

**HORRY COUNTY SCHOOLS  
CONWAY, SOUTH CAROLINA**

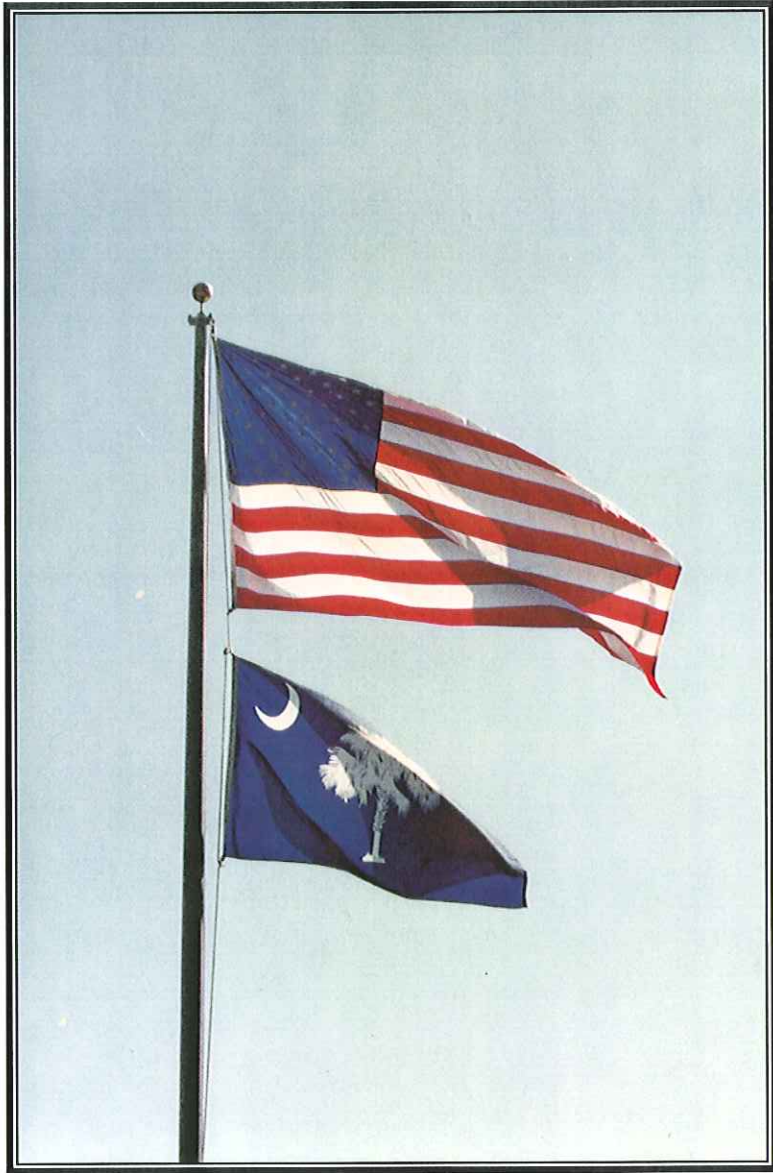
**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2008**

**Prepared By:**

**Fiscal Services**

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



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## Horry County Schools

November 28, 2008

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

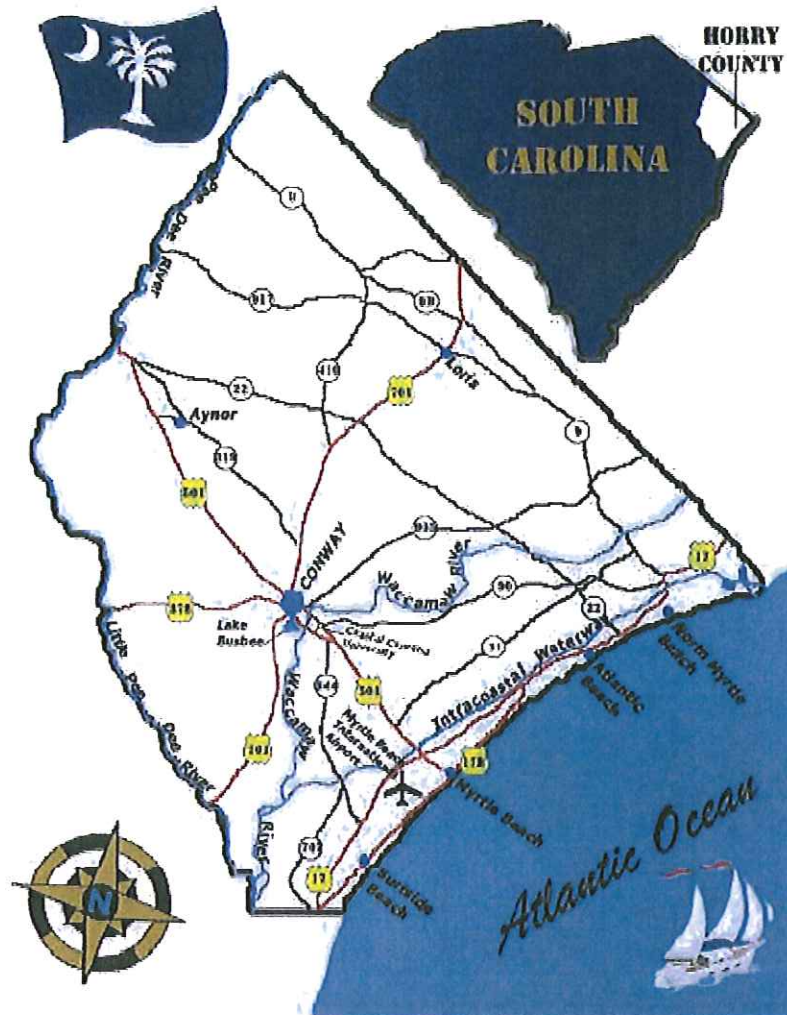
The Comprehensive Annual Financial Report (CAFR) of the Horry County Schools (the District) for the fiscal year ended June 30, 2008, is hereby submitted. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including all disclosures, rests with 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 1,145 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 249,925 people.



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

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

The District has nine attendance areas: Myrtle Beach, Conway, Socastee, North Myrtle Beach, Loris, Aynor, Green Sea-Floyds, St. James, and Carolina Forest. Each area consists of a high school and the middle and elementary schools that feed into it. The District operates a total of 47 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 36,779.

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, 2008, 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, 2008, 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.

### ***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 benefit plans and one is a defined contribution 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 contribution plan. The Systems' defined contribution 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**

To date, the South Carolina economy had held up relatively well. During the recession of 2001, the state's economy was battered by significant losses in manufacturing. At the time, the state's economy was sliding into recession earlier than the U.S. The Palmetto state's reliance on manufacturing contributed to the severity of the last recession, while it turns out that our manufacturing presence has actually helped dampen job losses during the current slowdown. This is largely due to the recent resurgence of U.S. export activity. Overall, total employment in South Carolina grew 2.3 percent during 2007 – more than twice the national average of 1.1 percent. During the first quarter of 2008, job growth in the state stood at 1.1 percent compared to 0.9 percent for the U.S. A look at the major sectors in South Carolina suggests that the fastest growth has been in health care, leisure and hospitality, professional and business services, wholesale trade, and financial activities. However, the state's manufacturing sectors actually turned in their best year for job growth since 2000. In durable goods industries jobs grew 2.1 percent in 2007, while jobs in nondurable goods industries declined by 4.6 percent. That may not sound impressive, but it does mark the slowest rate of job loss in these sectors since 2000. Part of this relative strength of manufacturing recently is due to the growth of exports in response to the weak dollar.

The South Carolina Department of Commerce recently reported that exports from South Carolina grew 21.6 percent in 2007. While the state's exports are helping prop up the state's economy; the forecast for the coming year does indicate a substantial slowdown in economic growth. Total employment growth is currently expected to slow to about 1.1 percent for all of 2008. Total personal income and per capita income are also expected to experience slower growth in 2008. Meanwhile, the state's housing market is projected to see another year of declines in terms of construction activity. However, some stabilization and a rebound in home sales later this year should lead to a gradual return to growth in construction late in 2008 and through 2009. Overall, South Carolina is experiencing a sluggish economy, but this slowdown is not currently expected to lead to the substantial job losses that we saw during the early 2000s.

The Grand Strand economy will clearly be facing quite a test in the coming months as our tourism-driven economy comes face-to-face with a slew of negative factors. However, the current forecast for the area suggests a year of modest growth for indicators ranging from total employment to retail sales and accommodations taxes. In terms of employment, for example, the area is expected to see job growth of 2.4 percent for all of 2008. This is down from the 3.4 percent growth in 2007, but would be second only to Florence among the state's metro areas. While the overall outlook is fairly optimistic for the local area, what follows is a brief overview of the various negative and positive factors expected to affect the Grand Strand for the coming summer.

On the negative side, the major factors affecting travel and tourism include the overall slowdown in economic growth, the loss of household wealth due to the housing slump, high gas prices, and the rippling impacts of higher gas prices into broader inflation. With gas prices averaging well above \$3.00 per gallon and facing already high debt levels and low savings rates,

households need to make adjustments. One of those adjustments may well be shorter trips and/or less spending on recreation during those trips this summer.

Not all regions of the U.S. are experiencing similar economic weakness. There are areas of the country faring relatively well, especially in energy-producing states such as Texas. However, several important origin markets for Myrtle Beach, such as Midwestern and Northeastern states, are facing weaker economic conditions.

However, there are important positive factors as well. Despite the slowdown in economic growth, we have yet to see the large-scale job losses that characterized the previous recession in 2001. In part, the relative resilience of labor markets can be traced to the fact that export activity from the U.S. has been surging thanks to the depreciation of the dollar. Also on the plus side, we've had a tremendous amount of monetary stimulus from the Federal Reserve, both in the form of interest rate cuts and several rounds of additional injections of liquidity targeted directly towards easing financial market strains.

Another important positive factor is the overall resilience of U.S. households. Despite the waves of negative news reports and anxiety, families will continue to travel this summer. Further, while some of these families will indeed be forced to take shorter trips and spend less on their vacations, these very trends can work in Myrtle Beach's favor as families opt out of traveling to farther and more expensive destinations.

Next, families will be receiving tax rebate checks from the Federal Government over the coming weeks and months. While the overall merit of this economic stimulus can be debated, in the short-term these rebate checks should boost travel related spending this summer, especially given the near-perfect timing of checks arriving during the late spring and early summer. Finally, the Myrtle Beach area has several large-scale additions to its mix of attractions in Market Common and Hard Rock Park. While it remains to be seen what impact these have on attracting new visitors and raising the level of spending in the area, they have both generated substantial buzz and should do well even with the heightened level of economic uncertainty.<sup>a</sup>

## **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 most recent update of the Strategic Plan was completed in spring 2005. Through this planning process, the needs and challenges facing the District through 2010 will be met.

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<sup>a</sup> Source: Dr. Donald Shunck, BB&T Center for Economic and Community Development at the E. Craig Wall Sr., College of Business Administration, Coastal Carolina University.

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 9,000 students. Of the District's 47 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 36,779 students in fiscal year 2007-08 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.

On November 2, 2004, a \$240 million bond referendum was approved for additional schools and renovations. The list of projects in Horry County Schools' Phase III Building Program includes six new schools and additions and renovations to 20 others.

Even as construction continues on the Phase III Building Program, the District is currently assessing its facilities and has ranked future needs based on educational and technical requirements, projected growth (new facilities), and the capacity of existing buildings.

## **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 2008 school year by winning numerous honors and awards.

- HCS was the first school district in SC to earn SACS accreditation under a new district review process.
- HCS met 81 percent of Adequate Yearly Progress (AYP) objectives under No Child Left Behind.
- SAT scores are 20 points above the state average and within 12 points of the national average.
- The District's performance on the Palmetto Achievement Challenge Test has consistently been higher than the state at all grade levels.

- The SC Education Oversight Committee recognized schools throughout the state for significantly improving the performance of low-achieving students. Twelve of those were District Schools.
- Ten schools received state honors as Palmetto Gold and Palmetto Silver award winners for academic improvement on the Palmetto Achievement Challenge Test.
- 209 HCS teachers hold National Board Certification.
- Schools' performance on 2007 Advanced Placement exams show 17 percent more Horry County Schools' students participated in AP courses and took AP exams than in 2006.
- Aynor High School and Socastee High School both offer the International Baccalaureate Program.
- Twelve schools have been awarded Red Carpet Schools Awards.
- Seven schools have been named National Blue Ribbon Schools of Excellence by the U.S. Department of Education.
- Nine of the District's primary, elementary, and middle schools have been named Palmetto's Finest.
- In the last decade, the District has had: the state's outstanding high school principal, distinguished elementary school principal, and middle school assistant principal of the year; the state's outstanding school superintendent; the state's top chemistry teacher, athletic director, speech clinician, biology teacher, technology teacher, adult ed teacher, dance teacher, Spanish teacher, health occupations teacher, hospitality & tourism teacher, vocational education teacher, student council advisor, American history teacher, FHA advisor, speech / hearing program, teacher of autistic students, Southern Interscholastic Press Association's Administrator of the Year, and Learning Disabilities Teacher of the Year.

#### **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.

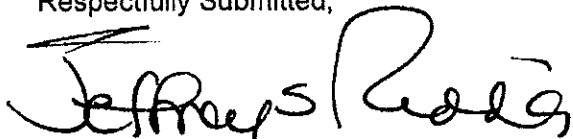
- Since the mid-1990's, the District invested nearly \$500 million in new and renovated facilities. Twenty-one new schools have been built, and two new attendance areas have been added.
- Horry County Schools is the fastest growing, and the 3rd largest overall, among South Carolina's 85 school districts. During the last decade, it has grown by 10,000 students, almost 50 percent of which occurred during the last three years.
- The District has received the **Distinguished Budget Presentation Award** from the Government Finance Officers Association for the last eight years 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 seven 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 seven 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 2008 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**

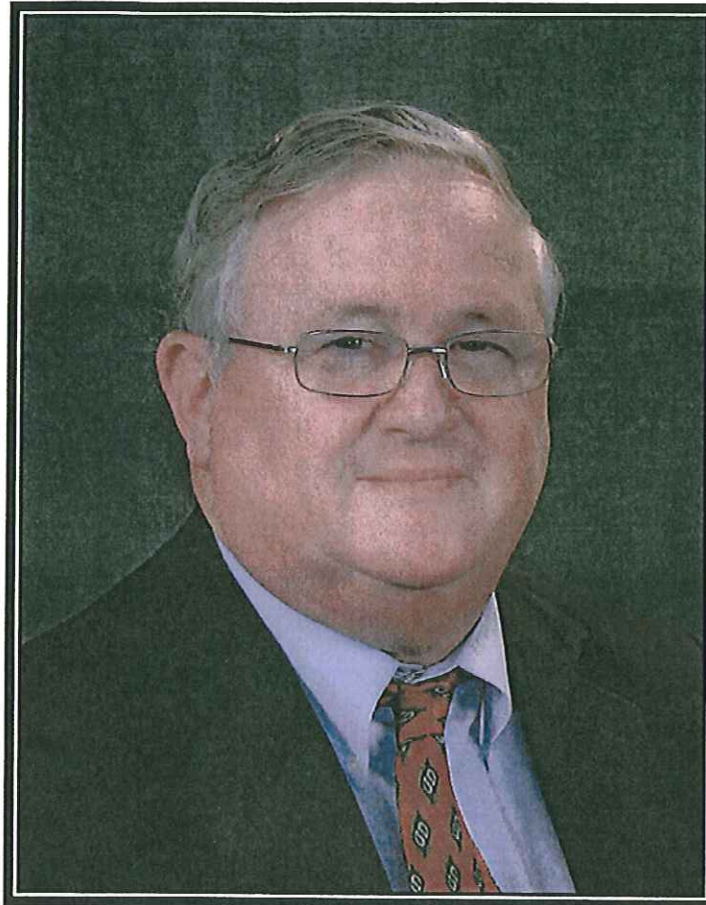
**JUNE 30, 2008**

**BOARD OF EDUCATION**

- Will Garland ..... Chairperson
- Harvey Eisner..... District 1
- Mary Ellen Greene ..... District 2
- Joe J. Defeo..... District 3
- Kay Loftus ..... District 4
- Dr. Paul Peterson..... Vice Chairperson - District 5
- Pam C. Timms ..... District 6
- Paul B. Hudson ..... District 7
- William Graham ..... District 8
- Ronald G. Bessant ..... District 9
- Chris Shannon ..... District 10
- Charles Hucks, Jr..... District 11

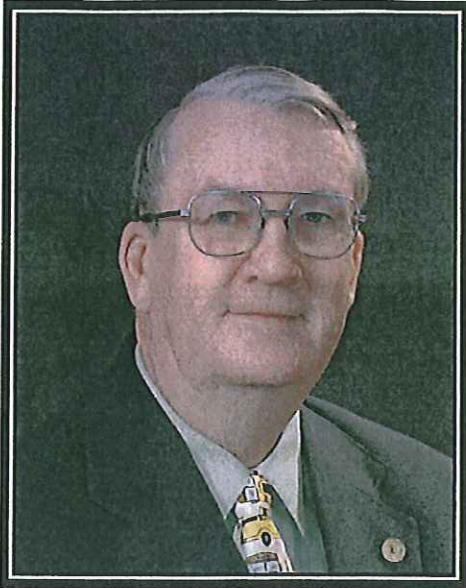
**ADMINISTRATION OFFICIALS**

- Dr. Bobby Nalley ..... Acting Superintendent
  
- Leon Hayes.....Chief Support Services Officer
- Eddie Rodelsperger..... Chief Construction Management Officer
- Cynthia Ambrose..... Chief Academics Officer
- Jeffrey S. Riddle..... Chief Finance & Human Resources Officer
- Edward Boyd.....Chief Information & Accountability Officer
- Dr. Bill Latham.....Chief Policy & Procedural Issues Officer
- Carolyn J. Chestnut..... Chief Instructional Support Officer



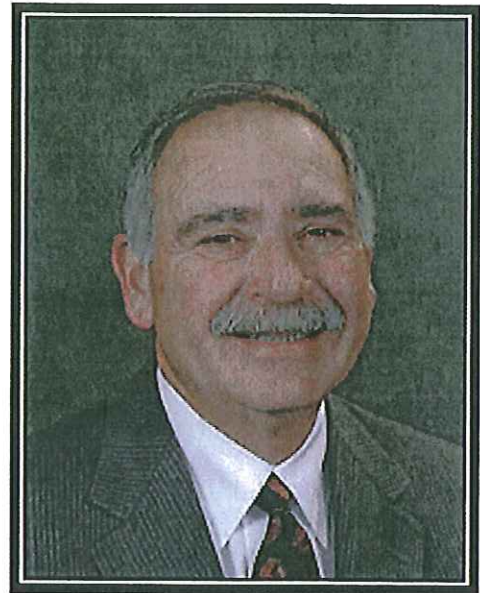
***Dr. Bobby Nalley, Acting Superintendent** - Dr. Nalley was appointed Acting Superintendent by the Horry County Schools Board of Education on August 1, 2006. Dr. Nalley has 35 years of experience in public education and has served as the Chief Support Services Officer for seven years supervising six divisions. Prior to serving at the district level, Dr. Nalley was the principal of Loris High School for 22 years. Earlier, he was an assistant principal, teacher, and coach at the same school. He served four years in the United States Air Force following his graduation from The Citadel in 1967 with a Bachelor of Arts degree. Dr. Nalley later earned a Master of Arts in Teaching degree at The Citadel in 1973 and a doctoral degree from Nova University in 1984.*





**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, 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, Vice-Chairperson, 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, a student at St. James High School.





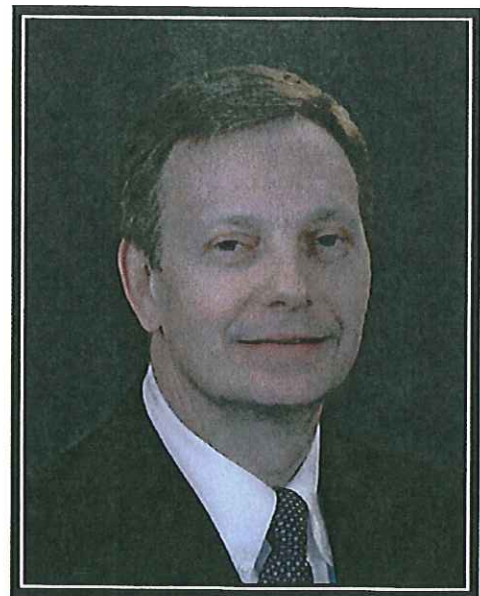


**Pamela C. Timms, District 6** – Pam Timms has been a member of the Horry County Schools Board of Education since November, 1998. A native of Horry County, Mrs. Timms is a 1972 graduate of Myrtle Beach High School and attended Coastal Carolina's school of nursing program from 1973-76. She is self-employed 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.

**William Graham, District 8** – A former member of the Conway City Council, Bill Graham was elected to the Board in November, 1996. He received his Bachelor of Arts degree in Political Science from the University of South Carolina and is employed as Conway City Administrator. Mr. Graham and his wife, Brenda have three daughters - Allyson, Emily, and Julia, and three granddaughters.







**Ronald G. Bessant, District 9** – Ronald Bessant has been a member of Horry County Schools Board of Education since November 1990. Mr. Bessant is presently Vice-President of the S. C. School Boards Association and serves on the SCSBA Board of Directors. He is a graduate of Conway High School and attended Coastal Carolina University. He is employed with Embassy Suites. A native of Horry County, Mr. Bessant and his wife, Katie have three children and five grandchildren.

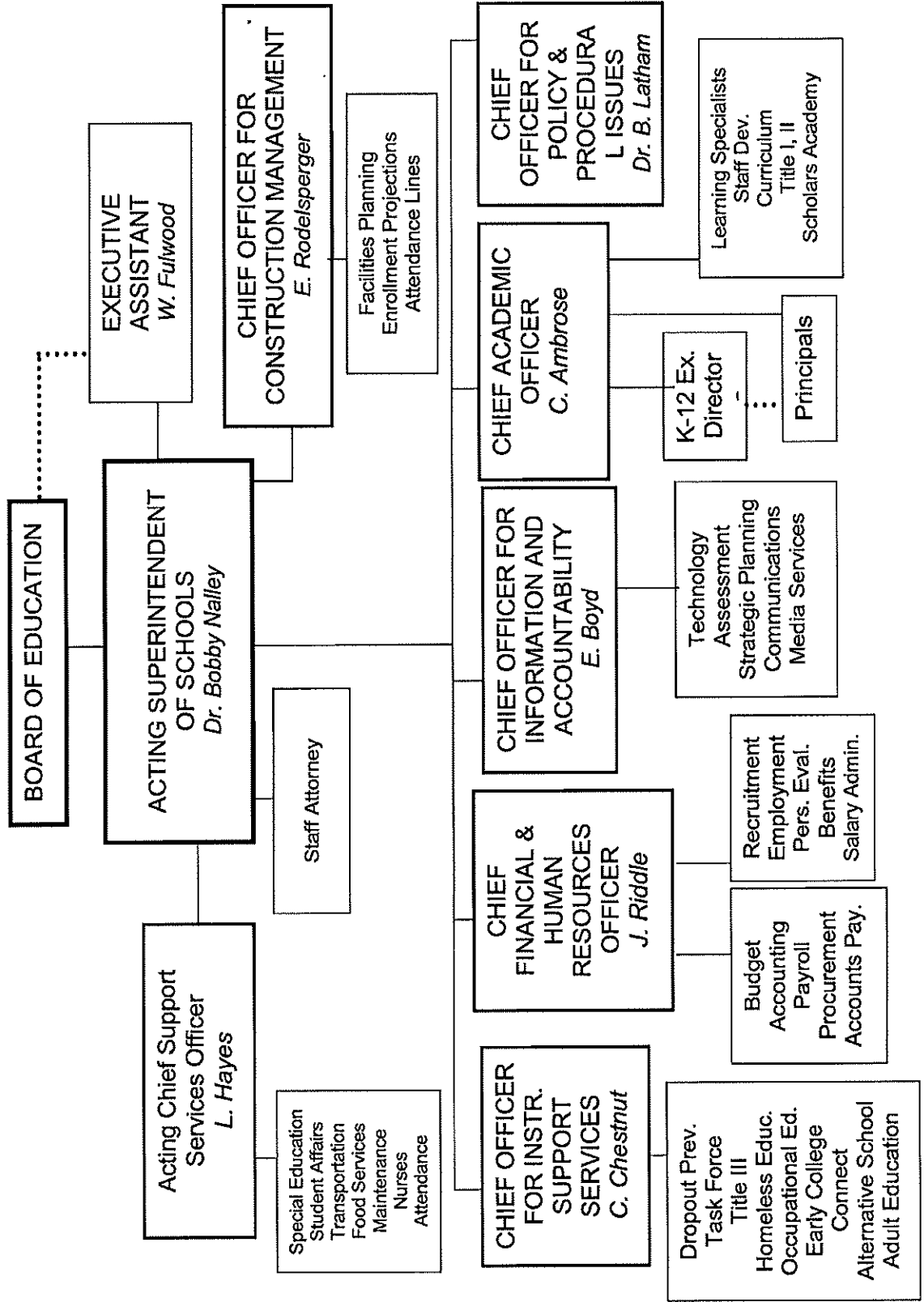
**Chris Shannon, District 10** – Chris Shannon was elected to the Horry County Schools Board of Education in November 2002. He graduated from Loris High School in 1990, received a B.S in Business Administration in 1994 from the University of South Carolina, and graduated from the S. C. Bankers' School in 2000. He is currently employed with Jonah, LLC. Mr. Shannon is a member of Mt. Vernon Baptist Church, Gideons International, Waccamaw Breakfast Club and the Masonic Lodge. Mr. Shannon and his wife, Julie have a daughter, Courtney and a son, Luke.



**Charles Hucks, Jr., District 11** – Charles Hucks, Jr. was elected to the Board of Education in November 2002. He received a Bachelor's degree in Engineering from Clemson University in 1984 and a Masters degree from Texas A&M University in 1994. He is currently a Vice President of Technology for the Burroughs & Chapin Co., Inc. Mr. Hucks is a native of Horry County and is an active member of the First United Methodist Church of Conway, the Rotary Club of Conway, and is active with United Way. Mr. Hucks and his wife, Katherine have a daughter, Mattie, and a son, Collin

# Organizational Chart

## Horry County Schools



**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, 2007

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

*Ermine E. Brendel*

President

*John D. Munn*

Executive Director

# 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, 2007

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.



*Oliver S. Cox*

President

*Jeffrey R. Emmer*

Executive Director

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

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1906-1968

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W.W. Francis, CPA

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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

## 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 funds, the aggregate remaining fund information, and budgetary comparison information of Horry County Schools (The District) as of and for the year ended June 30, 2008, 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 an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and budgetary comparison information of the District as of June 30, 2008, 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 a report dated November 20, 2008, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

The Management's Discussion and Analysis on pages 21 through 32 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Horry County School's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose 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 basic financial statements of Horry County Schools. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic 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.

