547	42,265	20,200
Legal Debt Margin	<u>46,239</u>	<u>57,961</u>	<u>65,995</u>	<u>75,099</u>	<u>60,628</u>	<u>92,379</u>	<u>107,568</u>	<u>106,130</u>	<u>116,725</u>	<u>140,662</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	47.94%	35.83%	29.40%	23.64%	37.32%	22.77%	16.46%	25.62%	26.58%	12.56%

<sup>a</sup> 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**

<b>Calendar Year</b>	<b>Population (1)</b>	<b>% Increase</b>	<b>Per Capita Income County (2)</b>	<b>Personal Income (3)</b>	<b>Unemployment Rate County (4)</b>	<b>School Enrollment (5)</b>
2001	200,568	2.0%	24,150	4,843,717	4.0%	28,379
2002	201,607	0.5%	24,450	4,929,291	3.4%	29,100
2003	205,932	2.1%	25,266	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%	Unavailable	Unavailable	11.2%	37,392
2010	263,868	2.5%	Unavailable	Unavailable	10.3%	37,421

**Source:** (1) Coastal Carolina University (2001 to 2009) Beginning 2010 information comes from U.S. Census Bureau  
(2) Bureau of Economic Analysis  
(3) County Population x Per Capita Personal Income  
(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	2010 <sup>b</sup>			2001 <sup>a</sup>		
	Employees	Rank	Percentage of Total Employment <sup>c</sup>	Employees	Rank	Percentage of Total Employment <sup>c</sup>
Horry County School District	4,400	1	3.50%	3,640	1	3.57%
Wal-Mart Associates, Inc.	2,100	2	1.67%			
Horry County Government	1,480	3	1.18%	1,361	3	1.33%
Grand Strand Regional Medical Center	1,280	4	1.02%	900	8	0.88%
Conway Medical Center	1,100	5	0.87%	980	7	0.96%
AVX Corporation	1,100	6	0.87%	2,121	2	2.08%
City of Myrtle Beach	1,076	7	0.85%	763	9	0.75%
Coastal Carolina University	984	8	0.78%			
Blue Cross/Blue Shield	825	9	0.66%	1,011	6	0.99%
Burroughs and Chapin	700	10	0.56%			
Sand Oceanfront Resort				1,200	4	1.18%
Myrtle Beach National				1,054	5	1.03%
Loris Hospital				711	10	0.70%
	<u>15,045</u>		<u>11.96%</u>	<u>13,741</u>		<u>13.47%</u>

Source: <sup>a</sup> Horry County Government

<sup>b</sup> Myrtle Beach Regional Economic Development

<sup>c</sup> SC Employment Security Commission



**HORRY COUNTY SCHOOLS  
EMPLOYEE STAFFING LEVELS AND  
STAFFING RATIOS FOR REGULAR TEACHERS,  
LAST EIGHT FISCAL YEARS**

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

**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
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
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
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
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
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
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
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
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

- Notes:** (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.

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

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Expenses (in Thousands)</b>	<b>Cost Per Pupil</b>	<b>Teaching Staff</b>	<b>Pupil - Teacher Ratio</b>	<b>Percentage of Students Receiving Free or Reduced Meals</b>
2001	28,379			2,029	13.99	54.77%
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%

**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<sup>a</sup></u>	<u>Maximum Salary<sup>a</sup></u>	<u>Average Contracted Salary<sup>a</sup></u>	<u>Statewide Average Salary<sup>b</sup></u>
2001	26,367	63,223	39,357	37,938
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

**Source:** <sup>a</sup> Horry County Schools' budget document and district records

<sup>b</sup> S.C. Department of Education Average Salary Summary file

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

<b>Fiscal Year</b>	<b>Child Development</b>	<b>Kindergarten</b>	<b>Elementary Grades 1-8</b>	<b>High School Grades 9-12</b>	<b>Total</b>
2000	420	1,932	17,637	7,714	27,703
2001	540	2,026	18,000	7,813	28,379
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

