

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED
JUNE 30, 2018

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Conway, SC 29526
www.horrycountyschools.net



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HORRY COUNTY SCHOOLS
CONWAY, SOUTH CAROLINA
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

Prepared By:

Fiscal Services

John K. Gardner
Chief Financial Officer

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INTRODUCTORY SECTION

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Horry County Schools

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November 30, 2018

**THE CITIZENS OF HORRY COUNTY,
HORRY COUNTY BOARD OF EDUCATION, AND
DR. RICK MAXEY SUPERINTENDENT OF SCHOOLS**

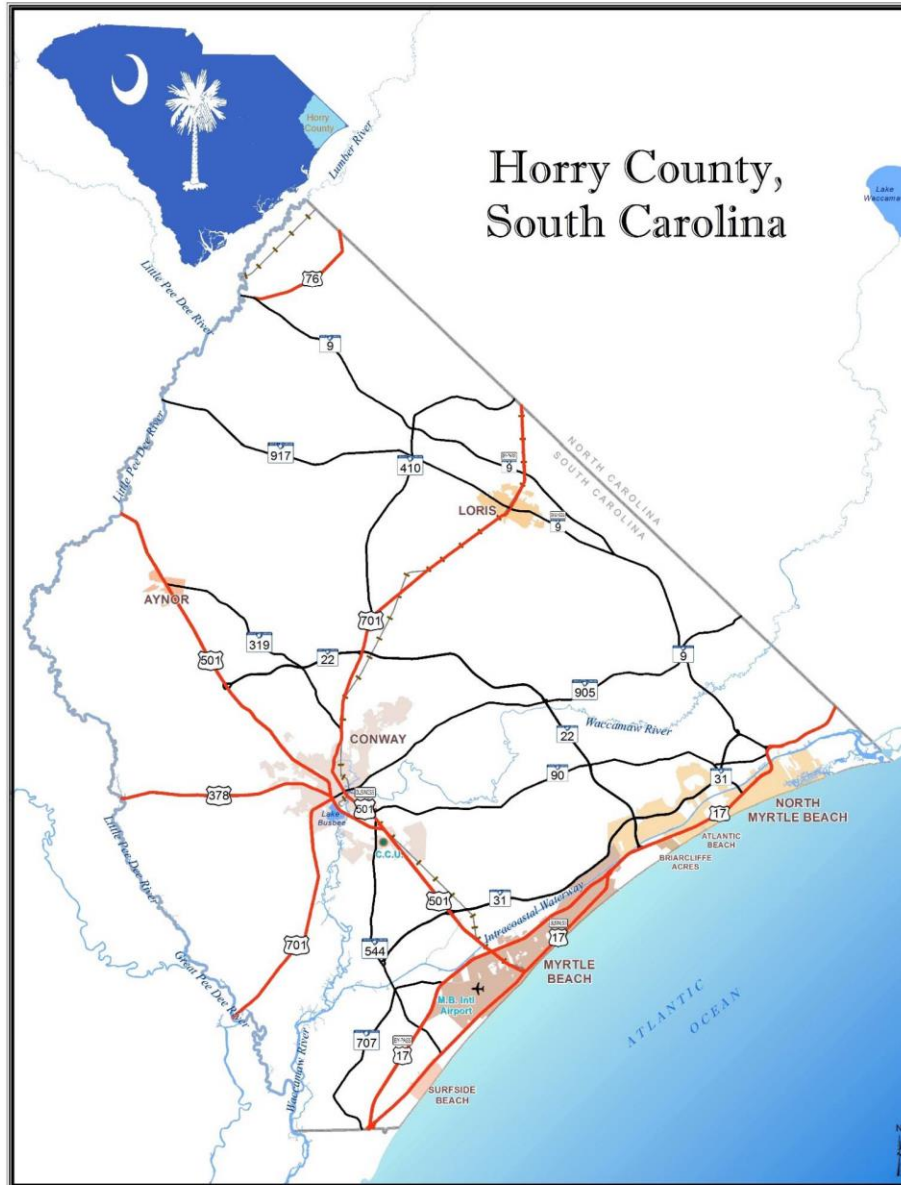
The Comprehensive Annual Financial Report (CAFR) of the Horry County Schools (the District) for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District's Board of Education is financially accountable for the funds included in this report. The District is not included in any other "reporting entity" as defined by the Government Accounting Standards Board Statement 61, "The Financial Reporting Entity." The Board of Education has decision-making authority including the power to hire management, the ability to significantly influence operations and the accountability for fiscal matters. The District accounts for its financial activity using fund accounting procedures. Note 1 of the financial statements fully describes the various funds used by the District.

The accounting principles generally accepted in the United States require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Horry County Schools' MD&A can be found immediately following the report of the independent auditors.