*M<sup>c</sup>Gregor & Company, LLP*

Columbia, SC  
November 20, 2008



**HORRY COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2008**

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, 2008. 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 \$38 million which represents a 17 percent increase from fiscal year 2007 as a result of current year funding used for capital additions and debt service.
- Our principal operating fund, the General Fund, had \$295.4 million in fiscal year 2008 revenues, which primarily consisted of state aid and property taxes. In addition, the General Fund had \$6 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 \$284.9 million in expenditures, as well as \$1.9 million in other financing uses.
- The General Fund's fund balance increased from \$45.7 million as of June 30, 2007 to \$60.3 million as of June 30, 2008. The increase in fund balance can be largely attributed to additional tax revenue received from the addition of 8.0 mills to meet the Education Improvement Act maintenance of local effort requirement, the unanticipated growth in real property not previously taxed, and additional interest income received due to a healthy fund balance. Budget center managers have also assisted in monitoring expenditures resulting in savings in operational costs.
- The District's total debt increased by \$50.9 million during FY 2008. The key factor in this change was the issuance of \$90 million general obligation debt. \$45 million of this issue was the final installment of a \$240 million voter approved bond referendum. The District also issued an additional \$40 million for scope changes to the Phase III Building Program. The remaining \$5 million was used to construct, improve, equip, and renovate school buildings and other school facilities.
- The District currently has a Standard & Poor's underlying rating of AA- and a Moody's Investor Services underlying rating of Aa3.
- In continuation of the \$240 million Phase III Building Program, one elementary school and six renovations to schools were completed and occupied during the 2007-08 fiscal year.
- The District's only Proprietary Fund is the Food Service Fund. The fund ended the year with revenues and transfers exceeding expenses by \$590,593 and total net assets equaling \$3,491,228.

## 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 47.

The government-wide financial statements are included on pages 33 and 34 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 36 and 38.

**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 47 - 60.

**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 \$262.2 million as of June 30, 2008.

The following table presents a comparative analysis of the District's net assets for the fiscal years ended June 30, 2008 and June 30, 2007.

<b>Net Assets</b>						
(Amounts expressed in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 212,641	\$ 176,147	\$ 2,266	\$ 2,239	\$ 214,907	\$ 178,386
Capital assets, net	556,151	521,347	1,282	733	557,433	522,080
<b>Total assets</b>	<b>768,792</b>	<b>697,494</b>	<b>3,548</b>	<b>2,972</b>	<b>772,340</b>	<b>700,466</b>
Current liabilities	63,579	82,779	36	46	63,615	82,825
Long-term liabilities	446,490	393,450	21	25	446,511	393,475
<b>Total liabilities</b>	<b>510,069</b>	<b>476,229</b>	<b>57</b>	<b>71</b>	<b>510,126</b>	<b>476,300</b>
<b>Net assets</b>						
Invested in capital assets, net of related debt	93,916	111,071	1,282	733	95,198	111,804
Restricted	100,048	59,646	-	-	100,048	59,646
Unrestricted	64,759	50,549	2,209	2,168	66,968	52,717
<b>Total net assets</b>	<b>\$ 258,723</b>	<b>\$ 221,266</b>	<b>\$ 3,491</b>	<b>\$ 2,901</b>	<b>\$ 262,214</b>	<b>\$ 224,167</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 2004 through 2008.

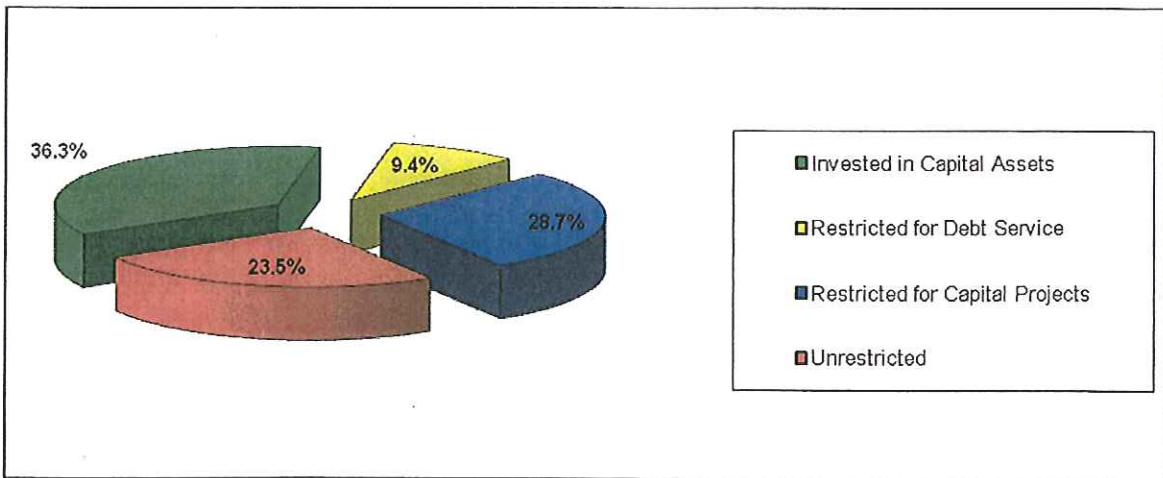
<b>Net Assets By Component</b>					
(Amounts expressed in thousands)					
	2004	2005	2006	2007	2008
Governmental Activities	\$ 151,839	\$ 161,036	\$ 193,927	\$ 221,266	\$ 258,723
Business - Type Activities	680	1,526	2,456	2,901	3,491
<b>Total Primary Government</b>	<b>\$ 152,519</b>	<b>\$ 162,562</b>	<b>\$ 196,383</b>	<b>\$ 224,167</b>	<b>\$ 262,214</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 2008-09. As previously mentioned, the District is currently undertaking 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 \$42.1 million increase in cash and investments is primarily due to the collection of additional property tax revenues and the net change in current liabilities.
- The \$50.9 million increase in outstanding general obligation debt.
- The \$7.5 million increase in receivables and amounts due.
- The \$5.0 million decrease in retainage payable.
- The net addition of \$45.4 million in capital assets through construction of school improvements, and purchases of furniture, equipment and vehicles less current depreciation of \$11 million.

**Changes in net assets.** The District's total revenues for the fiscal year ended June 30, 2008 were \$426.9 million. The total cost of all programs and services before transfers was \$388.8 million. The following table presents a comparative analysis of changes in net assets for the fiscal years ended June 30, 2008 and June 30, 2007.

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 4,196	\$ 4,697	\$ 5,956	\$ 5,773	\$ 10,152	\$ 10,470
Operating grants and contributions	139,410	132,668	11,263	10,294	150,673	142,962
General revenues						
Property taxes	208,068	194,653	-	-	208,068	194,653
State aid	43,941	18,991	-	-	43,941	18,991
Other	14,020	10,098	1	16	14,021	10,114
<b>Total revenues</b>	<b>409,635</b>	<b>361,107</b>	<b>17,220</b>	<b>16,083</b>	<b>426,855</b>	<b>377,190</b>
<b>Expenses</b>						
Instruction	221,252	201,947	-	-	221,252	201,947
Support services	125,367	109,570	-	-	125,367	109,570
Community services	1,123	1,013	-	-	1,123	1,013
Intergovernmental	2,843	2,824	-	-	2,843	2,824
Pupil Activities	470	335	-	-	470	335
Interest on long-term debt	20,084	17,849	-	-	20,084	17,849
Food service	-	-	17,668	15,869	17,668	15,869
<b>Total expenses</b>	<b>371,139</b>	<b>333,538</b>	<b>17,668</b>	<b>15,869</b>	<b>388,807</b>	<b>349,407</b>
Increase (decrease) in net assets before transfers	38,496	27,569	(448)	214	38,048	27,783
Transfers	(1,039)	(230)	1,039	230	-	-
Increase (decrease) in net assets	37,457	27,339	591	444	38,048	27,783
Net assets July 1	221,266	193,927	2,900	2,456	224,166	196,383
Net assets June 30	\$ 258,723	\$ 221,266	\$ 3,491	\$ 2,900	\$ 262,214	\$ 224,166

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

- Operating grants and contributions increased primarily due to additional funding received from the Education Finance Act. This increase is attributable to additional funding for the base student cost and the District's growth in student population. Also, the District received additional state and federal funds designated for specific educational opportunities.
- State aid increased due to the initial implementation of ACT 388. The ACT provides a 100 percent exemption from school operating tax for residential owner occupied property. For 2007-08, the State will fully reimburse districts the foregone amount. The District received \$24,842,695 in 2007-08; however, future payments will be "frozen" at the 2007-08 actual reimbursement with a proportionate share of the growth in the State entitlement.
- Property tax revenue increased primarily due to the addition of 8 mills in the General Fund and the unanticipated growth in real property not previously taxed. The District also incurred an 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.

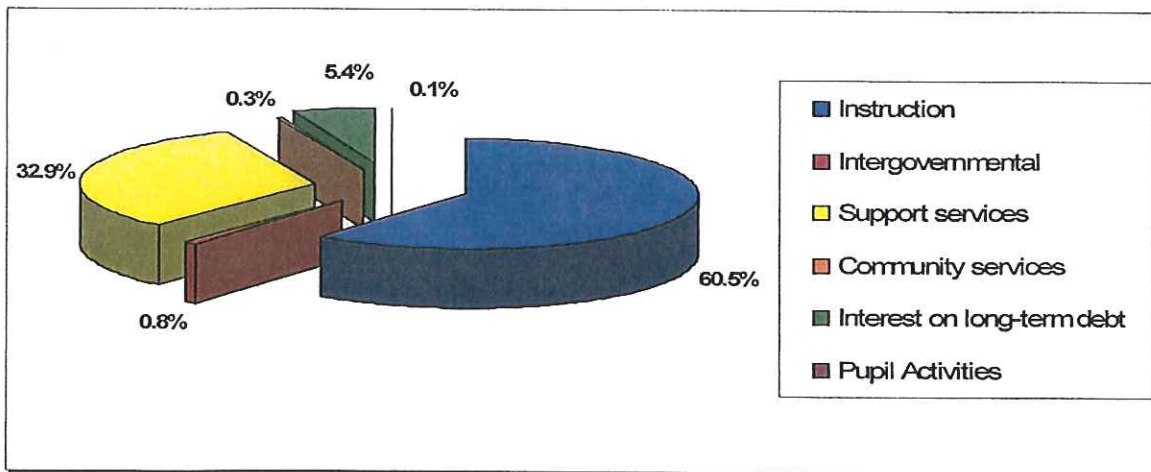
**Governmental activities.** The following table presents the cost of the six major District functional activities: instruction, support services, community services, intergovernmental, pupil activities, and interest on long-term debt for the fiscal years ended June 30, 2008 and June 30, 2007. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District taxpayers by each of these functions.

**Governmental Activities**  
(Amounts expressed in thousands)

	2008		2007	
	Total Expenses	Net (Expense) Revenue	Total Expenses	Net (Expense) Revenue
Instruction	\$ 221,252	\$ (131,222)	\$ 201,947	\$ (116,761)
Support services	125,367	(73,415)	109,570	(59,005)
Community services	1,123	(667)	1,013	(587)
Intergovernmental	2,843	(1,675)	2,824	(1,636)
Pupil Activities	470	(470)	335	(335)
Interest on long-term debt	20,084	(20,084)	17,849	(17,849)
<b>Total expenses</b>	<b>\$ 371,139</b>	<b>\$ (227,533)</b>	<b>\$ 333,538</b>	<b>\$ (196,173)</b>

- The cost of all governmental activities this fiscal year was \$371.1 million.
- Operating grants, capital grants, and charges for services subsidized certain programs in the amount of \$143.6 million.
- Net cost of governmental activities, \$227.5 million was financed by general revenues, which are made up primarily of property taxes in the amount of \$208.1 million and state aid of \$43.9 million. Unrestricted grants/other contributions and other revenue accounted for \$14 million. In addition, a transfer of \$1 million was made to the Proprietary Fund.

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



## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

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

The General Fund is the principal operating fund of the District. As mentioned previously, the increase in fund balance in the General Fund for the fiscal year was \$14.6 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 \$36.5 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 \$28.7 million which represents 9.5 percent of the ensuing year's General Fund revenue. The unreserved and undesignated fund balance of \$7.8 million is available for future Board initiatives.

The Debt Service fund balance showed a decrease of \$7.3 million from the prior year. In the preparation of the 2007-08 capital funding plan, the District projected to utilize a portion of reserves in the structure of the \$90 million general obligation bond issue. The District structured the issue as 2007B: \$68.8 million and 2007C: \$21.2 million. The \$21.2 million bond was subsequently disposed in March 2008. 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 showed a fund balance increase of \$47.7 million. This increase is primarily due to the issuance of \$90 million general obligation debt. As capital projects may span fiscal years, these resources are reserved for future 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 the contribution of food service equipment purchased from the Capital Projects and General Fund in the amount of \$675,217.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The net change between the General Fund's original budget and final budget (\$4.5 million) is primarily due to the prior year designations of fund balance for school carryover budgets and other subsequent years' expenditures. In addition, the Board of Education approved additional funding from the 2007-08 undesignated and unreserved fund balance for new teaching positions necessary for increased student growth, increasing the gold and silver incentive awards, and other unanticipated fixed costs.

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, 2008, the District had invested \$682.7 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 \$125.3 million including current depreciation expense of \$11.1 million for the year.

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2008 and June 30, 2007.

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 18,703	\$ 18,733	\$ -	\$ -	\$ 18,703	\$ 18,733
Buildings and improvements	356,420	312,456	-	-	356,420	312,456
Improvements other than buildings	6,815	5,840	-	-	6,815	5,840
Autos and trucks	1,488	698	-	-	1,488	698
Machinery and equipment	6,633	4,714	1,283	733	7,916	5,447
Construction in progress	166,092	178,906	-	-	166,092	178,906
Total	<u>\$ 556,151</u>	<u>\$ 521,347</u>	<u>\$ 1,283</u>	<u>\$ 733</u>	<u>\$ 557,434</u>	<u>\$ 522,080</u>

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 \$451.4 million in general obligation bonds outstanding, of which \$38.5 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, 2008 and June 30, 2007.

### Outstanding Debt (Amounts expressed in millions)

	2008	2007
8% General obligation debt	\$ 36.5	\$ 21.2
Referendum general obligation debt	414.9	379.3
Total	<u>\$ 451.4</u>	<u>\$ 400.5</u>

State statutes currently limit the amount of general obligation debt a District may issue to 8 percent of its total assessed valuation. The current debt limitation for the District is \$106.1 million. Additional information on the District's long-term debt can be found in Note 10 of this report.

## **ECONOMIC FACTORS**

On November 4, 2008, 67 percent of Horry County voters elected to add a penny of sales tax as a way to roll-back property taxes for debt service and create an additional revenue stream to support capital needs for schools. The penny is expected to generate more than one billion dollars over 15 years and will be shared among Horry County Schools, (80 percent); Coastal Carolina University (13.3 percent) and Horry Georgetown Technical College (6.7 percent).

Currently, the capital needs for K-12 public schools are paid for solely by property taxes. The 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 will allow the school district to reduce the debt service millage from 28 to 24 mills in 2009 and further reduce the millage to 10 mills by 2010. 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 will be collected beginning in March of 2009 and does not apply to groceries, gasoline or prescription drugs.

## **NEXT YEAR'S BUDGET**

The 2008-09 comprehensive budget as proposed by the administration represents months of involvement by various stakeholders. This process began in December, 2007 when the Board of Education established its priorities for the 2008-09 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.

Personnel costs are by far the largest expenditure of the District. Recognizing that recruiting and retaining highly qualified staff is instrumental to the success of the District, this budget continues the Board approved signing bonus program to attract instructional staff in critical teaching need areas.

The District is expecting to serve approximately 890 new students when school begins in August. Funding is included in the budget to accommodate the instructional needs of these students as well as to provide services to newly identified special needs, gifted, and non-English speaking students.

The District will incur additional operating expenses for the 2008-09 fiscal year. These include property insurance, retirement, utilities, and maintenance of facilities. Additionally, the 2008-09 funding plan incorporates a 3.85 percent cost of living adjustment as well as the applicable step increases for all employees.

The 2008-09 State funding plan for public education presents unique challenges for all school districts in South Carolina. Recent announcements by the Board of Economic Advisors have projected a downturn in the economic outlook for the State. This impact is currently being felt as the State reduces current allocations for several Education Improvement Act programs and announced a delay in future payments funded from the one cent sales tax passed in 1984.

Also, there has been a proliferation of ideas discussed about educational funding that could have serious implications on the district. Among them are:

- Revising the computation of the Index of Tax Paying Ability to exclude owner occupied property. The district could lose up to \$7.4 million in Education Finance Act revenue if the index is revised.
- Suspend the Education Improvement Act maintenance of local effort statute for 2008-09. Based on current estimates, the district would need to add 3.7 mills to meet this requirement for 2008-09. ACT 388 limits millage increases to the percent of growth in CPI and the population growth of the County. When the suspension is lifted, the district may not be able to meet the maintenance of local effort requirement.
- Modify the provision in the one cent sales tax for property tax relief (ACT 388) that allows reassessment at "point of sale". The district would not receive \$15.8 million for operations and \$5 million for debt service under the current law.

On a positive note, the county experienced greater growth in previously untaxed property during the 2007 tax year than was projected. This growth coupled with additional interest income is projected to increase the district's General Fund beginning fund balance by approximately \$12.8 million. This budget incorporates this adjustment to the tax base and anticipates that new properties not subject to ACT 388 will increase by an additional 5% for the 2008-09 fiscal year.

Revenue projections on the Special Revenue and Education Improvement Act Funds are based on the Senate Finance Committee version of the state budget, where appropriate. Otherwise, projections are based on the current year allocations. There are categories within the Special Revenue and EIA Funds which are projected to have carryover funds at the close of the 2007-08 fiscal year. These funds are targeted to provide academic assistance to students. These carryover funds are identified in the supplemental special revenue report which is included as a section in the 2008-09 Budgets by Location notebook.

As discussed above, ACT 388 limits future millage increases to the percent of growth in CPI and the population growth of the County. Based on recent information, the CPI is 2.9 percent and the population increase for the County is 4.2 percent. Under this statute, the district cannot exceed an 8.2 mill increase for operations.

The District administration is pleased to provide to the Board of Education the comprehensive budget for 2008-09. This budget does not include a millage increase for 2008-09; however, the staff will monitor current legislation to determine compliance with maintenance of local effort.

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 2008-09 and 2007-08.

	<b>2008-09</b>	<b>2007-08</b>	<b>Change</b>
Governmental Funds Budget (total)	\$ 475,902,700	\$ 477,656,621	\$ (1,753,921)
General Fund	308,529,989	287,464,535	21,065,454
Special Projects Fund	29,992,229	27,317,247	2,674,982
Education Improvement Act Fund (EIA)	26,429,383	25,213,916	1,215,467
Debt Service Fund	43,913,574	43,467,480	446,094
Capital Projects Fund	67,037,525	94,193,443	(27,155,918)
Millage required for General Fund	115.3 mills	115.3 mills	(No change)
Millage required for Debt Service	28.0 mills	28.0 mills	(No change)
Total millage required	143.3 mills	143.3 mills	(No change)
Student enrollment	37,876	36,986	890

\* Actual 2007-08 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, 1605 Horry Street, Conway, South Carolina 29527-6005.

# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE AND FUND  
FINANCIAL STATEMENTS**

**HORRY COUNTY SCHOOLS**  
**STATEMENT OF NET ASSETS**

JUNE 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	Charter School
<b>Assets</b>				
Cash and Investments	\$ 176,145,231	\$ 2,000,513	\$ 178,145,744	\$ 294,316
Property Taxes Receivable, Current	14,493,835		14,493,835	
Accrued Interest	846,607		846,607	
Other Receivables	512,733	60,817	573,550	
Due from Other State Agencies	7,838,280		7,838,280	
Due from Federal Government	5,859,998		5,859,998	
Due from State Department of Education	3,452,924		3,452,924	
Inventories	358,164	204,526	562,690	
Prepaid Expenses	1,572,202		1,572,202	7,500
Deferred Charges	1,560,849		1,560,849	
Capital Assets Not Being Depreciated:				
Land	18,702,987		18,702,987	
Construction in Progress	166,091,883		166,091,883	
Capital Assets Net of Depreciation:				
Buildings and Improvements	356,420,114	1,282,625	357,702,739	
Land Improvements	6,815,029		6,815,029	151,077
Vehicles	1,487,884		1,487,884	-
Machinery and Equipment	6,632,798		6,632,798	30,059
<b>Total Assets</b>	<b>768,791,518</b>	<b>3,548,481</b>	<b>772,339,999</b>	<b>482,952</b>
<b>Liabilities</b>				
Accounts Payable and Other Liabilities	27,346,150	21,556	27,367,706	4,918
Retainage Payable	2,333,611		2,333,611	
Due to State Department of Education	767		767	
Due to Other State Agencies	141,433		141,433	
Unearned Revenue	7,480,884		7,480,884	
Accrued Interest	7,077,065		7,077,065	
Noncurrent Liabilities:				
Due within One Year	19,198,836	14,279	19,213,115	
Due in More Than One Year	446,489,611	21,418	446,511,029	
<b>Total Liabilities</b>	<b>510,068,357</b>	<b>57,253</b>	<b>510,125,610</b>	<b>4,918</b>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	93,915,871	1,282,625	95,198,496	181,136
Restricted for:				
Debt Service	24,740,791		24,740,791	
Capital Projects	75,307,043		75,307,043	
Net Assets - Unrestricted	64,759,456	2,208,603	66,968,059	296,898
<b>Total Net Assets</b>	<b>258,723,161</b>	<b>3,491,228</b>	<b>262,214,389</b>	<b>478,034</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, 2008

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets			Component Units
					Governmental Activities	Primary Government Business-Type Activities		
						Total	Charter School	
<b>Primary Government</b>								
Governmental Activities:								
Instruction	\$221,251,728	\$ 116,200	\$ 89,913,578	-	\$ (131,221,950)	-	\$ (131,221,950)	
Support Services	125,367,353	4,079,364	47,872,602	-	(73,415,387)	-	(73,415,387)	
Community Services	1,123,486	-	456,569	-	(666,917)	-	(666,917)	
Intergovernmental	2,842,782	-	1,167,457	-	(1,675,325)	-	(1,675,325)	
Pupil Activities	469,628	-	-	-	(469,628)	-	(469,628)	
Interest Expense	20,083,754	-	-	-	(20,083,754)	-	(20,083,754)	
<b>Total Governmental Activities</b>	<b>371,138,731</b>	<b>4,195,564</b>	<b>139,410,206</b>	<b>-</b>	<b>(227,532,961)</b>	<b>-</b>	<b>(227,532,961)</b>	
<b>Business-Type Activities:</b>								
Food Service	17,667,838	5,955,597	11,262,782	-	-	\$ (449,459)	(449,459)	
<b>Total Business-Type Activities</b>	<b>17,667,838</b>	<b>5,955,597</b>	<b>11,262,782</b>	<b>-</b>	<b>-</b>	<b>(449,459)</b>	<b>(449,459)</b>	
<b>Total Primary Government</b>	<b>388,806,569</b>	<b>10,151,161</b>	<b>150,672,988</b>	<b>-</b>	<b>(227,532,961)</b>	<b>(449,459)</b>	<b>(227,982,420)</b>	
<b>Component Units</b>								
Waccamaw Park Public Charter Schools, Inc.	1,157,454	54,040	29,150	-	-	-	\$ (1,074,264)	
<b>General Revenues</b>								
Taxes:								
Property Taxes, Levied for General Purposes					160,123,769	-	160,123,769	
Property Taxes, Levied for Debt Service					47,944,486	-	47,944,486	
State Aid/Grants (Unrestricted)					43,941,100	-	43,941,100	1,230,476
Gain on Sale of Capital Assets					6,858,654	-	6,858,654	
Miscellaneous Revenues					66,794	1,511	68,305	
Unrestricted Investment Earnings					7,094,329	-	7,094,329	
Transfers					(1,038,541)	1,038,541	-	
<b>Total General Revenues and Transfers</b>					<b>264,990,591</b>	<b>1,040,052</b>	<b>266,030,643</b>	<b>1,230,476</b>
<b>Change in Net Assets</b>					<b>37,457,630</b>	<b>590,593</b>	<b>38,048,223</b>	<b>156,212</b>
<b>Net Assets - Beginning</b>					<b>221,265,531</b>	<b>2,900,635</b>	<b>224,166,166</b>	<b>321,822</b>
<b>Net Assets - Ending</b>					<b>258,723,161</b>	<b>3,491,228</b>	<b>262,214,389</b>	<b>478,034</b>

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



## HORRY COUNTY SCHOOLS

## BALANCE SHEET

## GOVERNMENTAL FUNDS

JUNE 30, 2008

Assets	Major Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Services	Capital Projects	
Cash and Investments	\$65,830,231		\$ 4,676,430	\$24,392,900	\$81,245,670	\$ 176,145,231
Receivables:						
Property Taxes, Current	11,624,036			2,869,799		14,493,835
Accrued Interest	846,607					846,607
Other	340,790	\$ 39,253	287		132,403	512,733
Due from Special Projects Fund	3,890,390					3,890,390
Due from Other State Agencies	7,765,159	26,367		46,754		7,838,280
Due from Federal Government		5,859,998				5,859,998
Due from State Department of Education	703,460	30	2,749,434			3,452,924
Inventories	358,164					358,164
Prepaid Expenditures	1,572,202					1,572,202
<b>Total Assets</b>	<b>92,931,039</b>	<b>5,925,648</b>	<b>7,426,151</b>	<b>27,309,453</b>	<b>81,378,073</b>	<b>214,970,364</b>
<b>Liabilities and Fund Balances</b>						
Accounts Payable	8,047,605	525,424	786,671		3,737,105	13,096,805
Retainage Payable					2,333,611	2,333,611
Accrued Salaries	325,404	217,943	323,898			867,245
Accrued Liabilities	13,272,693	43,422	65,671		314	13,382,100
Due to State Department of Education			767			767
Due to Other State Agencies	124,705	16,728				141,433
Due to General Fund		3,890,390				3,890,390
Unearned Revenue	10,850,123	1,231,741	6,249,144	2,568,662		20,899,670
<b>Total Liabilities</b>	<b>32,620,530</b>	<b>5,925,648</b>	<b>7,426,151</b>	<b>2,568,662</b>	<b>6,071,030</b>	<b>54,612,021</b>
<b>Fund Balances</b>						
Reserved for:						
Inventories	358,164					358,164
Prepaid Expenditures	1,572,202					1,572,202
Encumbrances	90,350					90,350
Debt Service				24,740,791		24,740,791
Capital Projects					75,307,043	75,307,043
Unreserved and Designated for:						
Carryover School Budgets	247,207					247,207
Subsequent Year Expenditures	21,592,476					21,592,476
Minimum Fund Balance	28,661,141					28,661,141
Unreserved and Undesignated	7,788,969					7,788,969
<b>Total Fund Balances</b>	<b>60,310,509</b>	<b>-</b>	<b>-</b>	<b>24,740,791</b>	<b>75,307,043</b>	<b>160,358,343</b>
<b>Total Liabilities and Fund   Balances</b>	<b>92,931,039</b>	<b>5,925,648</b>	<b>7,426,151</b>	<b>27,309,453</b>	<b>81,378,073</b>	<b>214,970,364</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, 2008

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

Ending Fund Balance - Governmental Fund Financial Statements	\$ 160,358,343
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	556,150,695
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.	13,418,786
Interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.	(7,077,065)
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.	(9,263,975)
Long-term liabilities, including bonds payable (\$451,140,000) and compensated absences (\$3,453,623) are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	<u>(454,863,623)</u>
<b>Net Assets of Governmental Activities</b>	<u><u>258,723,161</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, 2008