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

**HORRY COUNTY SCHOOLS  
CAPITAL ASSET INFORMATION,  
LAST TEN FISCAL YEARS**

**SCHEDULE 21**

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Schools</b>										
<b>Primary Buildings</b>										
Square Feet	216,291	184,041	184,041	184,041	184,041	184,041	224,185	224,185	224,185	224,185
Capacity	1,969	1,481	1,481	1,481	1,481	1,481	1,834	1,834	1,994	1,994
Enrollment	1,844	1,513	1,374	1,466	1,622	1,725	1,673	1,666	1,600	1,600
<b>Primary Portables Buildings</b>										
Square Feet										
Capacity										
Enrollment										
<b>Elementary Buildings</b>										
Square Feet	1,330,681	1,803,963	1,803,963	1,803,963	1,803,963	1,803,963	1,903,606	2,034,256	2,187,848	2,187,848
Capacity	11,661	12,862	12,862	12,862	12,862	12,862	13,612	14,680	18,249	18,249
Enrollment	11,476	12,346	12,408	12,122	13,150	14,100	14,631	15,192	15,571	15,571
<b>Elementary Portables Buildings</b>										
Square Feet										
Capacity										
Enrollment										
<b>Intermediate Buildings</b>										
Square Feet	78,290	78,290	78,290	154,544	154,544	154,544	177,465	177,465	177,465	177,465
Capacity	922	922	922	1,484	1,484	1,484	1,658	1,658	1,968	1,968
Enrollment	507	554	558	1,181	1,111	1,168	1,140	1,176	1,207	1,207
<b>Intermediate Portables Buildings</b>										
Square Feet										
Capacity										
Enrollment										
<b>Middle Buildings</b>										
Square Feet	1,011,994	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
Capacity	6,322	6,322	6,322	7,773	7,773	7,773	8,837	8,837	10,436	10,436
Enrollment	6,207	6,132	6,515	7,210	7,521	7,654	7,694	7,809	7,961	7,961
<b>Middle Portables Buildings</b>										
Square Feet										
Capacity										
Enrollment										
<b>High Buildings</b>										
Square Feet	1,562,863	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
Capacity	7,559	7,559	7,559	9,626	9,626	9,626	12,202	12,202	14,702	14,702
Enrollment	8,463	8,786	9,071	9,228	9,603	10,039	10,777	11,003	11,292	11,292
<b>High Portables Buildings</b>										
Square Feet										
Capacity										
Enrollment										
<b>Other Buildings</b>										
Square Feet	355,403	355,403	355,403	291,103	291,103	435,269	435,269	435,269	520,559	693,236
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,610	1,610	1,752	Unavailable
Enrollment										
<b>Other Portables Buildings</b>										
Square Feet										
Capacity										
Enrollment										

Source: District records.

## **SINGLE AUDIT SECTION**

# McGregor & COMPANY<sub>LLP</sub>

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	G.A. Farmer, CPA C.D. Hincee, CPA J.R. Matthews, II, CPA D.E. Knobloch, CPA L.M. Harrelson, CPA

## 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 unit, each major fund, and the aggregate remaining fund information of Horry County Schools as of and for the year ended June 30, 2010, which collectively comprise Horry County Schools' basic financial statements and have issued our report thereon dated November 30, 2010. 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 10-1). 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 10-1.

Horry County Schools' response to the findings 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.

Columbia, South Carolina  
November 30, 2010



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C.C. McGregor, CPA  
1906-1968

## PARTNERS

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

## ASSOCIATES

V.K. Laroche, CPA  
G.N. Mundy, CPA  
M.L. Layman, CPA  
P.A. Betette, Jr, CPA  
S. Wo, CPA

G.A. Farmer, CPA  
C.D. Hinchee, CPA  
J.R. Matthews, II, CPA  
D.E. Knobloch, CPA  
L.M. Harrelson, CPA

## 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, 2010. 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, 2010.

## 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.

Columbia, South Carolina  
November 30, 2010

**HORRY COUNTY SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**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:

<b>U. S. Department of Education</b>	<b>CFDA#</b>	<b>Expenditure</b>
Title I Cluster	84.010 and 84.389	\$ 13,513,000
IDEA Cluster	84.027, 84.173, 84.391 and 84.392	11,082,693
State Fiscal Stabilization Fund - ARRA	84.394	5,120,472
State Energy Grant - ARRA	81.041	<u>499,902</u>
		<u>30,216,067</u>
(x) Dollar threshold used to distinguish between Type A and Type B programs		\$ 1,477,697
(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, 2010**

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

**Internal Control**

**Finding 10-01 (Internal Control - Significant Deficiency)**

**Criteria:**

Section 8H of the OMB Circular A-87 indicates specific requirements for the support of federal salaries and wages. Where employees work on multiple activities or cost objects, a distribution of their salaries or wages should be supported by Personal Activity Reports (PARs). This is required when employees work on more than one federal award or a federal award and a non federal award. PARs must be prepared at least monthly, signed by the employee, account for the total activity for which the employee is compensated and reflect an after the fact distribution of the actual activity. This requirement also establishes methods to account for employees' salaries and wages charged entirely to federal programs.

**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.

**Causes:**

Procedures to ensure the District complies with Section 8H of the OMB Circular A-87 failed.

**Questioned Costs:**

Not Determined

**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.

**Compliance and Other Matters**

**Finding 10-01**

Repeat of Internal Control Finding 10-01 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, 2010**

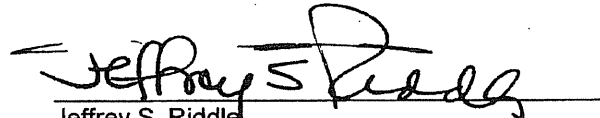
**Finding 10-01**

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

**Action Plan:** Management agrees with the auditors' recommendation and the new control procedure will be placed in service to ensure compliance.

**Anticipated  
Completion  
Date:**

Controls will be placed in service and should be functioning as intended during the fiscal year ending June 30, 2011.

  
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, 2010**

**Summary of Prior Year Findings**

**Finding 09-01**

**Condition/Effect:**

The District did not have required documentation to support all wages charged to the various non-major federal programs. Our sample of employees charged in part or in whole to federal programs resulted in 6 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, this finding was repeated. See Finding 10-1.