	Major Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Services	Capital Projects	
<b>Revenues</b>						
Local Sources	\$ 167,925,573	\$ 1,708,810		\$ 49,145,298	\$ 3,031,166	\$ 221,810,847
Intergovernmental	1,562					1,562
State Sources	127,482,741	6,391,350	\$ 22,469,129	1,472,491		157,815,711
Federal Sources		23,001,551				23,001,551
<b>Total Revenues</b>	<b>295,409,876</b>	<b>31,101,711</b>	<b>22,469,129</b>	<b>50,617,789</b>	<b>3,031,166</b>	<b>402,629,671</b>
<b>Expenditures</b>						
Current						
Instruction	174,178,089	17,999,041	15,727,174		801	207,905,105
Support Services	100,566,879	9,795,999	1,395,043		6,042,929	117,800,850
Community Services	3,376	1,032,899	19,438			1,055,713
Intergovernmental	2,599,658	51,827	19,810			2,671,295
Capital Outlay	7,513,512	1,275,773	950,460		45,885,677	55,625,422
Debt Service:						
Principal				39,120,000		39,120,000
Interest and Fiscal Charges				20,873,849		20,873,849
<b>Total Expenditures</b>	<b>284,861,514</b>	<b>30,155,539</b>	<b>18,111,925</b>	<b>59,993,849</b>	<b>51,929,407</b>	<b>445,052,234</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,548,362	946,172	4,357,204	(9,376,060)	(48,898,241)	(42,422,563)
<b>Other Financing Sources (Uses)</b>						
Premium on Bonds Sold				2,037,605		2,037,605
General Obligation Bonds Issued					90,000,000	90,000,000
Sale of Capital Assets	36,884				6,883,489	6,920,373
Transfers In	5,947,100					5,947,100
Transfers Out	(1,907,332)	(946,172)	(4,357,204)		(244,561)	(7,455,269)
<b>Total Other Financing Sources (Uses)</b>	<b>4,076,652</b>	<b>(946,172)</b>	<b>(4,357,204)</b>	<b>2,037,605</b>	<b>96,638,928</b>	<b>97,449,809</b>
<b>Net Change in Fund Balances</b>	<b>14,625,014</b>	<b>-</b>	<b>-</b>	<b>(7,338,455)</b>	<b>47,740,687</b>	<b>55,027,246</b>
<b>Fund Balance - Beginning</b>	<b>45,685,495</b>	<b>-</b>	<b>-</b>	<b>32,079,246</b>	<b>27,566,356</b>	<b>105,331,097</b>
<b>Fund Balance - Ending</b>	<b>60,310,509</b>	<b>-</b>	<b>-</b>	<b>24,740,791</b>	<b>75,307,043</b>	<b>160,358,343</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, 2008

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

Net Change in Fund Balances - Total Governmental Funds:	\$ 55,027,246
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 (\$45,884,146) exceeds the depreciation (\$11,019,017).	34,865,129
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.	146,577
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 (\$299,200) exceeds amortization (\$179,049); bond premium (\$2,037,605) exceeds bond premium amortization (\$1,296,022); and amount deferred on refunding exceeds amortization (\$336,628).	(958,060)
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 compensated absences earned exceeded amounts used by \$392,093.	(392,093)
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.	(61,719)
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.	(289,450)
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. This is the amount that amounts paid during the year (\$39,120,000) exceeds bonds issued during the year (\$90,000,000)	<u>(50,880,000)</u>
<b>Change in Net Assets - Governmental Activities</b>	<u><u>37,457,630</u></u>

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

## HORRY COUNTY SCHOOLS

## GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local Sources	\$ 152,205,647	\$ 152,359,815	\$ 167,925,573	\$ 15,565,758
Intergovernmental	3,088	3,088	1,562	(1,526)
State Sources	122,184,482	122,184,482	127,482,741	5,298,259
<b>Total Revenues</b>	<u>274,393,217</u>	<u>274,547,385</u>	<u>295,409,876</u>	<u>20,862,491</u>
<b>Expenditures</b>				
Instruction	177,900,133	175,685,178	174,178,089	1,507,089
Support Services	103,236,513	103,899,834	100,566,879	3,332,955
Community Services	110	3,376	3,376	-
Intergovernmental	2,665,282	2,912,603	2,599,658	312,945
Capital Outlay	2,184,167	7,567,410	7,513,512	53,898
<b>Total Expenditures</b>	<u>285,986,205</u>	<u>290,068,401</u>	<u>284,861,514</u>	<u>5,206,887</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(11,592,988)</u>	<u>(15,521,016)</u>	<u>10,548,362</u>	<u>26,069,378</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	7,726	7,726	36,884	29,158
Transfers In	5,998,447	5,998,447	5,947,100	(51,347)
Transfers Out	(1,478,330)	(1,892,909)	(1,907,332)	(14,423)
<b>Total Other Financing Sources (Uses)</b>	<u>4,527,843</u>	<u>4,113,264</u>	<u>4,076,652</u>	<u>(36,612)</u>
<b>Net Change in Fund Balances</b>	<u>(7,065,145)</u>	<u>(11,407,752)</u>	<u>14,625,014</u>	<u>26,032,766</u>
<b>Fund Balance - Beginning</b>			<u>45,685,495</u>	
<b>Fund Balance - Ending</b>			<u>60,310,509</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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local Sources	\$ 1,553,512	\$ 2,386,945	\$ 1,708,810	\$ (678,135)
State Sources	4,441,817	7,379,543	6,391,350	(988,193)
Federal Sources	21,321,918	26,802,813	23,001,551	(3,801,262)
<b>Total Revenues</b>	<u>27,317,247</u>	<u>36,569,301</u>	<u>31,101,711</u>	<u>(5,467,590)</u>
<b>Expenditures</b>				
Instruction	17,268,648	20,189,811	17,999,041	2,190,770
Support Services	7,545,069	12,313,519	9,795,999	2,517,520
Community Services	1,523,041	1,626,574	1,032,899	593,675
Intergovernmental	-	49,742	51,827	(2,085)
Capital Outlay	330,083	1,342,931	1,275,773	67,158
<b>Total Expenditures</b>	<u>26,666,841</u>	<u>35,522,577</u>	<u>30,155,539</u>	<u>5,367,038</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>650,406</u>	<u>1,046,724</u>	<u>946,172</u>	<u>(100,552)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(650,406)</u>	<u>(1,046,724)</u>	<u>(946,172)</u>	<u>100,552</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(650,406)</u>	<u>(1,046,724)</u>	<u>(946,172)</u>	<u>100,552</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, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
State Sources	\$ 25,109,106	\$ 30,580,337	\$ 22,469,129	\$ (8,111,208)
Federal Sources	104,810	-	-	-
<b>Total Revenues</b>	<u>25,213,916</u>	<u>30,580,337</u>	<u>22,469,129</u>	<u>8,111,208</u>
<b>Expenditures</b>				
Instruction	17,642,800	21,401,391	15,727,174	5,674,217
Support Services	1,255,281	1,999,135	1,395,043	604,092
Community Services	104,810	-	19,438	(19,438)
Intergovernmental	1,750	7,348	19,810	(12,462)
Capital Outlay	226,326	985,337	950,460	34,877
<b>Total Expenditures</b>	<u>19,230,967</u>	<u>24,393,211</u>	<u>18,111,925</u>	<u>6,281,286</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>5,982,949</u>	<u>6,187,126</u>	<u>4,357,204</u>	<u>(1,829,922)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers Out	(5,982,949)	(6,187,126)	(4,357,204)	1,829,922
<b>Total Other Financing Sources (Uses)</b>	<u>(5,982,949)</u>	<u>(6,187,126)</u>	<u>(4,357,204)</u>	<u>1,829,922</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, 2008**

<b>Assets</b>	<b>Food Service Fund</b>
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 2,000,513
Accounts Receivable	60,817
Inventories	<u>204,526</u>
<b>Total Current Assets</b>	<u>2,265,856</u>
<b>Noncurrent Assets:</b>	
Property and Equipment	3,423,353
Accumulated Depreciation	<u>(2,140,728)</u>
Total Noncurrent Assets	<u>1,282,625</u>
<b>Total Assets</b>	<u>3,548,481</u>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accounts Payable	21,549
Other Accrued Liabilities	7
Compensated Absences Payable	<u>14,279</u>
<b>Total Current Liabilities</b>	<u>35,835</u>
<b>Noncurrent Liabilities:</b>	
Compensated Absences Payable	<u>21,418</u>
Total Noncurrent Liabilities	<u>21,418</u>
<b>Total Liabilities</b>	<u>57,253</u>
<b>Net Assets</b>	
Invested in Capital Assets	1,282,625
Unrestricted	<u>2,208,603</u>
<b>Total Net Assets</b>	<u><u>3,491,228</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, 2008

	Food Service Fund
<b>Operating Revenue</b>	
Proceeds from Sale of Meals	\$ 5,955,597
<b>Total Operating Revenue</b>	<u>5,955,597</u>
<b>Operating Expenses</b>	
Food Costs	7,236,777
Salaries	6,892,656
Employee Benefits	2,689,148
Purchased Services	116,737
Supplies and Materials	558,818
Other Objects	48,345
Depreciation	125,357
<b>Total Operating Expenses</b>	<u>17,667,838</u>
<b>Operating Income (Loss)</b>	<u>(11,712,241)</u>
<b>Nonoperating Revenue</b>	
Interest	1,511
USDA Commodities	895,715
USDA Reimbursements	10,160,909
Other State Aid	17,600
Other Income	188,558
<b>Total Nonoperating Revenue</b>	<u>11,264,293</u>
<b>Income (Loss) Before Operating Transfers</b>	<u>(447,948)</u>
<b>Interfund Transfers From (To) Other Funds</b>	
Transfers In	2,022,270
Transfers Out	(983,729)
<b>Total Operating Transfers</b>	<u>1,038,541</u>
<b>Change in Net Assets</b>	590,593
<b>Total Net Assets - Beginning</b>	<u>2,900,635</u>
<b>Total Net Assets - Ending</b>	<u><u>3,491,228</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, 2008**

	<u>Business-Type Activities</u> <u>Enterprise Fund - Food Service</u>
<b>Cash Flows from Operating Activities</b>	
Received from Patrons	\$ 5,962,513
Payments to Employees for Services	(9,587,536)
Payments to Suppliers for Goods and Services	<u>(7,037,032)</u>
<b>Net Cash Used by Operating Activities</b>	<u>(10,662,055)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Federal Subsidy	10,160,909
State Subsidy	17,600
Non-operating Local Support	188,558
Transfers from Other Funds	2,022,270
Transfers to Other Funds	<u>(983,729)</u>
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>11,405,608</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of Capital Assets	<u>(675,218)</u>
<b>Cash Flows from Investing Activities</b>	
Interest on Investments	<u>1,511</u>
<b>Net Increase in Cash and Cash Equivalents</b>	69,846
Cash and Cash Equivalents - Beginning	<u>1,930,667</u>
Cash and Cash Equivalents - Ending	<u><u>2,000,513</u></u>
<b>Reconciliation of Operating Income (Loss) to</b>	
<b>Net Cash Used by Operating Activities</b>	
Operating Income (Loss)	<u>(11,712,241)</u>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Used</b>	
by Operating Activities:	
Depreciation Expense	125,357
Commodities Received from USDA	895,715
Change in Assets and Liabilities:	
Decrease in Accounts Receivable	6,916
Decrease in Inventories	36,232
(Decrease) in Accounts Payable & Other Liabilities	<u>(14,034)</u>
<b>Total Adjustments</b>	<u>1,050,186</u>
<b>Net Cash Used by Operating Activities</b>	<u><u>(10,662,055)</u></u>
<b>Non-Cash Transactions:</b>	
Commodities Received from the USDA	<u><u>895,715</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, 2008**

<b>Assets</b>	<b>Private-Purpose Trusts</b>	<b>Agency Funds</b>
Cash and Investments	\$ 163,607	\$ 4,496,246
Other Assets	-	12,575
<b>Total Assets</b>	<u>163,607</u>	<u>4,508,821</u>
 <b>Liabilities</b>		
Accounts Payable	-	167,462
Accrued Liabilities	-	31,963
Due to Other Governments	-	1,157,120
Due to Schools and School Organizations	-	3,152,276
<b>Total Liabilities</b>	<u>-</u>	<u>4,508,821</u>
 <b>Restricted Net Assets</b>		
Held in Trust for Individuals and Organizations	<u>163,607</u>	
<b>Total Net Assets</b>	<u>163,607</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, 2008**

	<b>Private-Purpose Trusts</b>
<b>Additions</b>	
Contributions:	
Scholarship Receipts	\$ 26,279
Investment Earnings:	
Interest	8,345
Net Increase (Decrease) in Fair Value of Investments	<u>7,375</u>
<b>Total Additions</b>	<u>41,999</u>
<b>Deductions</b>	
Scholarships Awarded	<u>45,120</u>
<b>Total Deductions</b>	<u>45,120</u>
<b>Change in Net Assets</b>	(3,121)
<b>Total Net Assets - Beginning</b>	<u>166,728</u>
<b>Total Net Assets - Ending</b>	<u><u>163,607</u></u>

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

# HORRY COUNTY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS

### **Note 1. Summary of Significant Accounting Policies**

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

**Reporting Entity:** Horry County Schools (The District) is a Local Education Agency empowered by State law with the responsibility to oversee and control all activities related to public school education in Horry County, South Carolina. The Board receives State, Local and Federal government funding and must adhere to the legal requirements of each funding entity. Educational services are provided to approximately 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's 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 replaces 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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. 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 funds:

**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, 2008, 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. Encumbrance's 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 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. 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.

**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 include major additions and renovations; improvements that add to the usable space; or improvements that extend the useful life of an existing building are capitalized. 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 12 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.

**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.

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

### **Long-Term Obligations (Continued):**

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.

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.

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

**Net Assets/Fund Balances (Continued):**

**Unrestricted Net Assets (Continued):**

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 Years Expenditures** - portion of the total fund balance available for appropriation that has been designated based on the adopted 2008-2009 budget ordinance.

**Designated for Minimum Fund Balance** - portion of the total fund balance that has been designated based on a minimum of 7.5 percent of the ensuing years General Fund budgeted 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 percent 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, 2008, the carrying amount of the District's deposits was \$182,682,644 and the bank balance was \$189,017,362.

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. At June 30, 2008, \$111,886,142 of the District's deposits were collateralized by securities held in its name, \$77,131,220 was uncollateralized. 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, 2008, the District's investments consisted of the following:

	<b>Reported Amount</b>	<b>Cost Basis</b>
U. S. Treasury Bonds	\$122,953	\$100,000
<b>Total Investments</b>	<u>122,953</u>	<u>100,000</u>

Investments in U.S. government securities are considered to have no credit risk and therefore the credit rating and weighted average maturity for these investments do not have to be disclosed.

**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, 2008, 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	\$ 18,732,993	-	\$ (30,006)	\$ 18,702,987
Construction in Progress	178,906,039	\$34,939,594	(47,753,750)	166,091,883
<b>Total Capital Assets Not Being Depreciated</b>	<b>197,639,032</b>	<b>34,939,594</b>	<b>(47,783,756)</b>	<b>184,794,870</b>
Capital Assets Being Depreciated:				
Buildings and Improvements	405,153,021	53,111,198	(915,356)	457,348,863
Land Improvements	14,871,759	1,598,972	(59,769)	16,410,962
Vehicles	3,614,552	1,023,948	(321,857)	4,316,643
Machinery and Equipment	13,249,935	3,264,190	(112,556)	16,401,569
<b>Total Capital Assets Being Depreciated</b>	<b>436,889,267</b>	<b>58,998,308</b>	<b>(1,409,538)</b>	<b>494,478,037</b>
Less, Accumulated Depreciation for:				
Buildings and Improvements	(92,696,850)	(8,833,392)	601,493	(100,928,749)
Land Improvements	(9,031,810)	(619,027)	54,904	(9,595,933)
Vehicles	(2,916,335)	(225,717)	313,293	(2,828,759)
Machinery and Equipment	(8,536,019)	(1,340,881)	108,129	(9,768,771)
<b>Total Accumulated Depreciation</b>	<b>(113,181,014)</b>	<b>(11,019,017)</b>	<b>1,077,819</b>	<b>(123,122,212)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>323,708,253</b>	<b>47,979,291</b>	<b>(331,719)</b>	<b>371,355,825</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>521,347,285</b>	<b>82,918,885</b>	<b>(48,115,475)</b>	<b>556,150,695</b>
<b>Business Type Activities:</b>				
School Food Service Fund:				
Capital Assets Being Depreciated:				
Machinery and Equipment	2,741,939	675,218	(21,513)	3,395,644
Vehicles	27,709	-	-	27,709
<b>Total Capital Assets Being Depreciated</b>	<b>2,769,648</b>	<b>675,218</b>	<b>(21,513)</b>	<b>3,423,353</b>
Less, Accumulated Depreciation for:				
Machinery and Equipment	(2,009,175)	(125,357)	21,513	(2,113,019)
Vehicles	(27,709)	-	-	(27,709)
<b>Total Accumulated Depreciation</b>	<b>(2,036,884)</b>	<b>(125,357)</b>	<b>21,513</b>	<b>(2,140,728)</b>
<b>Business Type Activities Capital Assets, Net</b>	<b>732,764</b>	<b>549,861</b>	<b>-</b>	<b>1,282,625</b>

The District had active construction projects as of June 30, 2008. 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 \$62,075,241 and had a remaining commitment of approximately \$25,362,454 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	\$ 7,084,036
Support	3,807,988
Community Services	35,972
Intergovernmental	<u>91,021</u>
<b>Total Depreciation - Governmental Activities</b>	<b><u>11,019,017</u></b>
Business-Type Activities:	
Food Service	<u>\$125,357</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, 2007, employees participating in the SCRS have been required to contribute 6.5 percent of all compensation and the employer contribution rate became 12.48 percent, which includes a 3.42 percent surcharge to fund retiree health and dental insurance coverage. In addition to the above rates, SCRS contributes .15 percent 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, 2008, 2007, and 2006, were \$26,252,953, \$21,579,089, and \$18,145,571, respectively, and equaled the required contributions. Total payroll for the years ended June 30, 2008, 2007 and 2006 were \$216,905,793, \$203,852,597, and \$173,228,022. Covered payroll for the years ended June 30, 2008, 2007 and 2006 were \$210,360,200, \$189,290,254, and \$165,712,982.

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, approximately 22,000 State retirees meet these eligibility requirements.

As discussed in Note 5, the District paid \$7,467,787 applicable to the 3.42 percent 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	\$22,298,209
Allowance for Doubtful Accounts	<u>(7,804,374)</u>
Property Taxes, Current	<u>14,493,835</u>

**Note 10. Long-Term Obligations**

Bonds payable consisted of the following at June 30, 2008:

		Interest Rates	Maturity Dates	Balance June 30, 2008
<b>General Obligation Bonds</b>				
Series 2000B	\$ 5,400,000	5.50-5.900%	March 1, 2011	\$ 855,000
Series 2001A	70,000,000	4.00-5.375%	March 1, 2021	60,575,000
Series 2002A	74,600,000	3.25-5.125%	March 1, 2022	74,590,000
Series 2003A	63,960,000	3.00-5.000%	January 1, 2016	36,070,000
Series 2003B	16,950,000	2.00-4.000%	March 1, 2016	9,975,000
Series 2005B	3,920,000	3.00-4.500%	March 1, 2020	3,860,000
Series 2005A	70,000,000	3.00-5.000%	March 1, 2030	69,900,000
Series 2006A	125,000,000	4.00-5.000%	March 1, 2031	125,000,000
Series 2007A	3,500,000	4.000%	March 1, 2009	1,785,000
Series 2007B	68,800,000	4.00-5.00%	March 1, 2027	<u>68,800,000</u>
<b>Total General Obligation Bonds</b>				<u>451,410,000</u>

Constitutionally, the District is limited in the amount of debt it can hold to 8 percent 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, 2008, 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.

The District issued \$68,800,000 of general obligation bonds on October 30, 2007 and \$21,200,000 of general obligation bonds on October 30, 2007. The proceeds from the bonds are being used to construct, improve, equip and renovate school buildings and other school facilities including the cost of land acquisition.

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

Year Ended June 30:	Principal	Interest	Payments
2009	\$ 16,895,000	\$ 21,573,623	\$ 38,468,623
2010	19,490,000	20,837,960	40,327,960
2011	22,010,000	19,865,350	41,875,350
2012	18,000,000	18,763,788	36,763,788
2013	19,505,000	17,920,262	37,425,262
2014-2018	109,585,000	74,513,844	184,098,844
2019-2023	103,260,000	48,449,094	151,709,094
2024-2028	95,045,000	23,531,812	118,576,812
2029-2031	<u>47,620,000</u>	<u>4,491,875</u>	<u>52,111,875</u>
<b>Totals</b>	<u>451,410,000</u>	<u>249,947,608</u>	<u>701,357,608</u>

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

**General Obligation Bonds (Continued):**

Long-term liability activity for the year ended June 30, 2008, 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:	\$400,530,000	\$ 90,000,000	\$ 39,120,000	\$451,410,000	\$16,895,000
Plus Deferred Amounts For Issuance Premiums On Refunding	12,518,435 (2,771,822)	2,037,605 -	1,296,022 (336,628)	13,260,018 (2,435,194)	1,259,015 (336,628)
Total Bonds Payable	410,276,613	92,037,605	40,079,394	462,234,824	17,817,387
Compensated Absences	3,061,530	1,616,705	1,224,612	3,453,623	1,381,449
Government Activities Long-Term Liabilities	<u>413,338,143</u>	<u>93,654,310</u>	<u>41,304,006</u>	<u>465,688,447</u>	<u>19,198,836</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, 2008, \$47,310,000 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	\$41,428	\$10,840	\$16,571	\$35,697	\$14,279
Business-Type Activities Long-Term Liabilities	<u>41,428</u>	<u>10,840</u>	<u>16,571</u>	<u>35,697</u>	<u>14,279</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, 2008, are as follows:

Due From:		
General Fund		
Due from Special Projects Fund		\$3,890,390
Due To:		
Special Projects Fund		
Due to General Fund		3,890,390

**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, 2008, consist of the following:

From the General Fund to the Food Service Fund for operating costs	\$(1,363,130)
From the General Fund to the Food Service Fund for Capital Assets	(414,579)
From the Debt Service Fund to the Food Service Fund for Capital Assets	(244,561)
From the Special Projects Fund to the General Fund for indirect costs	(605,167)
From the Education Improvement Act Fund to the General Fund for Teacher salaries and benefits	(4,357,204)
From the Food Service Fund to the General Fund for indirect costs	(983,729)
To the General Fund from the Education Improvement Act Fund for Teacher salaries and benefits	4,357,204
To the General Fund from the Special Projects Fund for indirect costs	605,167
To the General Fund from the Food Service Fund for indirect costs	983,729
To the Food Service Fund from the General Fund for operating costs	1,363,130
To the Food Service Fund from the Debt Service Fund for Capital Assets	244,561
To the Food Service Fund from the General Fund for Capital Assets	<u>414,579</u>
<b>Total</b>	<u><u>-</u></u>

**Note 12. Operating Leases**

The District has entered into various operating leases for drivers' education vehicles, copiers and postage meters. The lease periods range from 3 years to 5 years. During the current fiscal year a total of \$513,843 was spent under operating leases. A summary of the aggregate minimum future rentals are as follows:

**Year Ending June 30,**

2009	\$ 954,209
2010	883,370
2011	661,526
2012	555,162
2013	<u>36,983</u>
<b>Total</b>	<u><u>3,091,250</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	\$207,905,105	\$117,800,850	\$1,055,713	\$2,671,295
Reconciling Items:				
Depreciation Expense	7,084,036	3,807,988	35,972	91,021
Compensated Absence		392,093		
Allocation of Capital Outlay - Not Capitalized	<u>6,262,587</u>	<u>3,366,422</u>	<u>31,801</u>	<u>80,466</u>
From Statement of Activities	<u><u>221,251,728</u></u>	<u><u>125,367,354</u></u>	<u><u>1,123,486</u></u>	<u><u>2,842,782</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, 2008. 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**

On November 4, 2008, 67 percent of Horry County voters elected to add a penny of sales tax as a way to roll-back property taxes for debt service and create an additional revenue stream to support capital needs for schools. The penny is expected to generate more than one billion dollars over 15 years and will be shared among Horry County Schools, (80 percent); Coastal Carolina University (13.3 percent) and Horry Georgetown Technical College (6.7 percent).

Currently, the capital needs for K-12 public schools are paid for solely by property taxes. The 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 will allow the school district to reduce the debt service millage from 28 to 24 mills in 2009 and further reduce the millage to 10 mills by 2010. 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 will be collected beginning in March of 2009 and does not apply to groceries, gasoline or prescription drugs.

## **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, 2008	June 30, 2007
<b>Assets</b>		
Cash and Investments	\$ 65,830,231	\$ 51,374,648
Receivables:		
Property Taxes, Current	11,624,036	11,662,329
Accrued Interest	846,607	662,325
Other	340,790	47,107
Due from Other State Agencies	7,765,159	306,027
Due from State Department of Education	703,460	520,559
Due from Special Revenue Fund	3,890,390	6,790,878
Inventories	358,164	368,676
Prepaid Expenditures	1,572,202	1,642,011
<b>Total Assets</b>	<u>92,931,039</u>	<u>73,374,560</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable	8,047,605	5,397,391
Due to Other State Agencies	124,705	-
Accrued Salaries	325,404	32,923
Accrued Liabilities	13,272,693	11,438,789
Deferred Revenue	10,850,123	10,819,962
<b>Total Liabilities</b>	<u>32,620,530</u>	<u>27,689,065</u>
<b>Fund Balances</b>		
Reserved for:		
Inventories	358,164	368,676
Prepaid Expenditures	1,572,202	1,642,011
Encumbrances	90,350	150,365
Medicaid Programs	-	259,114
Unreserved and Designated for:		
Carryover School Budgets	247,207	236,412
Subsequent Years' Expenditures	21,592,476	10,665,034
Minimum Fund Balance	28,661,141	26,209,232
Unreserved and Undesignated	7,788,969	6,154,651
<b>Total Fund Balances</b>	<u>60,310,509</u>	<u>45,685,495</u>
<b>Total Liabilities and Fund Balances</b>	<u>92,931,039</u>	<u>73,374,560</u>

## HORRY COUNTY SCHOOLS

## GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

YEARS ENDED JUNE 30, 2008 AND 2007

	June 30, 2008	June 30, 2007
<b>Revenues</b>		
Local Sources	\$ 167,925,573	\$ 158,854,495
Intergovernmental	1,562	316
State Sources	127,482,741	99,078,272
<b>Total Revenues</b>	<u>295,409,876</u>	<u>257,933,083</u>
<b>Expenditures</b>		
Instruction	174,178,089	157,377,928
Support Services	100,558,197	87,667,764
Community Services	3,376	720
Intergovernmental	2,599,658	2,586,829
Capital Outlay	7,522,194	4,724,079
<b>Total Expenditures</b>	<u>284,861,514</u>	<u>252,357,320</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>10,548,362</u>	<u>5,575,763</u>
<b>Other Financing Sources (Uses)</b>		
Sale of Capital Assets	36,884	3,494
Transfers In	5,947,100	6,651,267
Transfers Out	(1,907,332)	(1,293,223)
<b>Total Other Financing Sources (Uses)</b>	<u>4,076,652</u>	<u>5,361,538</u>
<b>Net Change in Fund Balances</b>	14,625,014	10,937,301
<b>Fund Balance - Beginning</b>	<u>45,685,495</u>	<u>34,748,194</u>
<b>Fund Balance - Ending</b>	<u><u>60,310,509</u></u>	<u><u>45,685,495</u></u>

## HORRY COUNTY SCHOOLS

## GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Revenue from Local Sources:			
1110 Ad Valorem Taxes - Including Delinquent	\$ 142,865,114	\$ 154,168,532	\$ 11,303,418
1140 Penalties & Interest on Taxes	1,250,449	1,578,563	328,114
1190 Other Taxes	-	830,820	830,820
1280 Revenue in Lieu of Taxes	2,891,071	3,376,254	485,183
1310 From Patrons for Regular Day School	48,344	8,853	(39,491)
1320 From Other LEAs for Regular Day School	600	-	(600)
1330 From Patrons for Adult/Continuing Ed	13,756	19,553	5,797
1350 From Patrons for Summer School	-	400	400
1510 Interest on Investments	1,111,395	3,407,908	2,296,513
1910 Rentals	28,635	41,724	13,089
1920 Contributions & Donations Private Sources	17,486	1,000	(16,486)
1930 Medicaid	3,619,399	4,079,364	459,965
1950 Refund of Prior Year's Expenditures	30,242	226,304	196,062
1993 Receipt of Insurance Proceeds	109,408	96,872	(12,536)
1994 Receipt of Legal Settlements	41,630	500	(41,130)
1999 Revenue from Other Local Sources	332,288	88,926	(243,360)
<b>Total Local Sources</b>	<b>152,359,815</b>	<b>167,925,573</b>	<b>15,565,758</b>
Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	3,088	1,562	(1,526)
Revenue from State Sources:			
3100 Restricted State Funding:			
3131 Handicapped Transportation	12,936	8,921	(4,015)
3132 Home Schooling	24,614	16,475	(9,139)
3160 School Bus Driver's Salary	1,807,111	2,432,835	625,724
3161 EAA Bus Driver	63,230	74,285	11,055
3162 Transportation Workers' Compensation	173,279	180,888	7,609
3165 EEDA Transportation	-	15,344	15,344
3180 Fringe Benefits Employer Contributions	19,188,370	19,425,299	236,929
3181 Retiree Insurance	3,923,733	4,206,499	282,766
3199 Other Restricted State Grants	-	171,972	171,972
3300 Education Finance Act:			
3310 Full Time Programs:			
3311 Kindergarten	4,523,172	4,060,399	(462,773)
3312 Primary	11,436,424	11,348,277	(88,147)
3313 Elementary	14,630,754	14,088,771	(541,983)
3314 High School	8,504,694	6,517,154	(1,987,540)
3315 Trainable Mentally Handicapped	352,070	356,948	4,878
3316 Speech Handicapped (Part-Time Program)	3,669,922	3,822,839	152,917
3317 Homebound	335,405	336,827	1,422
3319 EFA Underpayment	-	2,171,648	2,171,648
3320 Part Time Programs:			
3321 Emotionally Handicapped	644,566	557,462	(87,104)
3322 Educable Mentally Handicapped	625,290	479,794	(145,496)
3323 Learning Disabilities	7,484,492	7,285,103	(199,389)
3324 Hearing Handicapped	150,237	140,931	(9,306)
3325 Visually Handicapped	65,408	72,599	7,191
3326 Orthopedically Handicapped	129,857	125,029	(4,828)
3327 Vocational	6,077,531	7,363,104	1,285,573
3330 Other EFA Programs:			
3331 Autism	333,542	348,868	15,326
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	11,697,381	11,678,714	(18,667)
3820 Homestead Exemption (Tier 2)	3,840,419	3,952,008	111,589
3825 Reimbursement for Property Tax Relief (Tier 3)	21,240,101	24,842,695	3,602,594
3830 Merchant's Inventory Tax	701,824	701,824	-
3840 Manufacturer's Depreciation Reimbursement	253,419	296,309	42,890
3890 Other State Property Tax Revenues	303,548	403,920	100,372
3900 Other State Revenue:			
3999 Revenue from Other State Sources	1,153	-	(1,153)
<b>Total State Sources</b>	<b>122,184,482</b>	<b>127,482,741</b>	<b>5,298,259</b>
<b>Total Revenue - All Sources</b>	<b>274,547,385</b>	<b>295,409,876</b>	<b>20,862,491</b>

HORRY COUNTY SCHOOLS

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	\$ 7,943,857	\$ 7,943,857	\$ -
140 Terminal Leave	770	770	-
200 Employee Benefits	2,616,581	2,616,581	-
300 Purchased Services	2,929	1,849	1,080
400 Supplies and Materials	108,909	108,909	-
500 Capital Outlay	4,000	135	3,865
112 Primary Programs:			
100 Salaries	26,532,206	26,532,206	-
140 Terminal Leave	5,558	5,558	-
200 Employee Benefits	7,913,877	7,913,877	-
300 Purchased Services	445,251	445,250	1
400 Supplies and Materials	404,787	401,028	3,759
500 Capital Outlay	93,250	92,190	1,060
113 Elementary Programs:			
100 Salaries	31,015,776	30,965,794	49,982
140 Terminal Leave	2,998	2,998	-
200 Employee Benefits	9,041,797	9,041,797	-
300 Purchased Services	369,794	369,794	-
400 Supplies and Materials	1,304,883	1,304,881	2
500 Capital Outlay	3,064,876	3,064,876	-
600 Other Objects	5,488	5,488	-
114 High School Programs:			
100 Salaries	25,910,556	25,910,578	(22)
140 Terminal Leave	1,965	1,965	-
200 Employee Benefits	7,300,462	7,300,461	1
300 Purchased Services	757,495	757,495	-
400 Supplies and Materials	1,139,074	1,139,073	1
500 Capital Outlay	796,136	796,135	1
600 Other Objects	17,111	12,556	4,555
115 Vocational Programs:			
100 Salaries	3,653,998	3,653,998	-
200 Employee Benefits	1,010,529	1,010,529	-
300 Purchased Services	63,761	63,760	1
400 Supplies and Materials	217,005	217,004	1
500 Capital Outlay	60,868	60,864	4
117 Driver Education Program:			
100 Salaries	2,790	2,790	-
200 Employee Benefits	557	556	1
300 Purchased Services	15,636	15,635	1
400 Supplies and Materials	750	750	-
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	456,789	456,789	-
200 Employee Benefits	254,614	132,737	121,777
300 Purchased Services	246	245	1
400 Supplies and Materials	7,237	3,705	3,532
122 Trainable Mentally Handicapped:			
100 Salaries	2,088,244	2,088,243	1
200 Employee Benefits	755,720	648,217	107,503
300 Purchased Services	814	814	-
400 Supplies and Materials	22,878	22,878	-
500 Capital Outlay	2,982	2,981	1
600 Other Objects	37,900	37,900	-

## HORRY COUNTY SCHOOLS

## GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
100 Instruction (Continued):			
120 Exceptional Programs (Continued):			
123 Orthopedically Handicapped:			
100 Salaries	\$ 1,889,202	\$ 1,889,202	-
200 Employee Benefits	787,310	691,785	95,525
300 Purchased Services	190,316	190,315	\$ 1
400 Supplies and Materials	12,697	12,697	-
124 Visually Handicapped:			
100 Salaries	209,587	163,304	46,283
200 Employee Benefits	64,426	51,518	12,908
300 Purchased Services	55,030	55,029	1
400 Supplies and Materials	3,482	2,063	1,419
500 Capital Outlay	21,619	21,618	1
125 Hearing Handicapped:			
100 Salaries	311,363	311,363	-
200 Employee Benefits	98,917	98,917	-
300 Purchased Services	11,750	8,894	2,856
400 Supplies and Materials	12,865	8,488	4,377
500 Capital Outlay	69,460	69,460	-
126 Speech Handicapped:			
100 Salaries	2,305,591	2,305,590	1
200 Employee Benefits	658,735	658,735	-
300 Purchased Services	10,437	7,946	2,491
400 Supplies and Materials	28,437	23,052	5,385
500 Capital Outlay	106,125	106,125	-
127 Learning Disabilities:			
100 Salaries	14,817,356	14,817,356	-
140 Terminal Leave	617	617	-
200 Employee Benefits	4,356,732	4,356,731	1
300 Purchased Services	1,062,172	696,743	365,429
400 Supplies and Materials	185,617	185,545	72
500 Capital Outlay	18,562	14,780	3,782
600 Other Objects	925	925	-
128 Emotionally Handicapped:			
100 Salaries	1,478,906	1,296,255	182,651
200 Employee Benefits	496,607	430,097	66,510
300 Purchased Services	80	80	-
400 Supplies and Materials	9,850	4,322	5,528
130 Pre-School Programs:			
137 Pre-School Handicapped-Self-Contained (3 & 4 yr. olds):			
100 Salaries	1,421,957	1,421,957	-
200 Employee Benefits	602,680	471,247	131,433
300 Purchased Services	783	782	1
400 Supplies and Materials	2,039	2,278	(239)
139 Early Childhood Programs:			
100 Salaries	1,005,596	1,005,595	1
140 Terminal Leave	1,171	1,171	-
200 Employee Benefits	387,066	293,947	93,119
300 Purchased Services	17,334	13,042	4,292
400 Supplies and Materials	122,655	122,655	-
500 Capital Outlay	2,140	2,139	1
600 Other Objects	13,280	12,317	963

HORRY COUNTY SCHOOLS

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
100 Instruction (Continued):			
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	\$ 1,663,103	\$ 1,663,102	\$ 1
200 Employee Benefits	517,792	491,989	25,803
300 Purchased Services	47,024	35,851	11,173
400 Supplies and Materials	55,202	55,201	1
500 Capital Outlay	35,550	26,973	8,577
600 Other Objects	150	150	-
143 Advanced Placement:			
100 Salaries	18,603	18,600	3
200 Employee Benefits	3,687	3,583	4
300 Purchased Services	61,131	47,186	13,945
400 Supplies and Materials	8,500	1,902	6,598
145 Homebound:			
100 Salaries	853,968	853,967	1
200 Employee Benefits	162,657	162,657	-
300 Purchased Services	187,450	187,450	-
400 Supplies and Materials	1,976	1,975	1
149 Other Special Programs:			
100 Salaries	2,692,938	2,692,937	1
200 Employee Benefits	848,807	751,817	96,990
300 Purchased Services	92,899	92,895	4
400 Supplies and Materials	74,991	75,113	(122)
500 Capital Outlay	13,260	11,996	1,254
600 Other Objects	2,000	108	1,892
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	1,931,335	1,916,976	14,359
140 Terminal Leave	567	567	-
200 Employee Benefits	615,461	615,461	-
300 Purchased Services	76,800	74,388	2,412
400 Supplies and Materials	24,150	24,149	1
500 Capital Outlay	6,520	6,515	5
170 Summer School Program:			
171 Primary Summer School:			
100 Salaries	462,827	462,827	-
200 Employee Benefits	93,620	93,619	1
300 Purchased Services	500	333	167
400 Supplies and Materials	12,979	12,978	1
172 Elementary Summer School:			
100 Salaries	64,409	64,080	329
200 Employee Benefits	12,924	12,144	780
400 Supplies and Materials	6,388	6,386	-
173 High School Summer School:			
100 Salaries	3,600	742	2,858
200 Employee Benefits	276	148	128
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	27,980	27,979	1
200 Employee Benefits	5,433	5,432	1
400 Supplies and Materials	300	293	7
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
100 Salaries	205,889	205,889	-
140 Terminal Leave	780	780	-
200 Employee Benefits	53,110	53,110	-
300 Purchased Services	16,135	14,511	1,624
400 Supplies and Materials	14,443	12,422	2,021

HORRY COUNTY SCHOOLS

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
100 Instruction (Continued):			
180 Adult/Continuing Educational Programs (Continued):			
182 Adult Secondary Education Programs:			
100 Salaries	\$ 408,957	\$ 408,956	\$ 1
200 Employee Benefits	101,207	101,207	-
300 Purchased Services	3,186	3,186	-
400 Supplies and Materials	21,000	18,464	2,536
183 Adult English Literacy (ESL):			
100 Salaries	16,427	16,427	-
200 Employee Benefits	3,187	3,186	1
400 Supplies and Materials	1,500	440	1,060
188 Parenting/Family Literacy:			
100 Salaries	17,487	17,487	-
200 Employee Benefits	6,731	6,731	-
300 Purchased Services	250	250	-
400 Supplies and Materials	450	322	128
190 Instructional Pupil Activity:			
100 Salaries	67,228	64,400	2,828
200 Employee Benefits	13,530	12,431	1,099
300 Purchased Services	1,756	1,490	266
400 Supplies and Materials	31,540	31,540	-
600 Other Objects	5,000	-	5,000
<b>Total Instruction</b>	<b>179,980,516</b>	<b>178,454,876</b>	<b>1,525,640</b>
200 Supporting Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	2,098,851	2,098,851	-
200 Employee Benefits	664,756	664,756	-
300 Purchased Services	31,026	31,026	1
400 Supplies and Materials	17,488	14,927	2,561
500 Capital Outlay	42,896	42,895	1
212 Guidance Services:			
100 Salaries	5,305,822	5,305,821	1
150 TERI - Second Annual Leave Payout	1,200	1,200	-
200 Employee Benefits	1,522,756	1,522,756	-
300 Purchased Services	320,955	320,955	-
400 Supplies and Materials	24,384	21,703	2,681
213 Health Services:			
100 Salaries	1,288,292	1,288,291	1
200 Employee Benefits	648,472	422,322	226,150
300 Purchased Services	76,303	65,945	10,358
400 Supplies and Materials	108,990	102,882	6,108
500 Capital Outlay	2,500	-	2,500
214 Psychological Services:			
100 Salaries	1,463,832	1,461,703	2,129
140 Terminal Leave	95	95	-
200 Employee Benefits	442,948	422,910	20,038
300 Purchased Services	43,375	43,374	1
400 Supplies and Materials	10,025	10,024	1
500 Capital Outlay	11,670	11,668	2

HORRY COUNTY SCHOOLS

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
200 Supporting Services (Continued):			
210 Pupil Services (Continued):			
215 Exceptional Program Services:			
100 Salaries	\$ 153,519	\$ 153,519	\$ -
200 Employee Benefits	56,427	56,427	-
500 Capital Outlay	6,000	-	6,000
217 Career Specialist Services:			
100 Salaries	15,363	14,992	371
200 Employee Benefits	8,589	8,589	-
300 Purchased Services	3,075	2,700	375
400 Supplies and Materials	925	924	1
220 Instructional Staff Services:			
221 Improvement of Instruction - Curriculum Development:			
100 Salaries	2,591,004	2,423,900	167,104
200 Employee Benefits	674,715	647,281	27,434
300 Purchased Services	127,607	98,985	28,622
400 Supplies and Materials	38,096	20,059	18,037
500 Capital Outlay	14,773	14,773	-
600 Other Objects	2,000	2,000	-
222 Library and Media Services:			
100 Salaries	4,118,093	4,117,823	270
200 Employee Benefits	1,281,828	1,281,828	-
300 Purchased Services	1,022	-	1,022
400 Supplies and Materials	730,866	730,866	-
500 Capital Outlay	9,748	8,682	1,066
223 Supervision of Special Programs:			
100 Salaries	1,098,810	1,098,809	1
200 Employee Benefits	341,624	341,624	-
300 Purchased Services	54,940	42,918	12,022
400 Supplies and Materials	19,016	8,891	10,125
500 Capital Outlay	9,892	9,892	-
600 Other Objects	1,232	1,230	2
224 Improvement of Instruction - Inservice and Staff Training:			
100 Salaries	356,705	318,103	38,602
200 Employee Benefits	87,312	76,318	10,994
300 Purchased Services	268,347	268,346	1
400 Supplies and Materials	113,616	113,616	-
500 Capital Outlay	3,604	3,604	-
600 Other Objects	50	-	50
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	71,000	69,690	1,310
200 Employee Benefits	14,342	12,806	1,536
300 Purchased Services	421,641	421,743	(102)
318 Audit Services	50,000	50,254	(254)
400 Supplies and Materials	8,000	4,633	3,367
600 Other Objects	59,795	59,792	3
232 Office of the Superintendent:			
100 Salaries	816,668	566,239	250,429
200 Employee Benefits	272,463	150,874	121,589
300 Purchased Services	34,093	34,005	88
400 Supplies and Materials	23,805	20,433	3,372
500 Capital Outlay	6,982	8,981	1
600 Other Objects	15,500	15,475	25



## HORRY COUNTY SCHOOLS

## GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
200 Supporting Services (Continued):			
230 General Administrative Services (Continued):			
233 School Administration:			
100 Salaries	\$ 14,415,618	\$ 14,415,617	\$ 1
140 Terminal Leave	23,896	23,896	-
200 Employee Benefits	4,053,319	4,053,319	-
300 Purchased Services	88,455	81,080	7,375
400 Supplies and Materials	125,956	125,949	7
500 Capital Outlay	4,985	4,982	3
600 Other Objects	7,965	6,588	1,377
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	963	963	-
200 Employee Benefits	195	195	-
300 Purchased Services	13,966	2,185	11,781
252 Fiscal Services:			
100 Salaries	1,476,760	1,429,670	47,090
200 Employee Benefits	414,005	414,005	-
300 Purchased Services	63,124	24,215	38,909
400 Supplies and Materials	12,742	12,741	1
500 Capital Outlay	65,591	65,589	2
600 Other Objects	41,340	8,820	32,520
253 Facilities Acquisition & Construction:			
150 TERI - Second Annual Leave Payout	1,200	1,200	-
200 Employee Benefits	4,783	4,783	-
300 Purchased Services	551,965	551,965	-
500 Capital Outlay			
520 Construction Services	71,195	71,195	-
254 Operation and Maintenance of Plant:			
100 Salaries	7,616,249	7,616,245	4
200 Employee Benefits	2,488,057	2,474,097	13,960
300 Purchased Services	6,240,467	6,152,712	87,755
321 Public Utilities	806,884	893,168	(86,284)
400 Supplies and Materials	2,391,930	2,399,031	(7,101)
470 Energy	7,634,098	7,636,116	(2,018)
500 Capital Outlay	1,021,142	1,021,141	1
600 Other Objects	405	88	317
255 Student Transportation:			
100 Salaries	8,343,128	8,343,127	1
200 Employee Benefits	3,067,190	2,991,561	75,629
300 Purchased Services	457,222	454,074	3,148
400 Supplies and Materials	120,674	120,674	-
500 Capital Outlay	860,795	860,793	2
600 Other Objects	280	276	4
256 Food Services:			
100 Salaries	97,864	97,864	-
200 Employee Benefits	56,865	56,865	-
300 Purchased Services	3,500	1,560	1,940
400 Supplies and Materials	101,182	101,182	-
500 Capital Outlay	3,294	3,294	-

HORRY COUNTY SCHOOLS

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
200 Supporting Services (Continued):			
250 Finance and Operations Services (Continued):			
257 Internal Services:			
100 Salaries	\$ 544,527	\$ 544,527	-
200 Employee Benefits	156,411	147,499	\$ 8,912
300 Purchased Services	108,585	89,914	18,671
400 Supplies and Materials	52,856	45,634	7,222
500 Capital Outlay	12,882	12,881	1
600 Other Objects	1,662	1,662	-
258 Security:			
100 Salaries	173,867	173,866	1
200 Employee Benefits	48,556	45,465	3,091
300 Purchased Services	1,183,429	1,182,981	448
400 Supplies and Materials	575,321	434,685	140,636
500 Capital Outlay	809,034	809,034	-
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
100 Salaries	368,958	350,188	18,770
200 Employee Benefits	101,122	101,122	-
300 Purchased Services	125,437	125,437	-
400 Supplies and Materials	37,622	19,780	17,842
500 Capital Outlay	20,000	7,374	12,626
600 Other Objects	24,175	24,175	-
263 Information Services:			
100 Salaries	615,277	591,477	23,800
200 Employee Benefits	160,370	156,933	3,437
300 Purchased Services	81,455	55,219	26,236
400 Supplies and Materials	177,663	177,662	1
500 Capital Outlay	10,362	10,361	1
264 Staff Services:			
100 Salaries	2,063,567	2,063,566	1
200 Employee Benefits	1,625,649	440,211	1,185,438
300 Purchased Services	219,145	169,320	49,825
400 Supplies and Materials	60,614	60,614	-
500 Capital Outlay	18,238	13,782	4,456
600 Other Objects	25,000	17,977	7,023
266 Technology and Data Processing Services:			
100 Salaries	1,679,205	1,679,204	1
200 Employee Benefits	485,043	485,043	-
300 Purchased Services	250,575	214,372	36,203
400 Supplies and Materials	272,817	269,141	3,676
500 Capital Outlay	231,418	231,416	2
270 Supporting Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries	2,927,382	2,559,466	367,916
200 Employee Benefits	739,947	549,423	190,524
300 Purchased Services	212,356	186,941	25,415
400 Supplies and Materials	34,620	34,745	(125)
500 Capital Outlay	35,071	35,070	1
600 Other Objects	42,716	28,885	13,831
<b>Total Supporting Services</b>	<b>107,171,906</b>	<b>103,803,604</b>	<b>3,368,302</b>

HORRY COUNTY SCHOOLS

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
300 Community Services:			
350 Custody and Care of Children Services:			
100 Salaries	\$ 1,794	\$ 1,794	-
200 Employee Benefits	1,582	1,582	\$ -
<b>Total Community Services</b>	<u>3,376</u>	<u>3,376</u>	-
400 Other Charges:			
410 Intergovernmental Expenditures:			
412-720 Payments to Other Governmental Units	152,245	152,245	-
414-420 Medicaid Payments to SDE	1,607,219	1,290,065	317,154
416-720 Payments to Public Charter Schools	1,153,139	1,157,348	(4,209)
<b>Total Intergovernmental Expenditures</b>	<u>2,912,603</u>	<u>2,599,658</u>	<u>312,945</u>
<b>Total Expenditures</b>	<u>290,068,401</u>	<u>284,861,514</u>	<u>5,206,887</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(15,521,016)</u>	<u>10,548,362</u>	<u>26,069,378</u>
<b>Other Financing Sources (Uses)</b>			
5300 Sale of Capital Assets	7,726	36,884	29,158
<b>Interfund Transfers, from (to) Other Funds:</b>			
5230 Transfer from Special Revenue EIA Fund	4,081,743	4,357,204	275,461
5270 Transfer from Pupil Activity Fund	-	1,000	1,000
5280 Transfer from Other Funds Indirect Cost	1,916,704	1,588,896	(327,808)
425-710 Transfer to Food Service Fund	(1,777,709)	(1,777,709)	-
426-710 Transfer to Pupil Activity Fund	(115,200)	(129,623)	(14,423)
<b>Total Other Financing Sources (Uses)</b>	<u>4,113,264</u>	<u>4,076,652</u>	<u>(36,612)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(11,407,752)</u>	<u>14,625,014</u>	<u>26,032,766</u>
<b>Fund Balance July 1, 2007</b>		<u>45,685,495</u>	
<b>Fund Balance June 30, 2008</b>		<u>60,310,509</u>	

## **SPECIAL REVENUE FUNDS**

**Special Revenue Funds are used to account for revenues and expenditures derived from the State of South Carolina and the Federal Government, certain of which require matching funds from local sources, required to finance particular activities.**

**During 1984, the South Carolina State Legislature passed the Education Improvement Act (EIA) to upgrade the quality of education in South Carolina. Because of the categorical nature of the funding, the State requires that revenues and expenditures be accounted for in a separate fund. Accordingly, the EIA Fund is reported as a Special Revenue Fund.**

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMPARATIVE BALANCE SHEETS

	June 30, 2008	June 30, 2007
<b>Assets</b>		
Receivables:		
Other	\$ 39,253	\$ 22,590
Due from Other State Agencies	26,367	55,630
Due from Federal Government	5,859,998	8,771,200
Due from State Department of Education	30	3,146
	<hr/>	<hr/>
<b>Total Assets</b>	<b>5,925,648</b>	<b>8,852,566</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable	525,424	310,921
Accrued Salaries	217,943	316,610
Accrued Liabilities	43,422	61,612
Due to Other Organizations	16,728	-
Due to State Department of Education	-	6,999
Due to Federal Government	-	30
Due to General Fund	3,890,390	6,790,878
Deferred Revenue	1,231,741	1,365,516
	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>5,925,648</b>	<b>8,852,566</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>5,925,648</b>	<b>8,852,566</b>
	<hr/> <hr/>	<hr/> <hr/>

## HORRY COUNTY SCHOOLS

## SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

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

YEARS ENDED JUNE 30, 2008 AND 2007

	June 30, 2008	June 30, 2007
<b>Revenues</b>		
Local Sources	\$ 1,708,810	\$ 1,740,470
State Sources	6,391,350	3,533,743
Federal Sources	23,001,551	22,324,981
<b>Total Revenues</b>	<u>31,101,711</u>	<u>27,599,194</u>
<b>Expenditures</b>		
Instruction	17,999,041	16,341,853
Support Services	9,795,999	8,254,870
Community Services	1,032,899	948,747
Intergovernmental	51,827	34,037
Capital Outlay	1,275,773	1,144,060
<b>Total Expenditures</b>	<u>30,155,539</u>	<u>26,723,567</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>946,172</u>	<u>875,627</u>
<b>Other Financing Sources (Uses)</b>		
Transfers Out	<u>(946,172)</u>	<u>(875,627)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(946,172)</u>	<u>(875,627)</u>
<b>Net Change in Fund Balances</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 - SPECIAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2008

Revenues	Title I 201	IDEA 203	Preschool Handicapped 205	Occupational Education 207	Drug and Violence Prevention 209	Adult Education 243	Other Restricted State Grant	Other Special Revenue Programs	Total
1000 Revenue - Local Sources:									
1350 Summer School from Patrons								\$ 83,397	\$ 83,397
1720 Bookstore Sales								297	297
1740 Student Fees								485	485
1790 Other Pupil Activity Revenue								3,215	3,215
1910 Rentals								24,568	24,568
1998 Revenue from Other Local Sources								1,596,848	1,596,848
<b>Total Revenues - Local Sources</b>								<b>1,708,810</b>	<b>1,708,810</b>
3000 Revenue - State Sources:									
3100 Restricted Grants:									
3110 Vocational:									
3113 Twelve Month AG Program								43,124	43,124
3116 EEDA 9th Grade Career Awareness							\$ 284,683		284,683
3117 EEDA 8th Grade Career Awareness							15,678		15,678
3118 EEDA Career Specialist							1,011,634		1,011,634
3120 General Education:									
3123 Formative Assessment									156,403
3125 Career and Technology Career Equipment									337,641
3126 Refurbishment of K-8 Science Kits									168,433
3127 Student Health and Fitness									504,233
3128 High Schools that Work									3,388
3130 Special Programs:									
3136 Student Health and Fitness - Nurses							1,021,799		1,021,799
3150 Adult Education:									
3151 Basic									9,718
3154 Young Adult Education									169,798
3190 Other Restricted Grants:									
3193 Education License Plates									11,736
3199 Other Restricted State Grants								3,267	3,267
3600 Education Lottery Act Revenue:									
3607 6-8 Enhancement									83,050
3610 K-5 Enhancement									1,973,626
3980 Other State Revenue:									
3981 ADEPT									94,145
3983 School Media Services									50,744
3998 Revenue from Other State Sources								448,250	448,250
<b>Total Revenue - State Sources</b>							<b>5,896,709</b>	<b>494,641</b>	<b>6,391,350</b>

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2008

Revenues	Title I 201	IDEA 203	Preschool Handicapped 205	Occupational Education 207	Drug and Violence Prevention 209	Adult Education 243	Other Restricted State Grant	Other Special Revenue Programs	Total
4000 Revenue - Federal Sources:									
4200 Occupational Education:				\$ 616,118					\$ 616,118
4210 Vocational Aid									
4300 Elementary and Secondary Education Act of 1965:									
4310 Title I	\$ 9,602,438								
4331 Education Technology, Title II							\$ 281,539	9,883,977	
4340 Promoting Informed Parental Choice, Title V							181,648	181,648	
4341 Language Instruction, Title III							59,157	59,157	
4351 Improving Teacher Quality							270,346	270,346	
4400 Adult Education:						\$ 175,120			175,120
4410 Basic									
4500 Program for Children with Disabilities:									
4510 IDEA		\$ 7,543,907						483,321	8,027,228
4520 Pre-School			\$ 313,190						313,190
4900 Other Federal Sources:					\$ 168,103				168,103
4920 Drug and Violence Prevention								1,942,979	1,942,979
4999 Other Federal Revenue									
<b>Total Revenue - Federal Sources</b>	<b>9,602,438</b>	<b>7,543,907</b>	<b>313,190</b>	<b>616,118</b>	<b>168,103</b>	<b>175,120</b>	<b>-</b>	<b>4,592,675</b>	<b>23,001,551</b>
<b>Total Revenue - All Sources</b>	<b>9,602,438</b>	<b>7,543,907</b>	<b>313,190</b>	<b>616,118</b>	<b>168,103</b>	<b>175,120</b>	<b>\$ 5,896,709</b>	<b>6,786,126</b>	<b>31,101,711</b>