**HORRY COUNTY SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

LEA Subfund Code	Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
<b>U. S. Department of Agriculture</b>				
Pass-Through State Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
600	National School Lunch Program	10.555	103220	\$ 954,096
	Non-Cash Assistance Subtotal			<u>954,096</u>
Cash Assistance:				
600	School Breakfast Program	10.553	103220	3,889,436
600	National School Lunch Program	10.555	103220	<u>9,034,970</u>
	Cash Assistance Subtotal			<u>12,924,406</u>
	Total for Program (Cluster)			13,878,502
601	Food Service Equipment - ARRA	10.579	10SE049	25,000
670	Biodiesel Fuel Pilot Project	10.226	N/A	<u>19,139</u>
	<b>Total U. S. Department of Agriculture</b>			<u>13,922,641</u>
<b>U. S. Department of Education</b>				
Pass-Through State Department of Education:				
Title I Cluster **				
201	Title I - Grants to LEA's	84.010	10BA046	10,138,561
237	Title I - School Improvement	84.010	10BJ046	222,603
221	Neglected and Delinquent Children	84.389	10ND046	175,786
222	Title I - ARRA	84.389	10SA046	2,946,068
229	Title I - Neglected and Delinquent	84.389	10SN046	29,982
	Total Title I Cluster			<u>13,513,000</u>
IDEA Cluster **				
203	IDEA - Children with Disabilities	84.027	10CA046	8,295,332
204	IDEA - Extended School Year	84.027	10CA046	62,693
603	IDEA - Private Placement	84.027	10CA046	69,510
205	Special Education Pre-school Grant	84.173	10CG046	225,352
213	Personnel Development	84.173	10C0046	28,330
215	IDEA - ARRA	84.391	10SC046	2,265,887
216	Special Education Pre-school Grant - ARRA	84.392	10SG046	135,589
	Total IDEA Cluster			<u>11,082,693</u>
207	Vocational Education - (Subprogram 03)	84.048	10VA046	10,000
207	Vocational Education - (Subprogram 04)	84.048	10VA046	36,375
207	Vocational Education - (Subprogram 05)	84.048	10VA046	8,781
207	Vocational Education - (Subprogram 06)	84.048	10VA046	392,208
207	Vocational Education - (Subprogram 09)	84.048	10VA046	162,474
207	Vocational Education - (Subprogram 10)	84.048	10VA046	61,500
207	Vocational Education - (Subprogram 15)	84.048	10VA046	17,055
207	Vocational Education - (Subprogram 17)	84.048	10VA046	8,316
	Total CFDA 84.048			<u>696,709</u>
209	Drug and Violence Prevention Program	84.186	10FQ046	149,096
224	21st Century Community Learning Centers Program	84.207	10CL046	365,877
227	Homeless Education Assistance Act - ARRA	84.387	10SM046	22,263
241	Title V - Innovative Education Program Strategies	84.298	10BB046	10,942
243	Adult Education	84.002	10EA046	195,306
250	State Fiscal Stabilization Fund - ARRA **	84.394	10SF046	5,120,472

**HORRY COUNTY SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

LEA Subfund Code	Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
<b>U. S. Department of Education (Continued)</b>				
Education Technology Cluster:				
253	Ed Tech Title II	84.318	10ET046	\$ 105,773
254	E2T2 Ed Tech - ARRA	84.386	10SS046	121,908
	Total Education Technology Cluster			<u>227,681</u>
264	ESOL Title III	84.365	10BP046	134,809
267	Improving Teacher Quality	84.367	10TQ046	1,351,100
601	Teen Lead Initial Funding Grant	84.215	09FL046-01	<u>6,844</u>
	Total Passed-Through State Department of Education			<u>32,876,792</u>
Direct Programs				
640	Discovery of American History	84.215X	N/A	261,954
641	Safe School/Health Students	84.184L	N/A	<u>745,124</u>
	<b>Total U. S. Department of Education</b>			<u>33,883,870</u>
<b>U. S. Department of Labor</b>				
Pass-Through Waccamaw Council of Government				
615	Workforce Investment Act Incentive	17.267	N/A	
651	Workforce Investment Act - Youth	17.267	N/A	81,630
652	Workforce Investment Act - Youth Summer	17.267	N/A	81,667
663	Workforce Initiative - Adult Education	17.267	N/A	80,480
664	Workforce Initiative - Adult Education Summer	17.267	N/A	46,517
	Total CFDA 17.267			<u>290,294</u>
	<b>Total U. S. Department of Labor</b>			<u>290,294</u>
<b>U. S. Department of Defense</b>				
Direct Program				
100	Navy ROTC	12.000	N/A	276,752
100	Army ROTC	12.000	N/A	311,139
100	Air Force ROTC	12.000	N/A	<u>71,954</u>
	<b>Total U. S. Department of Defense</b>			<u>659,845</u>
<b>U. S. Department of Energy</b>				
Pass-Through SC Budget and Control Board				
680	State Energy Grant - ARRA **	81.041	N/A	<u>499,902</u>
	<b>Total U. S. Department of Energy</b>			<u>499,902</u>
	<b>Total Federal Awards Expended</b>			<u><u>49,256,552</u></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, 2009 through June 30, 2010, 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.