HORRY COUNTY SCHOOLS  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2008

	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</b>									
100 Instruction:									
110 General Instruction:									
111 Kindergarten Programs:									
100 Salaries	\$ 17,298							\$ 335	\$ 17,633
200 Employee Benefits	1,431							26	1,457
112 Primary Programs:									
100 Salaries	1,467,963					\$ 524,353	6,827	1,998,143	
200 Employee Benefits	460,231					111,332	567	572,130	
300 Purchased Services	205,788							205,788	
400 Supplies and Materials	343,867					147,887		491,754	
500 Capital Outlay	185,399							185,399	
600 Other Objects							61	61	
113 Elementary Programs:									
100 Salaries	803,708					279,885	87,146	1,170,739	
200 Employee Benefits	251,798					69,757	7,287	328,842	
300 Purchased Services	320					44,677		45,197	
400 Supplies and Materials	69,050					721,977	9,450	800,477	
500 Capital Outlay	62,869					26,833	413,163	502,865	
114 High School Programs:									
100 Salaries	163,638						730,454	894,092	
200 Employee Benefits	45,663						24,051	69,714	
300 Purchased Services							130	130	
400 Supplies and Materials	3,477					121,332	13,359	138,168	
500 Capital Outlay	46,826					129,950		176,776	
115 Vocational Programs:									
100 Salaries							40,275	40,275	
200 Employee Benefits							3,080	3,080	
300 Purchased Services							1,264	1,264	
400 Supplies and Materials				\$ 106,149		111,175	43,721	154,896	
500 Capital Outlay						227,244	34,580	367,973	
120 Exceptional Programs:									
121 Educable Mentally Handicapped:									
100 Salaries		\$ 13,948					363	14,311	
200 Employee Benefits		4,384					28	4,412	
300 Purchased Services								51	
122 Trainable Mentally Handicapped:									
100 Salaries		319,079					1,140	320,219	
200 Employee Benefits		100,300					231	100,531	
400 Supplies and Materials		1,348						1,348	

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2008

	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</b>									
100 Instruction:									
120 Exceptional Programs:									
123 Orthopedically Handicapped:									
100 Salaries		\$ 383,293						\$ 5,237	\$ 388,530
200 Employee Benefits		112,126						1,037	113,163
300 Purchased Services		43,173						195	43,368
400 Supplies and Materials		27,684							27,684
124 Visually Handicapped:									
100 Salaries		2,280							2,280
200 Employee Benefits		456							456
300 Purchased Services		27,818	\$ 3,714						31,532
400 Supplies and Materials		11,444							11,444
125 Hearing Handicapped:									
100 Salaries		48,929						2,983	51,912
200 Employee Benefits		14,466						228	14,694
300 Purchased Services		5,678							5,678
400 Supplies and Materials		7,060							7,060
126 Speech Handicapped:									
100 Salaries		146,131						1,950	148,081
200 Employee Benefits		43,170						395	43,565
300 Purchased Services		11,463						91	11,554
400 Supplies and Materials		7,559							7,559
127 Learning Disabilities:									
100 Salaries		1,756,301						94,070	1,850,371
200 Employee Benefits		491,700						29,403	521,103
300 Purchased Services		23,537						365,213	378,750
400 Supplies and Materials		387,374						40,261	427,635
128 Emotionally Handicapped:									
100 Salaries		208,381							208,381
200 Employee Benefits		56,968							56,968
400 Supplies and Materials		353							353
130 Preschool Handicapped Programs:									
137 Preschool Handicapped Self-Contained (3 and 4 Year Olds):									
100 Salaries		98,167	168,895					877	267,939
200 Employee Benefits		36,025	47,247					178	83,450
300 Purchased Services			2,617						2,617
400 Supplies and Materials			72,706						72,706

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2008

	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</b>									
100 Instruction:									
130 Preschool Handicapped Programs:									
139 Early Childhood:									
100 Salaries	\$ 2,433,259								\$ 2,433,259
200 Employee Benefits	843,746								843,746
140 Special Programs:									
141 Gifted and Talented - Academic:									
100 Salaries							\$ 300		300
200 Employee Benefits							23		23
149 Other Special Programs:									
100 Salaries		\$ 30					\$ 78,750		\$ 78,780
200 Employee Benefits		6					15,995		15,995
300 Purchased Services								77,010	77,010
400 Supplies and Materials								21,746	21,746
500 Capital Outlay								5,760	5,760
600 Other Objects								102,026	102,026
160 Other Exceptional Programs:									
161 Autism:									
100 Salaries		489,554						3,763	493,317
200 Employee Benefits		176,154						733	176,887
300 Purchased Services								1,559	1,559
170 Summer School Programs:									
171 Primary Summer School:									
300 Purchased Services	2,250								2,250
172 Elementary Summer School:									
100 Salaries							198,139	27,394	225,533
200 Employee Benefits							39,287	5,582	44,869
300 Purchased Services							251	148	399
400 Supplies and Materials							22,395	13,392	35,787
173 High School Summer School:									
100 Salaries								72,081	72,081
200 Employee Benefits								14,516	14,516
400 Supplies and Materials								174	174

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2008

Expenditures	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
100 Instruction:									
170 Summer School Programs:									
174 Gifted and Talented Summer School:									
400 Supplies and Materials								\$ 262	\$ 262
175 Instructional Programs Beyond Regular School Day:									
100 Salaries	\$ 124,648						\$ 283,550		\$ 408,198
200 Employee Benefits	23,702						48,843		72,545
400 Supplies and Materials	4,354						24,292		28,646
180 Adult/Continuing Educational Programs:									
181 Adult Basic:									
100 Salaries						\$ 78,748	7,690		86,438
200 Employee Benefits						11,706	1,560		13,266
300 Purchased Services							208		209
400 Supplies and Materials						550	259		809
182 Adult Secondary:									
100 Salaries							47,751		47,751
200 Employee Benefits							5,366		5,366
300 Purchased Services							188		188
400 Supplies and Materials							5,944	362	6,306
500 Capital Outlay								8,638	8,638
183 Adult English Literacy:									
100 Salaries						54,724			54,724
200 Employee Benefits						4,671			4,671
400 Supplies and Materials						19,554			19,554
188 Parenting/Family Literacy:									
100 Salaries	162,173							80,628	242,801
200 Employee Benefits	60,903							28,435	90,338
300 Purchased Services	4,100							15,890	19,990
400 Supplies and Materials	78,311							18,433	96,744
<b>Total Instruction</b>	<b>7,886,772</b>	<b>\$ 5,056,390</b>	<b>\$ 295,179</b>	<b>\$ 106,149</b>	<b>-</b>	<b>169,953</b>	<b>3,296,471</b>	<b>2,466,702</b>	<b>19,257,616</b>

HORRY COUNTY SCHOOLS  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2008

Title	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</b>								
200 Supporting Services:								
210 Pupil Services:								
211 Attendance and Social Work Services:								
100 Salaries	\$ 493						\$ 493	
200 Employee Benefits	98						98	
300 Purchased Services	11,323						32,954	
400 Supplies and Materials							1,500	
212 Guidance Services:								
100 Salaries			\$ 309,921					309,921
200 Employee Benefits			77,489					77,489
300 Purchased Services				\$ 2,497				2,497
400 Supplies and Materials				20,324				20,324
213 Health:								
100 Salaries								
200 Employee Benefits	21,919						180	799,386
300 Purchased Services	11,560						35	256,107
400 Supplies and Materials							339,493	339,493
500 Capital Outlay							25,756	36,469
	\$ 10,713						1,799	1,799
214 Psychological:								
100 Salaries	483,098							483,098
200 Employee Benefits	136,287							136,287
300 Purchased Services	83,570							83,570
400 Supplies and Materials	41,702							41,702
215 Exceptional Program Services:								
100 Salaries	117,809							117,809
200 Employee Benefits	30,902							30,902
300 Purchased Services	1,091							1,091
400 Supplies and Materials	39,743							39,743
600 Other Objects	5,374							5,374
217 Career Specialist Services:								
100 Salaries						790,113		790,113
200 Employee Benefits						219,487		219,487
300 Purchased Services			4,100					4,100

HORRY COUNTY SCHOOLS  
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2008

Expenditures	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
200 Supporting Services:									
220 Instructional Staff Services:									
221 Improvement of Instruction - Curriculum:									
100 Salaries	\$ 276,518	\$ 510,119			\$ 29,733		\$ 8,340	\$ 285,861	\$ 1,110,571
200 Employee Benefits	79,959	130,196			6,061		1,638	59,085	276,899
300 Purchased Services	2,231	19,644			59,568		6,091	357	87,891
400 Supplies and Materials	676	8,045			30,981			67,719	107,421
222 Library and Media:									
400 Supplies and Materials							50,744	14,753	65,497
223 Supervision of Special Programs:									
100 Salaries	142,178	292,331					73,923	388,233	896,665
200 Employee Benefits	37,089	94,635					21,163	99,839	252,736
300 Purchased Services	13,378	11,279	\$ 1,928				7,952	6,156	40,893
400 Supplies and Materials	15,547	14,710	2,803					11,401	44,461
500 Capital Outlay	3,194						7,511		10,705
224 Improvement of Instruction - In-Service:									
100 Salaries	147,946	50,965	1,423				7,635	334,259	542,228
200 Employee Benefits	39,264	7,594	130				1,444	69,799	118,231
300 Purchased Services	443,756	65,396	472	\$ 32,893			129,470	691,798	1,363,745
400 Supplies and Materials	55,828	37,998					37,223	69,937	200,986
500 Capital Outlay	938						2,527		3,465
230 General Administration Services:									
233 School Administration:								1,311	1,311
400 Supplies and Materials								1,229	1,229
500 Capital Outlay									

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2008

	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</b>									
200 Supporting Services:									
250 Finance and Operations Services:									
251 Student Transportation:									
100 Salaries	\$ 11,589							\$ 1,489	\$ 13,078
200 Employee Benefits	2,253							304	2,557
300 Purchased Services	164,533								164,533
254 Operation and Maintenance of Plant:									
100 Salaries								19,066	19,066
200 Employee Benefits								3,842	3,842
300 Purchased Services								650	650
400 Supplies and Materials								25,738	25,738
255 Pupil Transportation:									
100 Salaries	\$		26					1,527	1,553
200 Employee Benefits			5					309	314
300 Purchased Services			4,953					6,738	11,691
256 Security:									
300 Purchased Services					\$ 36,800			29,468	66,268
260 Central Support Services:									
262 Planning:									
300 Purchased Services							\$ 156,403	114,130	270,533
263 Information Services:									
100 Salaries								32,877	32,877
200 Employee Benefits								9,782	9,782
264 Staff Services:									
100 Salaries								58,740	58,740
200 Employee Benefits								16,331	16,331
300 Purchased Services								15,249	15,249
400 Supplies and Materials								20,132	20,132
270 Support Services - Pupil Activities:									
271 Pupil Service Activities:									
100 Salaries							7,651	3,988	11,639
200 Employee Benefits							1,459	772	2,231
300 Purchased Services		690					6,000		6,690
600 Other Objects	8,595	2,740	\$ 2,015	\$ 70,521			780	18,512	103,163
<b>Total Supporting Services</b>	<b>1,456,175</b>	<b>2,236,255</b>	<b>8,771</b>	<b>494,824</b>	<b>163,143</b>	<b>-</b>	<b>2,582,174</b>	<b>2,871,755</b>	<b>9,813,197</b>

HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2008

Expenditures	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
300 Community Services:									
350 Custody and Care of Children:									
100 Salaries								\$ 723,324	\$ 723,324
200 Employee Benefits								120,171	120,171
300 Purchased Services								3,420	3,420
400 Supplies and Materials								79,359	79,359
600 Other Objects								47,650	47,650
360 Welfare:									
100 Salaries								40,080	40,080
200 Employee Benefits								8,048	8,048
400 Supplies and Materials								5,061	5,061
<b>Total Community Services</b>	\$ 5,786	-	-	-	-	-	-	1,027,113	1,032,899
410 Intergovernmental Expenditures:									
416-720 Payments to Public Charter Schools		\$ 28,693					\$ 18,064	5,070	51,827
<b>Total - Intergovernmental Expenditures</b>	-	28,693	-	-	-	-	18,064	5,070	51,827
<b>Total Expenditures</b>	9,328,733	7,321,338	\$ 303,950	\$ 601,073	\$ 163,143	\$ 169,953	5,896,709	6,370,640	30,155,539
<b>Excess of Revenues Over (Under) Expenditures</b>	273,705	222,569	9,240	15,045	4,960	5,167	-	415,486	946,172
<b>Other Financing Sources (Uses)</b>	(273,705)	(222,569)	(9,240)	(15,045)	(4,960)	(5,167)		(341,005)	(341,005)
<b>Transfers from (to) Other Funds:</b>								(74,481)	(605,167)
426-710 Transfer to Pupil Activity Fund									
431-791 Special Revenue - Indirect Costs									
<b>Total Other Financing Sources (Uses)</b>	(273,705)	(222,569)	(9,240)	(15,045)	(4,960)	(5,167)		(415,486)	(946,172)
<b>Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	-	-	-	-	-	-	-	-	-
<b>Fund Balance July 1, 2007</b>	-	-	-	-	-	-	-	-	-
<b>Fund Balance June 30, 2008</b>	-	-	-	-	-	-	-	-	-



## HORRY COUNTY SCHOOLS

## SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND

## SUMMARY SCHEDULE OF OTHER STATE RESTRICTED GRANTS

YEAR ENDED JUNE 30, 2008

Subfund	Revenue Code	Programs	Revenues	Expenditures	Special Revenue	
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)
905	3125	Career and Technology Education Equipment	\$ 337,641	\$ 337,641	-	-
908	3126	Refurbishment of K-8 Science Kits	168,433	168,433	-	-
916	3991	ADEPT	94,145	94,145	-	-
918	3151	Adult Education - Basic	9,718	9,718	-	-
919	3193	Education License Plates	11,736	11,736	-	-
920	3154	Young Adult Education	169,798	169,798	-	-
926	3116	EEDA - 9th Grade Awareness	284,683	284,683	-	-
927	3117	EEDA - 8th Grade Awareness	15,678	15,678	-	-
928	3118	EEDA - Career Specialist	1,011,634	1,011,634	-	-
933	3123	Formative Assessment	156,403	156,403	-	-
936	3136	Student Health and Fitness - Nurses	1,021,799	1,021,799	-	-
937	3127	Student and Health Fitness - PE Teachers	504,233	504,233	-	-
938	3128	High Schools that Work	3,388	3,388	-	-
939	3993	School Media Services	50,744	50,744	-	-
960	3610	K-5 Enhancement	1,973,626	1,973,626	-	-
967	3607	6-8 Enhancement	83,050	83,050	-	-
<b>Totals - Other Restricted State Grants</b>			<b>5,896,709</b>	<b>5,896,709</b>	<b>-</b>	<b>-</b>

HORRY COUNTY SCHOOLS

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

YEAR ENDED JUNE 30, 2008

Program	Subfund	Revenue Code	Revenues			Total	Expenditures	Transfers in (Out)
			Local	State	Federal			
IDEA - Extended School Year	204	4510			\$ 75,417	\$ 75,417	-	
IDEA - Personnel Development	213	4510			57,336	55,644	\$ (1,692)	
Title I - Program Improvement	237	4310			281,539	281,539	-	
Title V - Innovative Education	241	4340			59,157	57,412	(1,745)	
Title II - Education Technology	253	4331			181,648	181,648	-	
Title III - ESOL	264	4341			270,346	265,377	(4,969)	
Improving Teacher Quality	267	4351			1,363,685	1,323,491	(40,194)	
Nursing Program	416	1999	\$ 32,725		32,725	32,725	-	
After School Childcare	432	1999/3999	1,228,747	\$ 1,583	1,230,330	892,648	(337,682)	
After School Childcare Summer	433	1999	73,594		73,594	70,271	(3,323)	
Esson Mobile Grant	453	1999	778		778	778	-	
USC Cohort	454	1999	39,375		39,375	39,375	-	
Teacher Staff Development	455	1999	77,648		77,648	77,648	-	
Service Learning Courses	460	1999	300		300	300	-	
Lesley College	463	1999	9,666		9,666	9,666	-	
Miscellaneous Grants	470	1999	18,362		18,362	18,362	-	
Santee Cooper	472	1999	80,209		80,209	80,209	-	
Recycling Grants	482	1999	61		61	61	-	
Television Services	486	1999	778		778	778	-	
Pace Courses - Horry Georgetown	492	1999	4,877		4,877	4,877	-	
College Courses - Coastal Carolina	493	1999	288		288	288	-	
Myrtle Beach Auditorium	497	1910/1999	54,008		54,008	54,008	-	
Middle School Summer Program	498	1350/1720/1740	3,503		3,503	3,503	-	
High School Summer Program	499	1350/1790	83,891		83,891	83,891	-	
HEAP Incentive Grant	503	3999		1,000	1,000	1,000	-	
12 Month Agriculture Program	528	3113		43,124	43,124	43,124	-	
Extended School Year	560	3199		3,267	3,267	3,267	-	
Palmetto Pride Litter Initiative	583	3999		382	382	382	-	
IDEA - Private Placement	603	4510			350,568	350,568	-	
WIA - Family Learning	615	4999			1,215	1,215	-	
Discovery of American History	640	4999			432,270	419,517	(12,753)	
Safe Schools/Healthy Students	641	4999			736,635	725,884	(10,751)	
WIA - Youth	651	4999			24,711	24,711	-	
Workforce Investment - Adult Education	663	4999			51,974	51,974	-	
State Improvement Grant	665	4999			80,586	78,209	(2,377)	
NAVY ROTC	666	4999			252,917	252,917	-	
Air Force ROTC	667	4999			73,184	73,184	-	
Army ROTC	668	4999			287,987	287,987	-	
Attendance Improvement Project	673	4999			1,500	1,500	-	
First Steps - Parent Home Child	981	3999		116,360	116,360	116,360	-	
First Steps - Director Salary	982	3999		328,925	328,925	328,925	-	
<b>Totals - Other Special Revenue Programs</b>			<b>1,708,810</b>	<b>494,641</b>	<b>4,582,675</b>	<b>6,370,640</b>	<b>(415,486)</b>	

## HORRY COUNTY SCHOOLS

## SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND

## COMPARATIVE BALANCE SHEETS

	June 30, 2008	June 30, 2007
<b>Assets</b>		
Cash and Investments	\$ 4,676,430	\$ 5,353,117
Accounts Receivable - Other	287	411
Due from State Department of Education	2,749,434	23,640
<b>Total Assets</b>	<u>7,426,151</u>	<u>5,377,168</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable	786,671	165,680
Accrued Salaries	323,898	578,652
Accrued Liabilities	65,671	117,294
Due to State Department of Education	767	-
Deferred Revenue	6,249,144	4,515,542
<b>Total Liabilities</b>	<u>7,426,151</u>	<u>5,377,168</u>
<b>Fund Balances</b>		
Unreserved and Undesignated	<u>-</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>7,426,151</u>	<u>5,377,168</u>

## HORRY COUNTY SCHOOLS

## SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND

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

YEARS ENDED JUNE 30, 2008 AND 2007

	June 30, 2008	June 30, 2007
<b>Revenues</b>		
State Sources	\$ 22,469,129	\$ 23,346,157
<b>Total Revenues</b>	<u>22,469,129</u>	<u>23,346,157</u>
<b>Expenditures</b>		
Instruction	15,727,174	15,478,182
Support Services	1,395,043	2,387,388
Community Services	19,438	-
Payment to Public Charter Schools	19,810	25,171
Capital Outlay	950,460	407,375
<b>Total Expenditures</b>	<u>18,111,925</u>	<u>18,298,116</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>4,357,204</u>	<u>5,048,041</u>
<b>Other Financing Sources (Uses)</b>		
Transfers Out	<u>(4,357,204)</u>	<u>(5,048,041)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(4,357,204)</u>	<u>(5,048,041)</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, 2008

	Actual
<b>Revenues</b>	
3000 Revenue from State Sources:	
3100 Restricted State Funding:	
3199 Other Restricted State Grants	\$ 5,604
3500 Education Improvement Act:	
3501 Increase High School Diploma Requirements	1,029,087
3505 School Technology Initiative	596,859
3509 Arts in Education	4,578
3513 Family Literacy	224,271
3515 Advanced Placement Courses	50,049
3517 Advanced Placement - Singleton	33,674
3520 Gifted and Talented - Academic	2,251,154
3522 Gifted and Talented - Artistic	188,954
3523 Junior Scholars Program	3,538
3527 Critical Teaching Needs	12,075
3530 Profoundly & Trainable Handicapped Services	183,720
3532 National Board Certification Salary Supplement	1,856,759
3533 Teacher of the Year Awards	1,077
3534 Professional Development on Standards	190,526
3540 Four-Year Old Early Childhood	995,817
3542 Preschool Programs for Children with Disabilities	183,335
3546 Academic Assistance K-3	2,413,515
3548 Academic Assistance 4-12	2,237,101
3549 Academic Assistance Reading Recovery	153,901
3550 Teacher Salary Increase	3,941,932
3553 Adult Education - Remedial	47,217
3555 School Employer Contributions	799,424
3562 Adult Education Basic	264,523
3565 Adult Education, Literacy	58,328
3568 EAA Technical Assistance	475,590
3575 Competitive Teacher Grants	872
3577 Teacher Supplies	737,825
3578 High Schools that Work	23,470
3582 Principal's Salary/Fringe Increase	152,211
3583 EAA Summer School/Comprehensive Remediation	872,813
3588 EAA Palmetto Gold and Silver Awards	137,001
3591 Excellence in Middle Schools	160,383
3592 School-to-Work Transition	141,164
3593 EAA Reduced Class Size Grades 1-3	1,738,420
3596 EAA Alternative School Programs	297,862
3599 Other EIA Funds	4,500
<b>Total Revenues - All Sources</b>	<u>22,469,129</u>

## HORRY COUNTY SCHOOLS

## SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2008

Expenditures	Actual
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	\$ 31,000
200 Employee Benefits	6,115
400 Supplies and Materials	35,117
112 Primary Programs:	
100 Salaries	2,623,058
200 Employee Benefits	775,218
300 Purchased Services	27,880
400 Supplies and Materials	221,959
500 Capital Outlay	18,425
113 Elementary Programs:	
100 Salaries	1,520,396
200 Employee Benefits	400,717
300 Purchased Services	7,199
400 Supplies and Materials	407,904
500 Capital Outlay	628,013
114 High School Programs:	
100 Salaries	1,997,512
200 Employee Benefits	558,957
300 Purchased Services	37,076
400 Supplies and Materials	378,349
500 Capital Outlay	5,710
115 Vocational Programs:	
100 Salaries	187,369
200 Employee Benefits	51,183
300 Purchased Services	4,639
400 Supplies and Materials	33,118
500 Capital Outlay	55,201
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
100 Salaries	15,000
200 Employee Benefits	2,996
400 Supplies and Materials	3,575
122 Trainable Mentally Handicapped:	
100 Salaries	158,019
200 Employee Benefits	42,512
400 Supplies and Materials	15,862
124 Visually Handicapped:	
400 Supplies and Materials	825
125 Hearing Handicapped:	
400 Supplies and Materials	1,375
126 Speech Handicapped:	
100 Salaries	21,450
200 Employee Benefits	4,198
400 Supplies and Materials	12,925
127 Learning Disabilities:	
100 Salaries	85,208
200 Employee Benefits	18,809
400 Supplies and Materials	64,377
128 Emotionally Handicapped:	
400 Supplies and Materials	6,600

## HORRY COUNTY SCHOOLS

## SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2008

	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	\$ 147,054
200 Employee Benefits	48,290
400 Supplies and Materials	5,775
139 Early Childhood:	
100 Salaries	1,193,843
200 Employee Benefits	391,538
300 Purchased Services	
400 Supplies and Materials	42,039
500 Capital Outlay	14,236
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	1,512,812
200 Employee Benefits	446,687
300 Purchased Services	41,334
400 Supplies and Materials	156,659
500 Capital Outlay	206,366
143 Advanced Placement:	
100 Salaries	270
200 Employee Benefits	55
300 Purchased Services	7,733
400 Supplies and Materials	73,694
145 Homebound:	
400 Supplies and Materials	275
148 Gifted and Talented - Artistic:	
100 Salaries	94
200 Employee Benefits	19
149 Other Special Programs:	
100 Salaries	252,962
200 Employee Benefits	69,351
400 Supplies and Materials	9,650
160 Other Exceptional Programs:	
161 Autism:	
400 Supplies and Materials	1,650
170 Summer School Program:	
171 Primary Summer School:	
100 Salaries	4,068
200 Employee Benefits	720
172 Elementary Summer School:	
100 Salaries	467,736
200 Employee Benefits	93,671
300 Purchased Services	399
400 Supplies and Materials	12,145
173 High School Summer School:	
100 Salaries	92,401
200 Employee Benefits	18,635
300 Purchased Services	89
400 Supplies and Materials	3,203

## HORRY COUNTY SCHOOLS

## SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2008

	Actual
<b>Expenditures (Continued)</b>	
100 Instruction (Continued):	
170 Summer School Program (Continued):	
174 Gifted and Talented Summer School:	
100 Salaries	\$ 10,380
200 Employee Benefits	2,064
300 Purchased Services	175,870
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	226,423
200 Employee Benefits	42,143
300 Purchased Services	11,712
400 Supplies and Materials	4,949
180 Adult/Continuing Educational Programs:	
181 Adult Basic Programs:	
100 Salaries	36,922
200 Employee Benefits	8,941
400 Supplies and Materials	1,368
182 Adult Secondary Education:	
100 Salaries	42,231
200 Employee Benefits	8,573
300 Purchased Services	156
400 Supplies and Materials	1,997
183 Adult English Literacy (ESL):	
100 Salaries	56,651
200 Employee Benefits	7,592
400 Supplies and Materials	692
187 Adult Education - Remedial:	
100 Salaries	20,419
200 Employee Benefits	2,292
300 Purchased Services	169
400 Supplies and Materials	2,837
500 Capital Outlay	21,500
188 Parenting/Family Literacy:	
100 Salaries	108,259
200 Employee Benefits	37,683
300 Purchased Services	16,914
400 Supplies and Materials	46,589
<b>Total Instruction</b>	<u>16,676,625</u>
200 Support Services:	
210 Pupil Services:	
211 Attendance and Social Work Services:	
100 Salaries	26,773
200 Employee Benefits	8,553
500 Capital Outlay	1,009
212 Guidance:	
100 Salaries	103,928
200 Employee Benefits	20,924
400 Supplies and Materials	26,331



## HORRY COUNTY SCHOOLS

## SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2008

## Expenditures (Continued)

## 200 Support Services (Continued):

## 210 Pupil Services:

## 213 Health Services:

100 Salaries	\$	41,123
200 Employee Benefits		11,351

## 220 Instructional Staff Services:

## 221 Improvement of Instruction - Curriculum Development:

100 Salaries		27,007
200 Employee Benefits		6,472
300 Purchased Services		551

## 222 Library and Media:

100 Salaries		75,000
200 Employee Benefits		15,011
400 Supplies and Materials		14,300

## 223 Supervision of Special Programs:

100 Salaries		126,100
200 Employee Benefits		32,564
300 Purchased Services		9,656

## 224 Improvement of Instruction - Inservice Training:

100 Salaries		156,216
200 Employee Benefits		30,649
300 Purchased Services		177,047
400 Supplies and Materials		21,853

## 230 General Administrative Services:

## 233 School Administration:

100 Salaries		121,502
200 Employee Benefits		30,709

## 250 Finance and Operations Services:

## 251 Student Transportation (Federal/District Mandate):

100 Salaries		22,314
200 Employee Benefits		4,528
300 Purchased Services		3,740

## 254 Operations and Maintenance of Plant:

100 Salaries		300
200 Employee Benefits		23
400 Supplies and Materials		84

## 255 Student Transportation (State Mandate):

100 Salaries		131,103
200 Employee Benefits		26,565
300 Purchased Services		2,374

## 256 Food Services:

100 Salaries		1,793
200 Employee Benefits		137

## 258 Security:

300 Purchased Services		82,618
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HORRY COUNTY SCHOOLS

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2008

	Actual
<b>Expenditures (Continued)</b>	
200 Support Services (Continued):	
270 Support Services - Pupil Activity:	
271 Pupil Service Activities:	
100 Salaries	\$ 1,616
200 Employee Benefits	262
400 Supplies and Materials	19,987
600 Other Objects	<u>13,979</u>
<b>Total Support Services</b>	<u>1,396,052</u>
300 Community Services:	
250 Custody and Care of Children Services:	
100 Salaries	16,161
200 Employee Benefits	<u>3,277</u>
<b>Total Community Services</b>	<u>19,438</u>
410 Intergovernmental Expenditures:	
416 Payments to Public Charter Schools:	
720 Transits	<u>19,810</u>
<b>Total Intergovernmental Expenditures</b>	<u>19,810</u>
<b>Total Expenditures</b>	<u>18,111,925</u>
<b>Excess of Revenues Over Expenditures</b>	<u>4,357,204</u>
<b>Other Financing Sources (Uses)</b>	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund	<u>(4,357,204)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(4,357,204)</u>
<b>Excess of Revenues Over Expenditures and     Other Financing Sources (Uses)</b>	-
<b>Fund Balance, July 1, 2007</b>	<u>-</u>
<b>Fund Balance, June 30, 2008</b>	<u><u>-</u></u>

## HORRY COUNTY SCHOOLS

## SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND

## SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2008

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	\$ 1,029,087	\$ 1,029,087			\$ 112,884
3505 School Technology	596,859	596,859			33,522
3509 Arts in Education	4,578	4,578			
3513 Family Literacy	224,271	224,271			85,730
3515 Advanced Placement Courses	50,049	50,049			4,840
3517 Advanced Placement - Singleton	33,674	33,674			23,651
3520 Gifted and Talented - Academic	2,251,154	2,251,154			419,571
3522 Gifted and Talented - Artistic	188,954	188,954			102,634
3523 Junior Scholars Program	3,538	3,538			
3527 Critical Teaching Needs	12,075	12,075			3,277
3530 Profoundly & Trainable Handicapped Services	183,720	183,720			14,832
3532 National Board Certification Salary Supplement	1,856,759	1,856,759			
3533 Teacher of the Year Awards	1,077	1,077			
3534 Professional Development on Standards	190,526	190,526			10,153
3540 Four-Year Old Early Childhood	995,817	995,817			870,443
3542 Preschool Programs for Children with Disabilities	183,335	183,335			
3546 Academic Assistance K-3	2,413,515	3,383,087	\$ 969,572		2,524,656
3548 Academic Assistance 4-12	2,237,101	3,005,949	768,848		1,494,979
3549 Academic Assistance Reading Recovery	153,901	153,901			42,784
3550 Teacher Salary Increase	3,941,932	319,381		\$ (3,622,551)	
3553 Adult Education - Remedial	47,217	47,217			48,665
3555 School Employer Contributions	799,424	64,771		(734,653)	
3562 Adult Education Basic	264,523	264,523			25,556
3565 Adult Education, Literacy	58,328	58,328			2,431
3568 EAA Technical Assistance	475,590	475,590			4,821
3576 Competitive Teacher Grants	872	872			
3577 Teacher Supplies	737,825	737,825			
3578 High Schools that Work	23,470	23,470			10,167
3582 Principal's Salary/Fringe Increase	152,211	152,211			
3583 EAA Summer School/Comprehensive Remediation	872,813	872,813			142,388
3588 EAA Palmetto Gold and Silver Awards	137,001	137,001			17,013
3591 Middle School Initiative	160,383	160,383			175,743
3592 School to Work Transition Act	141,164	141,164			78,404
3593 EAA Reduced Class Size Grades 1-3	1,738,420	-	(1,738,420)		
3596 EAA Alternative School Program	297,862	297,862			
3599 Other EIA Funds	4,500	4,500			
<b>Total</b>	<b>22,463,525</b>	<b>18,106,321</b>	<b>-</b>	<b>(4,357,204)</b>	<b>6,249,144</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, 2008</b>	<b>June 30, 2007</b>
<b>Assets</b>		
Cash and Investments	\$ 24,392,900	\$ 31,799,143
Property Taxes, Current	2,869,799	2,881,641
Due from Other State Agencies	46,754	-
	<b>27,309,453</b>	<b>34,680,784</b>
<b>Total Assets</b>		
 <b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Due to Other State Agencies	-	9,852
Deferred Revenue	2,568,662	2,591,686
	<b>2,568,662</b>	<b>2,601,538</b>
<b>Total Liabilities</b>		
<b>Fund Balances</b>		
Reserved for Debt Service	24,740,791	32,079,246
	<b>24,740,791</b>	<b>32,079,246</b>
<b>Total Fund Balances</b>		
	<b>27,309,453</b>	<b>34,680,784</b>
<b>Total Liabilities and Fund Balances</b>		

HORRY COUNTY SCHOOLS

DEBT SERVICE FUND

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

YEARS ENDED JUNE 30, 2008 AND 2007

	June 30, 2008	June 30, 2007
<b>Revenues</b>		
Local Sources	\$ 49,145,298	\$ 44,466,491
State Sources	1,472,491	1,418,408
<b>Total Revenues</b>	<u>50,617,789</u>	<u>45,884,899</u>
<b>Expenditures</b>		
Debt Service	<u>59,993,849</u>	<u>36,286,089</u>
<b>Total Expenditures</b>	<u>59,993,849</u>	<u>36,286,089</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(9,376,060)</u>	<u>9,598,810</u>
<b>Other Financing Sources (Uses)</b>		
Premium on Bonds Sold	<u>2,037,605</u>	<u>3,393,526</u>
<b>Total Other Financing Sources (Uses)</b>	<u>2,037,605</u>	<u>3,393,526</u>
<b>Net Change in Fund Balance</b>	(7,338,455)	12,992,336
<b>Fund Balance - Beginning</b>	<u>32,079,246</u>	<u>19,086,910</u>
<b>Fund Balance - Ending</b>	<u><u>24,740,791</u></u>	<u><u>32,079,246</u></u>

HORRY COUNTY SCHOOLS

DEBT SERVICE FUND

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

YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local Sources	\$ 45,233,203	\$ 45,233,203	\$ 49,145,298	\$ 3,912,095
State Sources	1,291,670	1,291,670	1,472,491	180,821
<b>Total Revenues</b>	<u>46,524,873</u>	<u>46,524,873</u>	<u>50,617,789</u>	<u>4,092,916</u>
<b>Expenditures</b>				
Debt Service	43,467,480	43,467,480	59,993,849	(16,526,369)
<b>Total Expenditures</b>	<u>43,467,480</u>	<u>43,467,480</u>	<u>59,993,849</u>	<u>(16,526,369)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>3,057,393</u>	<u>3,057,393</u>	<u>(9,376,060)</u>	<u>(12,433,453)</u>
<b>Other Financing Sources (Uses)</b>				
Premium on Bonds Sold	-	-	2,037,605	2,037,605
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>2,037,605</u>	<u>2,037,605</u>
<b>Net Change in Fund Balance</b>	<u>3,057,393</u>	<u>3,057,393</u>	<u>(7,338,455)</u>	<u>(10,395,848)</u>
<b>Fund Balance - Beginning</b>			<u>32,079,246</u>	
<b>Fund Balance - Ending</b>			<u>24,740,791</u>	

HORRY COUNTY SCHOOLS

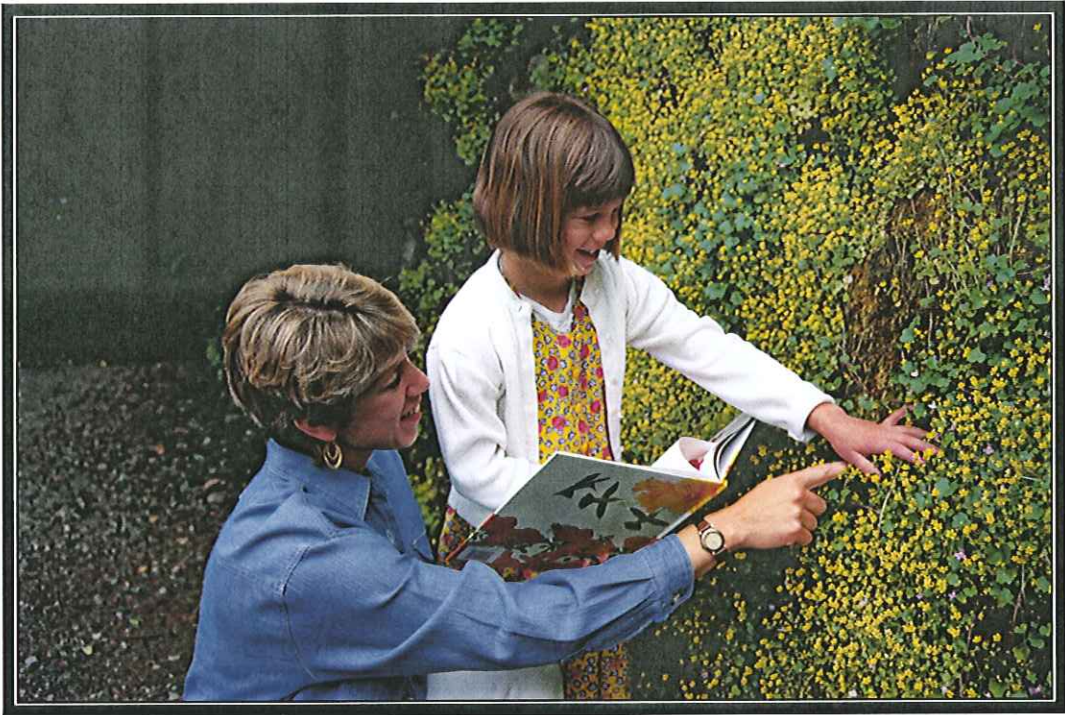
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance
<b>Revenues</b>			
1000 Revenue from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes	\$ 43,552,949	\$ 46,481,425	\$ 2,928,476
1140 Penalties & Interest/Delinquent Taxes	350,514	472,451	121,937
1190 Other Taxes	-	201,760	201,760
1280 Revenue in Lieu of Taxes	729,472	811,874	82,402
1500 Earnings on Investments:			
1510 Interest on Investments	588,806	1,177,788	588,982
1900 Other Revenue from Local Sources:			
1994 Receipt of Legal Settlements	11,462	-	(11,462)
<b>Total Revenue - Local Sources</b>	<b>45,233,203</b>	<b>49,145,298</b>	<b>3,912,095</b>
3000 Revenue from State Sources:			
3800 State Revenue in Lieu of Taxes:			
3820 Homestead Exemption	996,483	1,095,654	99,171
3830 Merchant's Inventory Tax	201,985	201,985	-
3840 Manufacturer's Depreciation Reimbursement	35,417	71,955	36,538
3890 Other State Property Tax Revenues	57,785	102,897	45,112
<b>Total Revenue - State Sources</b>	<b>1,291,670</b>	<b>1,472,491</b>	<b>180,821</b>
<b>Total Revenue - All Sources</b>	<b>46,524,873</b>	<b>50,617,789</b>	<b>4,092,916</b>
<b>Expenditures</b>			
500 Debt Service:			
610 Redemption on Principal	22,920,000	39,120,000	(16,200,000)
620 Interest	20,423,672	20,543,756	(120,084)
690 Other Objects (Includes Fees for Servicing Bonds)	123,808	330,093	(206,285)
<b>Total Expenditures</b>	<b>43,467,480</b>	<b>59,993,849</b>	<b>(16,526,369)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>3,057,393</b>	<b>(9,376,060)</b>	<b>(12,433,453)</b>
<b>Other Financing Sources (Uses)</b>			
5110 Premium on Bonds Sold	-	2,037,605	2,037,605
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>2,037,605</b>	<b>2,037,605</b>
<b>Excess of Revenues Over Expenditures and Other Financing Sources (Uses)</b>	<b>3,057,393</b>	<b>(7,338,455)</b>	<b>(10,395,848)</b>
<b>Fund Balance July 1, 2007</b>		<b>32,079,246</b>	
<b>Fund Balance June 30, 2008</b>		<b>24,740,791</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, 2008	June 30, 2007
<b>Assets</b>		
Cash and Investments	\$ 81,245,670	\$ 45,574,830
Receivables:		
Other	132,403	365,137
<b>Total Assets</b>	<u>81,378,073</u>	<u>45,939,967</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable	3,737,105	11,019,291
Retainage Payable	2,333,611	7,354,320
Accrued Liabilities	314	-
<b>Total Liabilities</b>	<u>6,071,030</u>	<u>18,373,611</u>
<b>Fund Balances</b>		
Reserved for Capital Projects	<u>75,307,043</u>	<u>27,566,356</u>
<b>Total Fund Balances</b>	<u>75,307,043</u>	<u>27,566,356</u>
<b>Total Liabilities and Fund Balances</b>	<u>81,378,073</u>	<u>45,939,967</u>

## HORRY COUNTY SCHOOLS

## CAPITAL PROJECTS FUND

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

YEARS ENDED JUNE 30, 2008 AND 2007

	June 30, 2008	June 30, 2007
<b>Revenues</b>		
Local Sources	\$ 3,031,166	\$ 6,489,121
State Sources	-	-
<b>Total Revenues</b>	<u>3,031,166</u>	<u>6,489,121</u>
<b>Expenditures</b>		
Instruction	801	6,494
Support Services	6,042,929	4,345,681
Capital Outlay	45,885,677	124,408,936
<b>Total Expenditures</b>	<u>51,929,407</u>	<u>128,761,111</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(48,898,241)</u>	<u>(122,271,990)</u>
<b>Other Financing Sources (Uses)</b>		
General Obligation Bonds Issued	90,000,000	128,710,000
Sale of Capital Assets	6,883,489	177,342
<b>Interfund Transfers, From (To) Other Funds</b>		
Transfer Out	(244,561)	-
<b>Total Other Financing Sources (Uses)</b>	<u>96,638,928</u>	<u>128,887,342</u>
<b>Net Change in Fund Balance</b>	47,740,687	6,615,352
<b>Fund Balance - Beginning</b>	<u>27,566,356</u>	<u>20,951,004</u>
<b>Fund Balance - Ending</b>	<u><u>75,307,043</u></u>	<u><u>27,566,356</u></u>

## HORRY COUNTY SCHOOLS

## CAPITAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local Sources	\$ 2,931,736	\$ 3,031,168	\$ 3,031,166	\$ (2)
State Sources	-	145,207	-	(145,207)
<b>Total Revenues</b>	<u>2,931,736</u>	<u>3,176,375</u>	<u>3,031,166</u>	<u>(145,209)</u>
<b>Expenditures</b>				
Instruction	-	801	801	-
Support Services	19,562,610	19,212,403	6,042,929	13,169,474
Capital Outlay	74,630,833	74,735,588	45,885,677	28,849,911
<b>Total Expenditures</b>	<u>94,193,443</u>	<u>93,948,792</u>	<u>51,929,407</u>	<u>42,019,385</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(91,261,707)</u>	<u>(90,772,417)</u>	<u>(48,898,241)</u>	<u>41,874,176</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	90,000,000	90,000,000	90,000,000	-
Sale of Capital Assets	-	6,883,489	6,883,489	-
<b>Interfund Transfers, From (To) Other Funds</b>				
Transfer In	1,901,206	1,904,876	-	(1,904,876)
Transfers Out		(244,651)	(244,561)	90
<b>Total Other Financial Sources (Uses)</b>	<u>91,901,206</u>	<u>98,543,714</u>	<u>96,638,928</u>	<u>(1,904,786)</u>
<b>Net Change in Fund Balance</b>	<u>639,499</u>	<u>7,771,297</u>	<u>47,740,687</u>	<u>39,969,390</u>
<b>Fund Balance - Beginning</b>			<u>27,566,356</u>	
<b>Fund Balance - Ending</b>			<u>75,307,043</u>	

## HORRY COUNTY SCHOOLS

## CAPITAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance
<b>Revenues</b>			
<b>1000 Revenue - Local Sources</b>			
1510 Interest on Investments	\$ 2,508,633	\$ 2,508,633	\$ -
1920 Contributions & Donations Private Sources	119,000	119,000	-
1900 Miscellaneous Local Revenue			
1993 Receipt of Insurance Proceeds			
1999 Other Local Revenue	403,535	403,533	(2)
<b>Total Revenue - Local Sources</b>	<b>3,031,168</b>	<b>3,031,166</b>	<b>(2)</b>
<b>3000 Revenue - State Sources</b>			
3170 State School Building Aid	145,207	-	(145,207)
<b>Total Revenue - State Sources</b>	<b>145,207</b>	<b>-</b>	<b>(145,207)</b>
<b>Total Revenue - All Sources</b>	<b>3,176,375</b>	<b>3,031,166</b>	<b>(145,209)</b>
<b>Expenditures</b>			
<b>100 Instruction:</b>			
110 General Instructions:			
113 Elementary Programs:			
400 Supplies and Materials	801	801	-
500 Capital Outlay	28,438	28,438	-
<b>Total Instruction</b>	<b>29,239</b>	<b>29,239</b>	<b>-</b>
<b>200 Support Services:</b>			
220 Instructional Staff Services:			
221 Improvement of Instruction - Curriculum Development:			
100 Salaries	43,644	-	43,644
200 Employee Benefits	13,915	-	13,915
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	153,655	-	153,655
200 Employee Benefits	37,014	-	37,014
500 Capital Outlay	9,354	-	9,354
253 Facilities Acquisition and Construction Services:			
100 Salaries	877,045	692,982	184,063
200 Employee Benefits	235,160	183,683	51,477
300 Purchased Services	1,000,000	56,708	943,292
400 Supplies and Materials	8,000,000	3,449,131	4,550,869
500 Capital Outlay:			
520 Construction Services	66,590,511	38,867,921	27,722,590
525 Buildings	610,695	610,695	-
530 Improvements Other Than Buildings	1,000,000	967,646	32,354
540 Equipment	200,000	29,956	170,044
545 Technology Equipment and Software	5,500,000	5,071,183	428,817
600 Other Objects	3,604,581	4,307	3,600,274
254 Operation and Maintenance of Plant:			
100 Salaries	1,961	1,961	-
200 Employee Benefits	377	377	-
300 Purchased Services	1,945,207	1,513,835	431,372
400 Supplies and Materials	3,000,000	41,731	2,958,269
500 Capital Outlay	228,545	228,545	-

## HORRY COUNTY SCHOOLS

## CAPITAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance
<b>Expenditures (Continued)</b>			
250 Finance and Operations Services (Continued):			
256 Food Service:			
400 Supplies and Materials	\$ 42,874	\$ 42,874	\$ -
258 Security:			
500 Capital Outlay	38,418	38,419	(1)
260 Central Support Services:			
262 Planning:			
100 Salaries	75,967	75,967	-
200 Employee Benefits	22,287	22,247	40
263 Information Services:			
100 Salaries	23,797	-	23,797
200 Employee Benefits	7,356	-	7,356
264 Staff Services:			
100 Salaries	52,291	-	52,291
200 Employee Benefits	20,878	-	20,878
266 Technology and Data Processing Services:			
100 Salaries	42,770	-	42,770
200 Employee Benefits	11,624	-	11,624
500 Capital Outlay	529,627	-	529,627
<b>Total Support Services</b>	<u>93,919,553</u>	<u>51,900,168</u>	<u>42,019,385</u>
<b>Total Expenditures</b>	<u>93,948,792</u>	<u>51,929,407</u>	<u>42,019,385</u>
<b>Other Financing Sources (Uses)</b>			
5120 General Obligation Bonds Issued	90,000,000	90,000,000	-
5300 Sale of Capital Assets	6,883,489	6,883,489	-
<b>Interfund Transfers, From/(To) Other Funds</b>			
5230 Transfer from Special Revenue EIA Fund	1,901,206	-	(1,901,206)
5250 Transfer to School Building Fund	3,670	-	(3,670)
425-710 Transfer to Food Service Fund	(244,651)	(244,561)	90
<b>Total Other Financing Sources (Uses)</b>	<u>98,543,714</u>	<u>96,638,928</u>	<u>(1,904,786)</u>
<b>Excess/(Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<u>7,771,297</u>	<u>47,740,687</u>	<u>39,969,390</u>
<b>Fund Balance, July 1, 2007</b>		<u>27,566,356</u>	
<b>Fund Balance, June 30, 2008</b>		<u>75,307,043</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, 2008	June 30, 2007
<b>Assets</b>		
Current Assets:		
Cash and Investments	\$ 2,000,513	\$ 1,930,667
Accounts Receivable	60,817	67,733
Inventories	204,526	240,758
<b>Total Current Assets</b>	<u>2,265,856</u>	<u>2,239,158</u>
Noncurrent Assets:		
Property and Equipment	3,423,353	2,769,647
Accumulated Depreciation	(2,140,728)	(2,036,883)
<b>Total Noncurrent Assets</b>	<u>1,282,625</u>	<u>732,764</u>
<b>Total Assets</b>	<u>3,548,481</u>	<u>2,971,922</u>
<b>Liabilities</b>		
Current Liabilities:		
Accounts Payable	21,549	29,858
Accrued Liabilities	7	-
Compensated Absences Payable	14,279	16,570
<b>Total Current Liabilities</b>	<u>35,835</u>	<u>46,428</u>
Noncurrent Liabilities:		
Compensated Absences Payable	21,418	24,859
<b>Total Noncurrent Liabilities</b>	<u>21,418</u>	<u>24,859</u>
<b>Total Liabilities</b>	<u>57,253</u>	<u>71,287</u>
<b>Net Assets</b>		
Invested in Capital Assets	1,282,625	732,764
Unrestricted	2,208,603	2,167,871
<b>Total Net Assets</b>	<u>3,491,228</u>	<u>2,900,635</u>

HORRY COUNTY SCHOOLS

PROPRIETARY FUND - FOOD SERVICE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS

YEARS ENDED JUNE 30, 2008 AND 2007

	June 30, 2008	June 30, 2007
<b>Operating Revenue</b>		
Proceeds from Sale of Meals	\$ 5,955,597	\$ 5,772,942
<b>Total Operating Revenue</b>	<u>5,955,597</u>	<u>5,772,942</u>
<b>Operating Expenses</b>		
Food Costs	7,236,777	6,637,033
Salaries	6,892,656	6,291,948
Employee Benefits	2,689,148	2,314,479
Purchased Services	116,737	92,806
Supplies and Materials	558,818	390,783
Other Objects	48,345	37,143
Depreciation	125,357	104,783
<b>Total Operating Expenses</b>	<u>17,667,838</u>	<u>15,868,975</u>
<b>Operating Income (Loss)</b>	<u>(11,712,241)</u>	<u>(10,096,033)</u>
<b>Nonoperating Revenue</b>		
Interest	1,511	1,767
USDA Commodities	895,715	711,444
USDA Reimbursements	10,160,909	9,392,925
Other Federal and State Aid	17,600	16,731
Other Income	188,558	187,100
<b>Total Nonoperating Revenue (Expense)</b>	<u>11,264,293</u>	<u>10,309,967</u>
<b>Income (Loss) Before Other Financing Sources and Transfers</b>	(447,948)	213,934
<b>Other Financing Sources (Uses)</b>		
<b>Interfund Transfers, From (To) Other Funds</b>		
Transfers In	2,022,270	1,182,746
Transfers Out	<u>(983,729)</u>	<u>(952,372)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>1,038,541</u>	<u>230,374</u>
<b>Change in Retained Earnings</b>	590,593	444,308
<b>Retained Earnings, Beginning</b>	<u>2,900,635</u>	<u>2,456,327</u>
<b>Retained Earnings, Ending</b>	<u><u>3,491,228</u></u>	<u><u>2,900,635</u></u>

## HORRY COUNTY SCHOOLS

## FOOD SERVICE FUND

## SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance
<b>Revenues</b>			
1000 Revenue - Local Sources:			
1500 Earnings on Investments:			
1510 Interest on Investments	\$ 4,000	\$ 1,511	\$ (2,489)
1600 Food Services:			
1610 Lunch Sales to Pupils	4,491,387	4,136,459	(354,928)
1620 Breakfast Sales to Pupils	45,310	13,031	(32,279)
1630 Special Sales to Pupils	1,531,157	1,251,320	(279,837)
1640 Lunch Sales to Adults	479,907	506,245	26,338
1650 Breakfast Sales to Adults	6,180	3,375	(2,805)
1660 Special Sales to Adults	45,535	45,166	(369)
1900 Other Revenue from Local Sources:			
1999 Revenue from Other Local Sources	185,545	188,559	3,014
<b>Total Revenue - Local Sources</b>	<b>6,789,021</b>	<b>6,145,666</b>	<b>(643,355)</b>
3000 Revenue - State Sources:			
3100 Restricted State Funding:			
3140 School Lunch:			
3142 Program Aid	16,845	17,600	755
<b>Total Revenue - State Sources</b>	<b>16,845</b>	<b>17,600</b>	<b>755</b>
4000 Revenue - Federal Sources:			
4800 USDA Reimbursement			
4810 School Lunch Program	7,424,539	7,525,975	101,436
4830 School Breakfast Program	2,598,294	2,634,934	36,640
4900 Other Federal Sources:			
4991 USDA Commodities	895,715	895,715	-
<b>Total Revenue - Federal Sources</b>	<b>10,918,548</b>	<b>11,058,624</b>	<b>138,076</b>
<b>Total Revenue - All Sources</b>	<b>17,724,414</b>	<b>17,219,890</b>	<b>(504,524)</b>
<b>Expenses</b>			
256 Food Services:			
100 Salaries	7,178,801	6,891,456	287,345
140 Terminal Leave	1,200	1,200	-
200 Employee	2,824,833	2,689,148	135,685
300 Purchased Services	111,065	116,737	(5,672)
400 Supplies and Materials	7,489,908	7,783,100	(293,192)
500 Capital Outlay	138,249	137,852	397
600 Other Objects	35,000	48,345	(13,345)
<b>Total Expenses</b>	<b>17,779,056</b>	<b>17,867,838</b>	<b>111,218</b>
<b>Other Financing Sources (Uses)</b>			
<b>Interfund Transfers From (To) Other Funds</b>			
5210 Transfer from General Fund (Excludes Indirect Costs)	1,378,130	1,777,709	399,579
5250 Transfer from School Building Fund	-	244,561	244,561
432-791 Transfer to General Fund (Indirect Costs)	(1,281,298)	(983,729)	297,569
<b>Total Other Financing Sources (Uses)</b>	<b>96,832</b>	<b>1,038,541</b>	<b>941,709</b>
<b>Net Income (Loss)</b>	<b>42,190</b>	<b>590,593</b>	<b>548,403</b>
<b>Retained Earnings July 1, 2007</b>		<b>2,900,635</b>	
<b>Retained Earnings June 30, 2008</b>		<b>3,491,228</b>	

## 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-Floyds 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, 2008**

	Education Endowment Fund	Scholarship Endowment Fund	Total
<b>Assets</b>			
Cash and Investments	\$ 122,953	\$ 40,654	\$ 163,607
<b>Total Assets</b>	<u>122,953</u>	<u>40,654</u>	<u>163,607</u>
<b>Restricted Net Assets</b>	<u>122,953</u>	<u>40,654</u>	<u>163,607</u>

HORRY COUNTY SCHOOLS

PRIVATE-PURPOSE TRUST FUNDS

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS

YEAR ENDED JUNE 30, 2008

	Education Endowment Fund	Scholarship Endowment Fund	Total
<b>Additions</b>			
Contributions:			
Scholarship Receipts	-	\$ 26,279	\$ 26,279
Investment Earnings:			
Interest	\$ 7,060	1,285	8,345
Net Increase (Decrease) in Fair Value of Investments	7,375	-	7,375
<b>Total Additions</b>	<u>14,435</u>	<u>27,564</u>	<u>41,999</u>
<b>Deductions</b>			
Scholarships Awarded	<u>7,060</u>	<u>38,060</u>	<u>45,120</u>
<b>Total Deductions</b>	<u>7,060</u>	<u>38,060</u>	<u>45,120</u>
<b>Changes in Net Assets</b>	7,375	(10,496)	(3,121)
<b>Total Net Assets - Beginning</b>	<u>115,578</u>	<u>51,150</u>	<u>166,728</u>
<b>Total Net Assets - Ending</b>	<u>122,953</u>	<u>40,654</u>	<u>163,607</u>

HORRY COUNTY SCHOOLS

PRIVATE-PURPOSE TRUST FUNDS

SCHEDULE OF CHANGES IN ASSETS AND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<b>Assets</b>				
Cash and Investments	\$ 166,728	\$ 41,999	\$ 45,120	\$ 163,607
<b>Total Assets</b>	<u>166,728</u>	<u>41,999</u>	<u>45,120</u>	<u>163,607</u>
<b>Net Assets</b>				
Restricted Net Assets	<u>166,728</u>	<u>41,999</u>	<u>45,120</u>	<u>163,607</u>
<b>Total Net Assets</b>	<u>166,728</u>	<u>41,999</u>	<u>45,120</u>	<u>163,607</u>

HORRY COUNTY SCHOOLS

EDUCATION ENDOWMENT TRUST FUND - PRIVATE PURPOSE

COMPARATIVE SCHEDULE OF FIDUCIARY NET ASSETS

YEARS ENDED JUNE 30, 2008 AND 2007

	June 30, 2008	June 30, 2007
<b>Assets</b>		
Cash and Investments	\$ 122,953	\$ 115,578
<b>Total Assets</b>	<u>122,953</u>	<u>115,578</u>
<b>Restricted Net Assets</b>		
Held in Trust for Individuals and Organizations	<u>122,953</u>	<u>115,578</u>



## HORRY COUNTY SCHOOLS

## EDUCATION ENDOWMENT TRUST FUND - PRIVATE PURPOSE

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

YEARS ENDED JUNE 30, 2008 AND 2007

	June 30, 2008	June 30, 2007
<b>Additions</b>		
Investment Earnings:		
Interest	\$ 7,060	\$ 7,260
Net Increase (Decrease) in Fair Value of Investments	<u>7,375</u>	<u>(156)</u>
<b>Total Additions</b>	<u>14,435</u>	<u>7,104</u>
<b>Deductions</b>		
Scholarships Awarded	<u>7,060</u>	<u>7,260</u>
<b>Total Deductions</b>	<u>7,060</u>	<u>7,260</u>
<b>Changes in Net Assets</b>	7,375	(156)
<b>Total Net Assets - Beginning</b>	<u>115,578</u>	<u>115,734</u>
<b>Total Net Assets - Ending</b>	<u><u>122,953</u></u>	<u><u>115,578</u></u>

**HORRY COUNTY SCHOOLS**  
**SCHOLARSHIP ENDOWMENT FUND - PRIVATE PURPOSE**  
**COMPARATIVE SCHEDULE OF FIDUCIARY NET ASSETS**  
**YEARS ENDED JUNE 30, 2008 AND 2007**

	June 30, 2008	June 30, 2007
<b>Assets</b>		
Cash and Investments	\$ 40,654	\$ 51,150
<b>Total Assets</b>	40,654	51,150
 <b>Restricted Net Assets</b>		
Held in Trust for Individuals and Organizations	40,654	51,150

HORRY COUNTY SCHOOLS

SCHOLARSHIP ENDOWMENT FUND - PRIVATE PURPOSE

COMPARATIVE SCHEDULE OF ADDITIONS, DEDUCTIONS AND  
CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2008 AND 2007

	June 30, 2008	June 30, 2007
<b>Additions</b>		
Contributions:		
Scholarship Receipts	\$ 26,279	\$ 2,033
Investment Earnings:		
Interest	1,285	882
	<u>27,564</u>	<u>2,915</u>
<b>Total Additions</b>		
	<u>27,564</u>	<u>2,915</u>
<b>Deductions</b>		
Scholarships Awarded	38,060	15,666
	<u>38,060</u>	<u>15,666</u>
<b>Total Deductions</b>		
	<u>38,060</u>	<u>15,666</u>
<b>Changes in Net Assets</b>	(10,496)	(12,751)
<b>Total Net Assets - Beginning</b>	<u>51,150</u>	<u>63,901</u>
<b>Total Net Assets - Ending</b>	<u><u>40,654</u></u>	<u><u>51,150</u></u>

HORRY COUNTY SCHOOLS

AGENCY FUNDS

COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES

JUNE 30, 2008

	Pupil Activity	Federal Program	Total
<b>Assets</b>			
Cash and Investments	\$ 3,339,126	\$ 1,157,120	\$ 4,496,246
Other Assets	12,575	-	12,575
<b>Total Assets</b>	<b>3,351,701</b>	<b>1,157,120</b>	<b>4,508,821</b>
<b>Liabilities</b>			
Accounts Payable	167,462	-	167,462
Accrued Liabilities	31,963	-	31,963
Due to Other Governments	-	1,157,120	1,157,120
Due to Schools and School Organizations	3,152,276	-	3,152,276
<b>Total Liabilities</b>	<b>3,351,701</b>	<b>1,157,120</b>	<b>4,508,821</b>

**HORRY COUNTY SCHOOLS**  
**PUPIL ACTIVITY - AGENCY FUND**  
**COMPARATIVE BALANCE SHEETS**  
**YEARS ENDED JUNE 30, 2008 AND 2007**

	June 30, 2008	June 30, 2007
<b>Assets</b>		
Cash and Investments	\$ 3,339,126	\$ 3,117,971
Other Assets	12,575	164
<b>Total Assets</b>	<u>3,351,701</u>	<u>3,118,135</u>
<b>Liabilities</b>		
Accounts Payable	167,462	62,457
Accrued Liabilities	31,963	139
Due to Schools and School Organizations	<u>3,152,276</u>	<u>3,055,539</u>
<b>Total Liabilities</b>	<u>3,351,701</u>	<u>3,118,135</u>

## HORRY COUNTY SCHOOLS

## PUPIL ACTIVITY - AGENCY FUND

## SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<b>Assets</b>				
Cash and Investments	\$ 3,117,971	\$ 7,870,515	\$ 7,649,360	\$ 3,339,126
Other Assets	164	12,575	164	12,575
<b>Total Assets</b>	<u>3,118,135</u>	<u>7,883,090</u>	<u>7,649,524</u>	<u>3,351,701</u>
<b>Liabilities</b>				
Accounts Payable	62,457	7,923,018	7,818,013	167,462
Accrued Liabilities	139	31,963	139	31,963
Due to Schools and School Organizations	3,055,539	6,950,067	6,853,330	3,152,276
<b>Total Liabilities</b>	<u>3,118,135</u>	<u>14,905,048</u>	<u>14,671,482</u>	<u>3,351,701</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, 2008

	Budget	Actual	Variance
<b>Receipts</b>			
1000 Receipts from Local Sources:			
1500 Earnings on Investments:			
1510 Interest on Investments	\$ 135,290	\$ 135,000	\$ (290)
1700 Pupil Activities:			
1710 Admissions	722,180	734,996	12,816
1720 Bookstore Sales	676,542	419,520	(257,022)
1730 Pupil Organization Membership Dues and Fees	25,305	24,388	(917)
1740 Student Fees	-	1,963	1,963
1790 Other	5,361,523	5,456,055	94,532
1900 Other Revenue form Local Sources:			
1910 Rentals	4,505	37	(4,468)
1920 Contributions and Donations Private Sources	317,210	190,519	(126,691)
<b>Total Receipts - Local Sources</b>	<b>7,242,555</b>	<b>6,962,478</b>	<b>(280,077)</b>

## HORRY COUNTY SCHOOLS

## PUPIL ACTIVITY FUND

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

YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance
<b>Disbursements</b>			
<b>100 Instruction</b>			
190 Instructional Pupil Activity:			
100 Salaries	\$ 21,726	\$ 43,682	\$ (21,956)
200 Employee Benefits	4,532	7,434	(2,902)
300 Purchased Services	-	509	(509)
400 Supplies and Materials	-	2,052	(2,052)
500 Capital Outlay	-	9,885	(9,885)
600 Other Objects	68,288	1,348	66,940
<b>Total Instruction</b>	<b>94,546</b>	<b>64,910</b>	<b>29,636</b>
<b>200 Support Services</b>			
270 Support Services Pupil Activity:			
271 Pupil Service Activities:			
100 Salaries	130,111	307,029	(176,918)
200 Employee Benefits	41,631	68,417	(26,786)
300 Purchased Services	337,153	272,370	64,783
400 Supplies and Materials	306,589	331,660	(25,071)
500 Capital Outlay	31,105	78,399	(47,294)
600 Other Objects	6,501,433	6,160,629	340,804
272 Enterprise Activities:			
400 Supplies and Materials	-	1,125	(1,125)
600 Other Objects	55,579	31,807	23,772
273 Trust and Agency Activities:			
600 Other Objects	34,069	19,023	15,046
<b>Total Support Services</b>	<b>7,437,670</b>	<b>7,270,459</b>	<b>167,211</b>
<b>Total Pupil Activity Expenditures</b>	<b>7,532,216</b>	<b>7,335,369</b>	<b>196,847</b>
<b>Other Financing Sources (Uses)</b>			
<b>Transfers from (to) Other Funds:</b>			
5210 Transfer from General Fund	115,200	129,623	14,423
5220 Transfer from Special Revenue Fund	18,507	341,005	322,498
420-710 Transfer to General Fund	-	(1,000)	(1,000)
<b>Total Other Financing Sources (Uses)</b>	<b>133,707</b>	<b>469,628</b>	<b>335,921</b>
<b>Excess of Receipts Over (Under) Disbursements and Other Financing Sources (Uses)</b>	<b>(155,954)</b>	<b>96,737</b>	<b>252,691</b>
<b>Due to Schools and School Organizations, July 1, 2007</b>		<b>3,055,539</b>	
<b>Due to Schools and School Organizations, June 30, 2008</b>		<b>3,152,276</b>	



**HORRY COUNTY SCHOOLS**  
**FEDERAL PROGRAM - AGENCY FUND**  
**COMPARATIVE BALANCE SHEETS**  
**FOR YEARS ENDED JUNE 30, 2008 AND 2007**

	June 30, 2008	June 30, 2007
<b>Assets</b>		
Cash and Investments	<u>\$ 1,157,120</u>	<u>\$ 1,157,120</u>
<b>Total Assets</b>	<u>1,157,120</u>	<u>1,157,120</u>
<b>Liabilities</b>		
Due to Other Governments	<u>1,157,120</u>	<u>1,157,120</u>
<b>Total Liabilities</b>	<u>1,157,120</u>	<u>1,157,120</u>

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

**HORRY COUNTY SCHOOLS**  
**FEDERAL PROGRAM - AGENCY FUND**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<b>Assets</b>				
Cash and Investments	\$ 1,157,120	\$ -	-	\$ 1,157,120
<b>Total Assets</b>	<u>1,157,120</u>	<u>-</u>	<u>-</u>	<u>1,157,120</u>
<b>Liabilities</b>				
Due to Other Governments	<u>1,157,120</u>		-	<u>1,157,120</u>
<b>Total Liabilities</b>	<u>1,157,120</u>	<u>-</u>	<u>-</u>	<u>1,157,120</u>



## WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

## BALANCE SHEET

## GOVERNMENTAL FUND

JUNE 30, 2008

	<b>General Fund</b>
<b>Assets</b>	
Cash and Investments	\$ 291,907
Prepaid Assets	<u>7,500</u>
<b>Total Assets</b>	<u><u>299,407</u></u>
<b>Liabilities and Fund Balances</b>	
<b>Liabilities</b>	
Accounts Payable	4,440
Due to Related Party	<u>478</u>
<b>Total Liabilities</b>	<u>4,918</u>
<b>Fund Balance</b>	
Reserved for Prepaid Assets	7,500
Unreserved and Undesignated	<u>286,989</u>
<b>Total Fund Balance</b>	<u>294,489</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>299,407</u></u>

**WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE**

**GOVERNMENTAL FUND**

**YEAR ENDED JUNE 30, 2008**

	<b>General Fund</b>
<b>Revenues</b>	
Local Sources	\$ 33,822
Intergovernmental	<u>1,230,476</u>
<b>Total Revenues</b>	<u>1,264,298</u>
<b>Expenditures</b>	
Instruction	656,768
Support Services	425,759
Capital Outlay	<u>1,000</u>
<b>Total Expenditures</b>	<u>1,083,527</u>
<b>Net Change in Fund Balance</b>	180,771
<b>Fund Balance - Beginning</b>	<u>113,718</u>
<b>Fund Balance - Ending</b>	<u><u>294,489</u></u>

WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

STATEMENT OF NET ASSETS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2008

<b>Assets</b>	<b>Food Services Enterprise Fund</b>
Cash and Cash Equivalents	\$ 2,409
Capital Assets (Net)	<u>11,770</u>
<b>Total Assets</b>	<b><u>14,179</u></b>
<b>Net Assets</b>	
Invested in Capital Assets	11,770
Unrestricted	<u>2,409</u>
<b>Total Net Assets</b>	<b><u>14,179</u></b>

WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2008

	<u>Food Services Enterprise Fund</u>
<b>Operating Revenues</b>	
Sales of Meals	\$ 49,368
<b>Operating Expenses</b>	
Salaries and Benefits	24,943
Food Costs	19,403
Depreciation	3,493
<b>Total Operating Expenses</b>	<u>47,839</u>
<b>Change in Net Assets</b>	1,529
<b>Total Assets - Beginning</b>	<u>12,650</u>
<b>Total Assets - Ending</b>	<u><u>14,179</u></u>



## WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUND

YEAR ENDED JUNE 30, 2008

	<u>Food Services Enterprise Fund</u>
<b>Cash Flows from Operating Activities</b>	
Proceeds from Sale of Meals	\$ 49,368
Payments to Suppliers	(24,943)
Payments to Employees	<u>(19,403)</u>
<b>Net Cash and Cash Equivalents Provided by Operating Activities</b>	<u>5,022</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of Capital Assets	<u>(10,072)</u>
<b>Net Cash and Cash Equivalents Used by Capital and Related Financing Activities</b>	<u>(10,072)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	(5,050)
<b>Cash and Cash Equivalents - Beginning</b>	<u>7,459</u>
<b>Cash and Cash Equivalents - Ending</b>	<u><u>2,409</u></u>
<b>Reconciliation of Operating Income to Net Cash and Cash Equivalents Provided by Operating Activities:</b>	
Operating Income	1,529
Adjustments to Reconcile Operating Income to Net Cash and Cash Equivalents Provided by Operating Activities	
Depreciation	<u>3,493</u>
<b>Net Cash and Cash Equivalents Provided by Operating Activities</b>	<u><u>5,022</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, 2008

	Original & Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Local Sources		\$ 33,822	\$ 33,822
Intergovernmental	\$ 1,114,290	1,230,476	116,186
<b>Total Revenues</b>	<u>1,114,290</u>	<u>1,264,298</u>	<u>150,008</u>
<b>Expenditures</b>			
Instruction	574,723	656,768	(82,045)
Support Services	383,527	425,759	(42,232)
Capital Outlay		1,000	(1,000)
<b>Total Expenditures</b>	<u>958,250</u>	<u>1,083,527</u>	<u>(125,277)</u>
<b>Net Change in Fund Balance</b>	<u>156,040</u>	<u>180,771</u>	<u>24,731</u>
<b>Fund Balance - Beginning</b>		<u>113,718</u>	
<b>Fund Balance - Ending</b>		<u>294,489</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, 2008

	Original & Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Revenue from Local Sources:			
1999 Revenue from Other Local Sources		\$ 33,822	\$ 33,822
<b>Total Local Sources</b>		33,822	33,822
Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	\$ 1,114,290	1,230,476	116,186
<b>Total Revenue - All Sources</b>	1,114,290	1,264,298	150,008
<b>Expenditures:</b>			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	45,180	48,619	(3,439)
200 Employee Benefits	10,157	9,979	178
400 Supplies and Materials	3,664	3,730	(66)
112 Primary Programs:			
100 Salaries	161,014	173,268	(12,254)
200 Employee Benefits	36,196	59,169	(22,973)
400 Supplies and Materials	6,026	6,135	(109)
113 Elementary Programs:			
100 Salaries	205,301	228,799	(23,498)
200 Employee Benefits	46,152	61,749	(15,597)
400 Supplies and Materials	8,363	8,514	(151)
120 Exceptional Programs:			
127 Learning Disabilities:			
100 Salaries	43,003	43,337	(334)
200 Employee Benefits	9,667	13,469	(3,802)
<b>Total - Instruction</b>	574,723	656,768	(82,045)

## WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

## GENERAL FUND

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

## BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2008

	Original & Final Budget	Actual	Variance Positive (Negative)
200 Supporting Services:			
230 General Administrative Services:			
233 School Administration:			
100 Salaries	\$ 191,307	\$ 167,244	\$ 24,063
200 Employee Benefits	43,006	48,224	(5,218)
300 Purchased Services	36,253	69,031	(32,778)
400 Supplies and Materials	9,770	19,412	(9,642)
250 Finance and Operations Services:			
254 Operation and Maintenance of Plant:			
300 Purchased Services	103,191	121,848	(18,657)
500 Capital Outlay		1,000	(1,000)
<b>Total - Supporting Services</b>	<u>383,527</u>	<u>426,759</u>	<u>(43,232)</u>
<b>Total Expenditures</b>	<u>958,250</u>	<u>1,083,527</u>	<u>(125,277)</u>
<b>Changes in Fund Balance</b>	<u>156,040</u>	<u>180,771</u>	<u>24,731</u>
<b>Fund Balance July 1, 2007</b>		<u>113,718</u>	
<b>Fund Balance June 30, 2008</b>		<u>294,489</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, 2008

	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		\$ 7,762	\$ 7,762
1620 Breakfast Sales to Pupils		581	581
1630 Special Sales to Pupils	\$ 26,738	9,160	(17,578)
1640 Lunch Sales to Adults		828	828
		<hr/>	<hr/>
Total Revenue from Local Sources	26,738	18,331	(8,407)
Revenue from Federal Sources:			
4800 USDA Reimbursements:			
4810 School Lunch Program		26,698	26,698
4820 School Breakfast Program		4,339	4,339
		<hr/>	<hr/>
Total Revenue from Federal Sources	-	31,037	31,037
		<hr/>	<hr/>
Total Revenue all Sources	26,738	49,368	22,630
<b>Operating Expenses</b>			
256 Food Service:			
100 Salaries	12,960	20,418	(7,458)
200 Employee Benefits	1,031	4,525	(3,494)
400 Supplies and Materials	12,161	19,403	(7,242)
500 Depreciation		3,493	(3,493)
		<hr/>	<hr/>
Total Expenses	26,152	47,839	(21,687)
		<hr/>	<hr/>
Change In Net Assets	586	1,529	943
	<hr/>	<hr/>	<hr/>
Total Net Assets - Beginning		12,650	
		<hr/>	
Total Net Assets - Ending		14,179	
		<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, 2008**

Program	Project/Grant Number	Revenue/ Subfund Code	Description	Total Due June 30, 2008	Status of Amount Due to Grantors
EIA - High Schools That Work	EIA - 378	3578/378	Unspent Allocation	\$ <u>767</u>	Outstanding
				<u>767</u>	

**HORRY COUNTY SCHOOLS**  
**LOCATION RECONCILIATION SCHEDULE**  
**YEAR ENDED JUNE 30, 2008**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
000	No Location	High School	School	\$ 895,525
001	Aynor High	High School	School	7,397,516
002	North Myrtle Beach High	High School	School	10,543,504
004	Conway High	High School	School	20,529,104
006	Green Sea Floyds High	Middle-High School	School	8,951,536
008	Loris High	High School	School	10,350,327
010	Myrtle Beach High	High School	School	10,984,795
011	Socastee High	High School	School	12,028,375
013	Whittemore Park Middle	Middle School	School	9,471,998
014	Aynor Elementary	Elementary School	School	5,903,305
016	Myrtle Beach Middle	Elementary School	School	6,512,027
017	Conway Middle	Middle School	School	6,803,822
021	Daisy Elementary	Elementary School	School	5,830,043
023	Green Sea Floyds Elementary	Elementary School	School	6,643,541
025	Homewood Elementary	Elementary School	School	6,163,006
027	Loris Middle	Middle School	School	6,742,702
028	Kingston Elementary	Elementary School	School	5,422,945
029	Lakewood Elementary	Elementary School	School	8,136,289
030	St. James Elementary	Elementary School	School	5,670,091
032	Loris Elementary	Elementary School	School	7,977,422
033	Midland Elementary	Elementary School	School	4,263,456
034	Myrtle Beach Elementary	Elementary School	School	7,504,951
035	Myrtle Beach Primary	Primary School	School	7,854,194
036	Conway Elementary	Elementary School	School	5,207,838
037	North Myrtle Beach Middle	Middle School	School	7,767,878
038	North Myrtle Beach Primary	Primary School	School	9,312,374
039	Pee Dee Elementary	Elementary School	School	6,040,365
042	Waccamaw Elementary	Elementary School	School	6,116,691
045	South Conway Elementary	Elementary School	School	5,827,111
046	Forestbrook Elementary	Elementary School	School	9,345,164
047	St James Middle	Middle School	School	7,601,489
048	North Myrtle Beach Elementary	Elementary School	School	5,871,281
049	Carolina Forest Elementary	Elementary School	School	7,428,031
050	Seaside Elementary School	Elementary School	School	6,096,818
051	Forestbrook Middle	Middle School	School	8,051,689
052	Carolina Forest High	High School	School	15,613,524
053	Myrtle Beach Intermediate	Elementary School	School	4,666,281
054	Socastee Elementary	Elementary School	School	5,826,260
056	Palmetto Bays Elementary	Elementary School	School	6,597,299
057	Aynor Middle School	Middle School	School	4,764,929
058	St. James High School	High School	School	10,392,550
059	NMB Intermediate	Elementary School	School	4,907,579
060	Ocean Bay Elementary School	Elementary School	School	6,792,493
061	Ocean Bay Middle School	Middle School	School	6,019,691
062	Black Water Middle School	Middle School	School	5,944,983
063	Burgess Elementary School	Elementary School	School	12,526,482
071	Connect Program	Various	School	51,671
072	Conway Education Center	Various	School	1,944,379
073	Myrtle Beach Education Center	Various	School	92,883
074	Early College	Various	School	1,738,229
075	Chabad Academy	Various	Central	20,164
076	Conway Alternative School	Various	School	2,686,083

(Continued)



**HORRY COUNTY SCHOOLS**  
**LOCATION RECONCILIATION SCHEDULE (Continued)**  
**YEAR ENDED JUNE 30, 2008**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
077	Loris Alternative School	Various	School	\$ 56,811
078	CCU Scholars Academy	Various	School	890,307
079	Bridgewater Academy	Charter School	Central	1,228,986
096	Academy of Arts, Science and Technology	High School	School	16,037,671
098	Academy of Technology & Academics	High School	School	5,406,691
100	Office Of Superintendent		Central	1,090,385
200	Academics		Central	3,328,953
300	Support Services		Central	11,551,776
400	Fiscal Services		Central	2,923,389
490	Debt Service		Central	59,993,850
500	Construction Services		Central	415,879
600	Personnel Services		Central	2,073,319
700	Policy and Procedural Services		Central	252,286
800	Information and Accountability Services		Central	4,619,782
900	Instructional Support Services		Central	<u>2,397,793</u>
<b>Total</b>				<b><u>470,100,561</u></b>
General Fund				284,861,514
Special Revenue Fund				30,155,539
Education Improvement Act Fund				18,111,925
Debt Service				59,993,849
Capital Projects Fund				51,929,407
Proprietary Fund				17,667,838
Agency Funds				7,335,369
Trust and Other Private Purpose Funds				<u>45,120</u>
<b>Total by Fund</b>				<b><u>470,100,561</u></b>

## STATISTICAL SECTION

This part of Horry County School's 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.	133-137
<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.	138-142
<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.	143-146
<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.	147-149
<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.	150-153

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 SIX FISCAL YEARS  
(Amounts expressed in thousands)**

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>Primary Government</b>						
<b>Governmental Activities</b>						
Invested in Capital Assets, Net of Related Debt	\$ 64,876	\$ 86,978	\$ 17,184	\$ 112,353	\$ 111,071	\$ 93,916
Restricted	57,524	36,258	100,256	40,038	59,646	100,048
Unrestricted	17,839	28,603	43,596	41,536	50,549	64,759
<b>Total Governmental Activities Net Assets</b>	<b>140,239</b>	<b>151,839</b>	<b>161,036</b>	<b>193,927</b>	<b>221,266</b>	<b>258,723</b>
<b>Business -Type Activities</b>						
Invested in Capital Assets, Net of Related Debt	1,105	1,017	912	817	733	1,283
Restricted	-	-	-	-	-	-
Unrestricted	(333)	(337)	614	1,639	2,188	2,208
<b>Total Business-Type Activities Net Assets</b>	<b>772</b>	<b>680</b>	<b>1,526</b>	<b>2,456</b>	<b>2,901</b>	<b>3,491</b>
<b>Total Primary Government</b>						
Invested in Capital Assets, Net of Related Debt	65,981	87,995	18,096	113,170	111,804	95,199
Restricted	57,524	36,258	100,256	40,038	59,646	100,048
Unrestricted	17,506	28,266	44,210	43,175	52,717	66,967
<b>Total Primary Government Net Assets</b>	<b>141,011</b>	<b>152,519</b>	<b>162,562</b>	<b>196,383</b>	<b>224,167</b>	<b>262,214</b>
<b>Component Units (1)</b>						
Invested in Capital Assets, Net of Related Debt	-	150	182	223	201	181
Restricted	-	-	-	-	1	-
Unrestricted	-	52	16	(35)	120	297
<b>Total Component Units Net Assets</b>	<b>-</b>	<b>202</b>	<b>198</b>	<b>188</b>	<b>322</b>	<b>478</b>

**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.

SCHEDULE 2

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>Expenses</b>						
<b>Governmental Activities:</b>						
Instruction	\$ 133,167	\$ 152,497	\$ 160,250	\$ 181,981	\$ 201,947	\$ 221,252
Support Services	78,383	81,226	85,704	94,850	109,570	125,367
Community Services	626	722	701	668	1,013	1,124
Intergovernmental	604	1,674	2,201	2,597	2,824	2,843
Interest on Long-Term Debt	11,612	10,816	11,176	13,957	17,849	20,084
Pupil Activities	-	-	-	427	335	469
<b>Total Governmental Activities Expenses</b>	<b>224,392</b>	<b>246,935</b>	<b>260,032</b>	<b>294,480</b>	<b>333,538</b>	<b>371,139</b>
<b>Business-Type Activities:</b>						
Food Service	11,689	12,487	13,015	14,316	15,869	17,668
<b>Total Business-Type Activities Expenses</b>	<b>11,689</b>	<b>12,487</b>	<b>13,015</b>	<b>14,316</b>	<b>15,869</b>	<b>17,668</b>
<b>Total Primary Government Expenses</b>	<b>236,081</b>	<b>259,422</b>	<b>273,047</b>	<b>308,796</b>	<b>349,407</b>	<b>388,807</b>
<b>Program Revenues</b>						
<b>Governmental Activities:</b>						
<b>Charges for Services:</b>						
Instruction	139	1,709	2,387	2,584	225	116
Support Services	-	1,011	642	338	4,472	4,079
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
Capital Grants and Contributions	605	703	1,560	331	-	-
<b>Total Governmental Activities Program Revenues</b>	<b>83,860</b>	<b>98,698</b>	<b>112,233</b>	<b>129,626</b>	<b>137,365</b>	<b>143,605</b>
<b>Business-Type Activities:</b>						
Charges for Services:	4,358	4,539	4,896	5,443	5,773	5,956
Operating Grants and Contributions	6,876	7,585	8,738	9,260	10,294	11,263
<b>Total Business-Type Activities Program Revenues</b>	<b>11,234</b>	<b>12,124</b>	<b>13,634</b>	<b>14,703</b>	<b>16,067</b>	<b>17,219</b>
<b>Total Primary Government Program Revenues</b>	<b>95,094</b>	<b>110,822</b>	<b>125,867</b>	<b>144,329</b>	<b>153,432</b>	<b>160,824</b>
<b>Net (Expense)/Revenue</b>						
Governmental Activities	(140,532)	(148,237)	(147,799)	(164,854)	(196,173)	(227,534)
Business-Type Activities	(455)	(363)	619	387	198	(449)
<b>Total Primary Governmental Net (Expense)/Revenue</b>	<b>(140,987)</b>	<b>(148,600)</b>	<b>(147,180)</b>	<b>(164,467)</b>	<b>(195,975)</b>	<b>(227,983)</b>

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<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
State Aid	17,070	17,396	17,658	18,468	18,991	43,941
Unrestricted Grants and Contributions	12	371	-	-	-	-
Other	3,175	1,017	799	4,962	10,099	14,020
Transfers	(432)	(450)	(466)	(360)	(230)	(1,039)
Total Governmental Activities	146,142	159,838	154,701	197,745	223,512	264,991
Business-Type Activities:						
Other	183	17	15	184	16	2
Transfers	202	254	211	360	230	1,039
Total Business-Type Activities	385	271	226	544	246	1,041
Total Primary Government	146,527	160,109	154,927	198,289	223,758	266,032
<b>Change in Net Assets</b>						
Governmental Activities	5,610	11,601	9,198	32,891	27,339	37,458
Business-Type Activities	(70)	(92)	845	931	444	591
Total Change in Net Assets-Primary Government	5,540	11,509	10,043	33,822	27,783	38,049
Total Component Units (1)						
Total Expenses	-	658	825	943	977	1,157
Program Revenues:						
Charges for Services	-	39	36	30	32	54
Operating Grants and Contributions	-	82	64	104	36	29
Capital Grants and Contributions	-	150	43	15	-	-
Total Program Revenues	-	271	143	149	68	83
Net (Expense)/Revenue	-	(387)	(682)	(794)	(909)	(1,074)
General Revenues-State Aid/Grants (Unrestricted)	-	589	678	735	1,043	1,230
Change in Net Assets- Total Component Units	-	202	(4)	(59)	134	156

**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.

SCHEDULE 4

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 1,134	\$ 1,251	\$ 1,142	\$ 1,170	\$ 1,320	\$ 1,742	\$ 1,283	\$ 2,053	\$ 2,420	\$ 2,021
Unreserved	14,408	13,819	12,682	11,204	10,954	17,533	19,931	32,695	43,265	58,290
Total General Fund	15,542	15,070	13,824	12,374	12,274	19,275	21,214	34,748	45,685	60,311
All Other Governmental Funds										
Reserved	8,810	13,466	8,914	35,052	57,524	36,258	100,256	40,038	59,646	100,047
Total All Other Governmental Funds	8,810	13,466	8,914	35,052	57,524	36,258	100,256	40,038	59,646	100,047

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

**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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Local Sources	\$ 90,909,454	\$ 102,140,175	\$ 109,071,988	\$ 124,517,482	\$ 128,864,097	\$ 140,429,836	\$ 147,482,050	\$ 185,756,368	211,185,440	221,810,847
Intergovernmental	-	-	-	9,773	75,642	7,855	831	3,068	316	1,562
State Sources	78,847,493	84,707,847	101,896,176	102,326,559	65,931,486	95,361,657	106,549,369	118,604,284	127,376,580	157,815,711
Federal Sources	8,447,804	10,431,578	10,080,511	11,802,718	13,891,483	16,404,141	17,798,281	21,860,076	22,324,981	23,001,551
Total Revenues	178,204,741	197,279,600	221,028,675	238,456,532	228,762,708	252,203,489	271,650,531	326,223,636	360,887,317	402,629,671
<b>Expenditures</b>										
Instruction	101,804,534	112,908,196	119,574,912	127,061,026	128,737,722	139,394,344	154,833,820	174,191,192	189,211,709	207,905,105
Support Services	66,166,110	69,728,769	69,542,900	69,070,829	71,352,499	76,249,848	80,968,682	159,407,657	102,648,771	117,800,850
Community Services	648,395	573,882	439,569	542,871	609,865	600,004	679,060	639,478	949,467	1,055,713
Intergovernmental	229,068	700,326	560,807	558,821	588,158	1,530,309	1,883,032	2,485,859	2,646,037	2,671,295
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
Debt Service:										
Principal	10,345,000	13,755,000	15,170,000	15,820,000	10,805,000	10,480,000	11,414,357	22,855,000	18,728,860	39,120,000
Interest and Fiscal Charges	7,708,232	7,374,918	6,849,477	8,030,845	9,405,735	11,809,637	11,515,375	15,511,053	17,557,229	20,873,849
Discount on Bonds Sold	-	-	-	-	-	-	-	-	-	-
Total Expenditures	186,701,339	205,038,191	228,796,730	288,840,107	281,154,841	266,764,633	287,131,624	376,322,448	462,426,203	445,052,234
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(8,486,598)	(7,759,591)	(7,768,055)	(62,323,133)	(62,392,133)	(14,561,144)	(25,501,093)	(52,098,610)	(101,538,886)	(42,422,563)
<b>Other Financing Sources (Uses)</b>										
Premium on Bonds Sold	-	4,942	-	3,093,774	4,488,746	-	-	2,581,380	485,081	3,393,526
General Obligation Bonds Issued	5,200,000	9,400,000	-	71,200,000	78,400,000	78,400,000	89,215,000	5,285,000	128,710,000	90,000,000
Proceeds of Refunding Debt	-	-	-	-	67,524,188	17,105,638	3,920,000	-	-	-
Payment to Refunded Debt Escrow Agent	-	-	-	-	(67,320,274)	(17,010,888)	(3,987,080)	-	-	-
Sale of Capital Assets	64,864	5,078	-	11,648	1,103,813	651,914	175,030	82,276	180,836	6,920,373
Medicaid Reimbursement	488,672	1,136,621	-	1,150,342	-	-	-	-	-	-
Other Financing Sources	421,613	580,667	29,327	-	-	-	-	369,581	365,137	-
Transfers In	6,257,441	8,241,802	9,845,100	12,889,781	9,996,010	11,037,677	13,644,053	25,134,911	6,651,267	5,947,100
Transfers Out	(5,592,751)	(7,425,427)	(8,983,370)	(13,275,052)	(10,427,791)	(11,488,243)	(14,110,307)	(25,921,945)	(7,216,891)	(7,455,269)
Total Other Financing Sources (Uses)	6,819,639	11,943,683	881,057	75,070,493	84,764,682	296,098	91,438,076	5,414,904	132,083,875	97,449,809
<b>Net Change in Fund Balances</b>	(1,676,759)	4,185,092	(6,886,998)	24,696,918	22,372,559	(14,265,046)	65,936,983	(46,683,706)	30,544,989	95,027,246
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	9.7%	10.3%	10.4%	10.8%	9.2%	9.3%	8.8%	10.2%	10.6%	15.0%

Note: Modified Accrual Basis of accounting.  
Source: Horry County Schools' Audit Reports.

SCHEDULE 6

**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 *	Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
1999	\$ 557,680	\$ 10,440,298	\$ 251,099	\$ 2,391,419	\$ 808,779	\$ 12,831,717	\$ 11.161	6.30%
2000	764,038	14,324,914	282,129	2,686,946	1,046,167	17,011,860	9.919	6.15%
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	4,403,625	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	6,215,624	1,783,462	34,551,115	11.530	5.16%

Note: Fiscal year 2000 and 2006 real property assessed values increased as a result of a state mandated reassessment.

Source: Horry County Auditor and Assessor.

\* - Per \$1,000 of assessed value



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

	Fiscal Year									
	<u>1999</u>	<u>2000</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>
<b>Jurisdiction:</b>										
Horry County Schools	128.3	113.0	116.4	124.9	124.9	130.4	130.4	129.7	135.3	143.3
<b>Overlapping Rates:</b>										
Horry County	46.6	40.9	44.5	50.9	50.9	50.9	50.9	46.3	46.3	47.3
Town of Atlantic Beach	110.0	110.0	110.0	110.0	110.0	110.0	90.0	90.0	90.0	94.5
Town of Aynor	90.0	90.0	90.0	90.0	90.0	90.0	90.0	70.8	70.8	72.2
Town of Briarcliff Acres	68.0	55.0	75.0	75.0	42.0	56.0	56.0	47.0	50.0	52.8
City of Conway	95.3	93.9	93.9	93.9	93.9	96.7	96.7	86.6	86.6	86.6
City of Loris	125.0	115.0	115.0	115.0	115.0	115.0	115.0	105.0	105.0	105.0
City of Myrtle Beach	62.0	61.0	60.9	63.2	63.2	63.2	63.2	61.4	61.4	61.4
City of North Myrtle Beach	48.0	38.7	35.7	35.7	35.7	35.7	35.7	30.5	30.5	30.5
Town of Surfside Beach	63.0	44.0	44.0	44.0	44.0	55.0	55.0	44.0	44.0	44.0

**Note:** Fiscal year 2000 and 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>
1999	106.3	22.0	39.7	3.5	171.5
2000	91.0	22.0	33.5	4.9	151.4
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

**Note:** Fiscal year 2000 School District and County operational millage rates were reduced as a result of a state mandated reassessment of real property.

**Source:** Horry County Auditor.

SCHEDULE 9

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

Taxpayer	2008			1999		
	Taxable Value	Rank	Percentage of Total	Taxable Value	Rank	Percentage of Total
Myrtle Beach Farms / Burroughs and Chapin	\$ 28,702,489	1	1.62%	\$ 13,393,218	1	1.36%
Horry Electric Coop.	14,953,495	2	0.85%	5,443,550	4	0.55%
Horry Telephone Coop.	7,422,940	3	0.42%			
Verizon	6,705,700	4	0.37%			
Lawyers Title Insurance Corp.	4,587,252	5	0.26%			
Broadway at the Beach, Inc.	4,489,506	6	0.25%	3,264,646	5	0.33%
Bluegreen Vacations Unlimited, Inc.	3,889,483	7	0.22%			
S.C. Coastal Development	3,676,884	8	0.21%			
AVX Corporation	3,675,874	9	0.21%	7,880,688	2	0.80%
Walmart Real Estate Business Trust/Sam's	3,629,676	10	0.21%			
General Telephone Co. of the Southeast	-	-	-	7,268,140	3	0.74%
Combraco	-	-	-	2,824,594	6	0.29%
Colonial Realty LTD Partnership	-	-	-	2,006,388	7	0.20%
Ocean Lakes Family Campground	-	-	-	2,005,165	8	0.20%
GC Real Estate Corp.	-	-	-	1,983,612	9	0.20%
Vanguard Cellular Systems of SC	-	-	-	1,802,320	10	0.18%
<b>Totals</b>	<u>\$ 81,733,299</u>		<u>4.62%</u>	<u>\$ 47,872,321</u>		<u>4.85%</u>

Source: Horry County Treasurer

**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
1999	\$ 90,267	\$ 83,560	92.57%	\$ 2,313	\$ 85,873	95.13%
2000	103,766	96,237	92.74%	2,923	99,160	95.56%
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%

**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, 2008  
(Amounts expressed in thousands)**

<b>Governmental Unit:</b>	<b>Net General Obligation Debt Outstanding</b>	<b>Percentage Applicable to School District *</b>	<b>Amount Applicable to School District</b>
Horry County Schools	\$ 451,410	100%	\$ 451,410
Horry County Government	139,944	100%	139,944
	<u>591,354</u>		<u>591,354</u>
<b>Municipal</b>			
City of Conway	2,075	100%	2,075
City of Loris	285	100%	285
City of Myrtle Beach	51,460	100%	51,460
City of North Myrtle Beach	1,895	100%	1,895
Town of Surfside Beach	1,905	100%	1,905
	<u>57,620</u>		<u>57,620</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>648,974</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.

▪ 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
1999	\$ 136,240	\$ 3,276	\$ 132,964	\$ 808,779	195	16.44%	3.04%	\$ 682
2000	131,885	3,709	128,176	1,046,167	197	12.25%	2.80%	651
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%	Unavailable	1,549
2008	451,410	24,393	427,017	1,783,462	250	23.94%	Unavailable	1,708

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>
1999	\$ 10,345,000	\$ 7,708,232	\$ 18,053,232	\$ 186,701,339	9.67%
2000	13,755,000	7,374,018	21,129,018	205,038,186	10.30%
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%

**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 2008**

Assessed Value	\$ 1,783,462
Debt Limit (8% of Assessed Value)	142,677
Debt Application to Limit	36,547
Legal Debt Margin	<u>106,130</u>

	Fiscal Year									
	1999	2000 <sup>a</sup>	2001	2002	2003	2004	2005	2006 <sup>a</sup>	2007	2008
Debt Limit	\$ 64,702	\$ 84,539	\$ 88,824	\$ 90,326	\$ 93,477	\$ 98,350	\$ 96,728	\$ 119,623	\$ 128,763	142,677
Total Net Debt Applicable to Limit	59,380	53,580	42,585	32,365	27,482	23,251	36,100	27,244	21,195	36,547
Legal Debt Margin	5,322	30,959	46,239	57,961	65,995	75,099	60,628	92,379	107,568	106,130
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	91.77%	63.38%	47.94%	35.83%	29.40%	23.64%	37.32%	22.77%	16.46%	25.62%

<sup>a</sup> Fiscal Year 2000 and 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>
1999	194,584	1.9%	\$ 23,019	\$ 4,479,129	3.9%	27,448
2000	196,629	1.1%	23,933	4,706,118	3.5%	27,703
2001	200,568	2.0%	24,150	4,845,723	4.0%	28,379
2002	201,607	0.5%	24,450	4,905,703	3.4%	29,100
2003	205,932	2.1%	25,266	5,151,801	4.2%	29,931
2004	210,676	2.3%	26,170	5,478,840	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%	Unavailable	Unavailable	4.1%	36,068
2008	249,925	4.8%	Unavailable	Unavailable	5.6%	36,779

**Source:** (1) Coastal Carolina University  
(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	2008 <sup>b</sup>			1999 <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	4,712	1	3.56%	3,312	1	3.11%
Burroughs & Chapin	3,000	2	2.26%			
Wal-Mart Associates, Inc.	2,358	3	1.78%			
Horry County Government	1,800	4	1.36%	1,508	3	1.42%
AVX Corporation	1,200	5	0.90%	2,223	2	2.09%
Conway Hospital	1,100	6	0.83%	825	5	0.78%
Blue Cross Blue Shield	1,000	7	0.75%			
Grand Strand Regional Medical Center	993	8	0.75%	820	6	0.77%
Myrtle Beach National	970	9	0.73%			
Coastal Carolina University	765	10	0.58%			
City of Myrtle Beach				700	7	0.66%
Ocean Dunes Resort				935	4	0.88%
Loris Hospital				608	8	0.57%
Kingston Plantation				600	9	0.56%
Uni-Blend Spinners				424	10	0.40%
	<u>17,898</u>		<u>13.50%</u>	<u>11,955</u>		<u>11.24%</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 SIX FISCAL YEARS**

Budgeted Positions	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Teachers (1)	1,960	2,109	2,199	2,300	2,404	2,558
Classified Instructional Aides	422	474	522	630	675	726
Principals and Assistant Principals	109	113	120	121	123	134
Supervisors and Directors	32	36	36	35	38	39
Coordinators and Learning Specialists	40	42	46	80	97	111
Counselors and Guidance	70	77	117	90	98	96
Librarians and Media Specialists	44	47	47	48	52	54
Nurses	40	43	43	46	48	57
Psychologists	18	20	23	27	28	33
Special Education Therapists	43	45	47	48	57	62
Technology	21	21	21	26	21	22
Transportation	249	282	286	307	380	358
Cafeteria	288	293	306	295	330	339
Custodians	157	139	137	136	144	163
Clerical	262	231	239	237	262	274
Maintenance	51	57	59	65	67	74
Miscellaneous (2)	14	14	26	72	89	92
<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>

**Budgeted Staffing Ratios**

Child Development	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
Primary - Grade 1	20 to 1	20 to 1	20 to 1	20 to 1	20 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
Elementary - Grades 4-5	24 to 1	24 to 1	24 to 1	24 to 1	24 to 1	22 to 1
Middle - Grade 6	21 to 1	21 to 1	21 to 1	21 to 1	21 to 1	22 to 1
Middle - Grade 7-8	22 to 1	22 to 1	22 to 1	22 to 1	22 to 1	22 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
High - Grades 9-12 (Largest Schools)	23 to 1	23 to 1	23 to 1	23 to 1	23 to 1	23 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 Pupll</b>	<b>Teaching Staff</b>	<b>Pupil - Teacher Ratio</b>	<b>Percentage of Students Receiving Free or Reduced Meals</b>
1999	\$ 27,448			1,830	15.00	53.34%
2000	27,703			1,961	14.13	54.84%
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%

**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>
1999	\$ 24,192	\$ 57,124	\$ 35,792	\$ 34,506
2000	25,087	59,238	37,251	36,081
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

**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>
1999	400	2,030	17,372	7,646	27,448
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

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

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

**SCHEDULE 21**

Schools	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Primary Buildings</b>										
Buildings	3	3	3	2	2	2	2	2	2	2
Square Feet	216,291	216,291	216,291	184,041	184,041	184,041	184,041	184,041	224,185	224,185
Capacity	1,969	1,969	1,969	1,481	1,481	1,481	1,481	1,481	1,834	1,834
Enrollment	1,730	1,763	1,844	1,513	1,374	1,466	1,622	1,725	1,673	1,666
<b>Primary Portables Buildings</b>										
Buildings								22	25	25
<b>Elementary Buildings</b>										
Buildings	19	19	19	20	20	20	20	20	21	22
Square Feet	1,330,681	1,330,681	1,330,681	1,803,963	1,803,963	1,803,963	1,803,963	1,803,963	1,903,606	2,034,256
Capacity	11,661	11,661	11,661	12,862	12,862	12,862	12,862	12,862	13,612	14,680
Enrollment	11,120	11,832	11,476	12,346	12,408	12,122	13,150	14,100	14,631	15,192
<b>Elementary Portables Buildings</b>										
Buildings								99	95	95
<b>Intermediate Buildings</b>										
Buildings	1	1	1	1	2	2	2	2	2	2
Square Feet	78,290	78,290	78,290	78,290	78,290	154,544	154,544	154,544	177,465	177,465
Capacity	922	922	922	922	922	1,484	1,484	1,484	1,658	1,658
Enrollment	553	541	507	554	558	1,181	1,111	1,168	1,140	1,176
<b>Intermediate Portables Buildings</b>										
Buildings								4	2	2
<b>Middle Buildings</b>										
Buildings	8	8	8	8	8	9	9	9	10	10
Square Feet	1,011,994	1,011,994	1,011,994	1,011,994	1,011,994	1,233,099	1,233,099	1,233,099	1,382,274	1,382,274
Capacity	6,322	6,322	6,322	6,322	6,322	7,773	7,773	7,773	8,837	8,837
Enrollment	5,857	5,897	6,207	6,132	6,515	7,210	7,521	7,654	7,694	7,809
<b>Middle Portables Buildings</b>										
Buildings								17	13	13
<b>High Buildings</b>										
Buildings	8	8	8	8	8	9	9	9	9	9
Square Feet	1,562,863	1,562,863	1,562,863	1,562,863	1,562,863	1,909,252	1,909,252	1,909,252	2,284,279	2,284,279
Capacity	7,559	7,559	7,559	7,559	7,559	9,626	9,626	9,626	12,202	12,202
Enrollment	8,301	8,387	8,463	8,786	9,071	9,228	9,603	10,039	10,777	11,003
<b>High Portables Buildings</b>										
Buildings								54	55	55
<b>Other Buildings</b>										
Buildings	8	8	8	8	8	7	7	8	8	8
Square Feet	355,403	355,403	355,403	355,403	355,403	291,103	291,103	435,269	435,269	435,269
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,610	1,610
Enrollment										
<b>Other Portables Buildings</b>										
Buildings								18	23	23

Source: District records.  
Notes: Square footage data includes all additions/renovations completed during the Phase II construction program.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Horry County Schools as of and for the year ended June 30, 2008, which collectively comprise Horry County Schools' basic financial statements and have issued our report thereon dated November 20, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Horry County School's 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 Horry County School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Horry County School's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Horry County School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Horry County School's financial statements that is more than inconsequential will not be prevented or detected by Horry County School's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Item 08-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Horry County School's internal control.



Our consideration of internal control over financial reporting 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 significant deficiencies and, accordingly would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above as item 08-01 to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Horry County School's 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of Horry County Schools in a separate letter dated November 20, 2008.

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 management, others within the District, the Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*McGregor & Company, LLP*

Columbia, South Carolina  
November 20, 2008

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

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO 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 *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. 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 on Horry County Schools' compliance with those requirements.

In our opinion, Horry County Schools complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

### Internal Control Over Compliance

The management of Horry County Schools is responsible for establishing and maintaining effective internal control over compliance with 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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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 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 management, others within the District, the Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*M<sup>c</sup>Gregor Company, LLP*

Columbia, South Carolina  
November 20, 2008

**HORRY COUNTY SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

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

**U. S. Department of Education**

	CFDA#	Expenditure
Title 1	84.010	\$ 9,883,977
Improving Teacher Quality	84.367	1,363,685
		<u>11,247,662</u>

(x)	Dollar threshold used to distinguish between Type A and Type B programs	\$ 1,021,745
(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, 2008**

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

**Internal Control**

**Finding 08-01 (Internal Control - Significant Deficiency and Material Weaknesses)**

**Criteria:**

Sound internal control over financial reporting requires that there be in place adequate controls over the application of accounting principles that are in conformity with generally accepted accounting principles and governmental accounting standards as they relate to an organization.

**Condition/Effect:**

We identified a material misstatement in the Proprietary Fund that was not prevented or detected by the District's internal control over financial reporting. The Capital Projects Fund paid for Proprietary Fund assets and recorded the transaction as an expenditure within the governmental fund rather than a transfer between the governmental and proprietary funds with the cost being captured as a capital asset and depreciated in the Proprietary Fund.

**Cause:**

The District does not have an internal control policy or procedure to insure that capital assets purchased are allocated between governmental and proprietary funds.

**Recommendation:**

We recommend that management and the Board of Education expand on the policy in place which governs capital asset reconciliations to include a procedure to insure proper allocation between fund types.

**Compliance and Other Matters**

None Reported

**3. Findings and Questioned Costs Major Federal Programs Audit**

**Internal Control**

None Reported

**Compliance**

None Reported

HORRY COUNTY SCHOOLS  
CORRECTIVE ACTION PLAN

JUNE 30, 2008

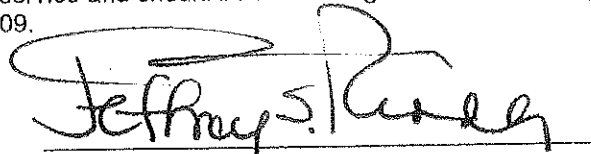
**Finding 08-1**

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

**Action Plan:** Management agrees with the auditors' recommendation and the new control procedure has been placed in service.

**Anticipated  
Completion  
Date:**

Controls have been placed in service and should be functioning as intended during the fiscal year ending June 30, 2009.



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, 2008**

**Summary of Prior Year Findings**

There are no prior audit findings requiring response.

**HORRY COUNTY SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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:				
600	Commodities/Food Distribution	10.550	103220	\$ 895,715
600	School Breakfast Program	10.553	103220	2,634,934
600	School Lunch Program	10.555	103220	<u>7,525,975</u>
<b>Total U. S. Department of Agriculture</b>				<u>11,056,624</u>
<b>U. S. Department of Education</b>				
Pass-Through State Department of Education:				
201	** Title I - Grants to LEA's	84.010	8BA046	9,602,438
237	** Title I - School Improvement	84.010	8BJ046	281,539
Total CFDA 84.010				<u>9,883,977</u>
203	IDEA - Children with Disabilities	84.027	8CA046	7,543,907
204	IDEA - Extended School Year	84.027	8CA046	75,417
603	IDEA - Private Placement	84.027	8CA046	350,568
Total CFDA 84.027				<u>7,969,892</u>
205	Handicapped Preschool Grants	84.173	8CG046	313,190
213	Personnel Development	84.173	8C0046	57,336
Total CFDA 84.173				<u>370,526</u>
207	Vocational Education - (Subprogram 03)	84.048	7VA046	10,000
207	Vocational Education - (Subprogram 04)	84.048	7VA046	32,893
207	Vocational Education - (Subprogram 05)	84.048	7VA046	4,100
207	Vocational Education - (Subprogram 06)	84.048	7VA046	106,149
207	Vocational Education - (Subprogram 09)	84.048	7VA046	387,410
207	Vocational Education - (Subprogram 10)	84.048	7VA046	60,521
207	Vocational Education - (Subprogram 15)			15,045
Total CFDA 84.048				<u>616,118</u>
209	Drug and Violence Prevention Program	84.186	7FQ046	168,103
241	Title V - Innovative Education Program Strategies	84.298	7BB046	59,157
243	Adult Education	84.002	7EA046	175,120
253	Ed Tech Title II	84.318	7ET046	181,648
264	ESOL Title III	84.365	7BP046	270,346
267	** Improving Teacher Quality	84.367	7TQ046	1,363,685
665	School Improvement Grant	84.323A	7CT046	80,586
<b>Total Passed-Through State Department of Education</b>				<u>21,139,158</u>
Direct Programs				
640	Discovery of American History	84.215X	N/A	432,270
641	Safe School/Health Students	84.184L	N/A	<u>736,635</u>
<b>Total U.S. Department of Education</b>				<u>22,308,063</u>
<b>U. S. Department of Labor</b>				
Pass-Through Waccamaw Council of Government				
615	Workforce Investment Act Incentive	17.267	N/A	1,215
651	Workforce Investment Act - Youth	17.267	N/A	24,711
663	Workforce Initiative - Adult Education	17.267	N/A	51,974
Total CFDA 17.267				<u>77,900</u>
<b>Total U. S. Department of Labor</b>				<u>77,900</u>



**HORRY COUNTY SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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 Justice</b>				
673	Direct Program Attendance Improvement Project	16.521	08FC049	\$ <u>1,500</u>
<b>Total U. S. Department of Justice</b>				<u>1,500</u>
<b>U. S. Department of Defense</b>				
666	Direct Program Navy ROTC	12.000	N/A	252,917
668	Army ROTC	12.000	N/A	287,987
667	Air Force ROTC	12.000	N/A	<u>73,184</u>
<b>Total U.S. Department of Defense</b>				<u>614,088</u>
<b>Total Federal Awards Expended</b>				<u><u>34,058,175</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, 2007 through June 30, 2008, 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.