THE REPORTING ENTITY

Horry County, South Carolina, is located on the east coast of the United States, bounded on the north by the North Carolina state line and the east by the Atlantic Ocean. It encompasses 1,134 square miles of area, creating the largest county in landmass east of the Mississippi River and is slightly larger geographically than the state of Rhode Island. The District serves a county of approximately 333,268 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 56 school facilities. 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 43,706.



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

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

FINANCIAL INFORMATION

Internal Controls

The administration of the District is responsible for establishing and maintaining an internal control structure designed to protect the assets of the District from loss, theft, or misuse and to compile sufficient reliable information for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Independent Audit

State statutes require an annual audit by an independent Certified Public Accountant. The accounting firm of Elliott Davis LLC, 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, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the Financial Section of this report.

Single Audit

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

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

Budgetary Control

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

Financial Policies

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

ECONOMIC CONDITION AND OUTLOOK

The County's predominantly tourist-based economy continues to expand. Most of the County's sixty (60) miles of coastline, stretching from Little River to Garden City, have been developed. Myrtle Beach is number two (2) on The Travel Channel's list of the "Top 10 Beaches in America" for 2018, and Trip Advisor lists Myrtle Beach as one of its "Top 25 Destinations in the United States". The County's population of 65 and over grew by 42 percent between 2010 and 2015. The Myrtle Beach and Conway areas were cited by Top Retirements as two of America's "100 Best Places to Retire" in 2017.

As of July 1, 2016, Horry County was listed as one of the "25 Fastest Growing Counties in the United States." According to the U.S. Census Bureau, the population grew by 53,051 residents, or 19.7 percent, to 322,342 people in 2016 from 269,291 in 2010. Current estimates for 2017 show the population to be 333,268. The SC Budget and Control Board projects the population to continue to grow to 423,270 by 2040 (27%). The Myrtle Beach metropolitan area was the second-fastest-growing metro area in the nation from 2016 to 2017, according to the U.S. Census Bureau.

Source: Myrtle Beach Area Chamber of Commerce – Statistical Abstract (23rd and 24th Edition) and U.S. Census Bureau, and SC Budget and Control Board.

The largest planned development in Horry County, Carolina Forest, was opened by International Paper. The Carolina Forest Development Agreement area, although no longer an active agreement, covers approximately seventeen (17) square miles or 10,850 acres. The Carolina Forest area, however, encompasses an area much larger than the boundaries of the Development Agreement. The area has become a center for surrounding developments to live and shop. There are currently 61 major residential subdivisions within the Carolina Forest area. The population increased 420 percent between 2000 and 2010 and now totals nearly 33,000 as of the last population estimates. Commercial development has continued to expand since 2010 Census numbers became available. With the extension of International Drive, the Towne Center area has begun to develop into a regional shopping destination. Currently, there are approximately 555,000 square feet of commercial under construction within the Carolina Forest Area with over 1.35 million additional square footage estimated over the next decade. A large increase in medical offices and a large Seacoast McLeod Medical campus are contributing to commercial growth in the Towne Center area. On the opposite end of Carolina Forest, near Highway 501, commercial construction is also expanding to meet the needs of the growing population. By 2030, 50,000 to 60,000 people could live in Carolina Forest, twice the current population of the City of Myrtle Beach in an area nearly the same size. The population of the Carolina Forest area will continue to expand, as will commercial activity.

Another area of unincorporated Horry experiencing tremendous growth over the past twenty (20) years is the Burgess community. Unlike Carolina Forest, Burgess has grown without a Development Agreement. Burgess is located on the southern end of the County, abutting Georgetown County. The community is approximately 28 square miles in area and is flanked on the west by the Waccamaw River and the east by US Highway 17 Bypass. The northern boundary is an amalgamation of properties with no clear delineation, south of neighboring Socastee, another area of growth in the County. Burgess has transitioned from a rural community to a predominantly suburban community in recent decades, growing from 3,396 residents in 1990 to approximately 26,000 in 2015. Since 1990, the majority of development has been residential in nature; however, there has been commercial growth in the area to provide retail and food services to the new residents. Parts of the community still retain some of the rural characteristics that preceded the rapid growth. The community has significant transportation infrastructure projects that are being finalized, including the completion of the widening of SC 707, extension of SC 31 from its current terminus at 544 to end at SC 707, and the completion of the Highway 17 Bypass overpass at Holmestown Road. Upcoming road improvement projects are planned for to the McDowell Shortcut Rd and Tournament Blvd intersection and the Tournament Blvd and Hwy 17 Bypass intersection.

The more established communities in unincorporated Horry, including Socastee, Forestbrook, Garden City, and Little River, continue to experience population growth, but at a slower rate than that of Burgess and Carolina Forest. While population growth will be limited, the demand and need for services in these areas will continue to grow. Maintenance of existing infrastructure and planned improvements to meet regional infrastructure demand will have an impact on these communities.

Horry County's population is expected to reach 423,270 people by 2040, which is nearly 100,000 more permanent residents than today. Due to the amount of growth in Horry County, construction, both residential and commercial, has continued to boom over the past several years. From FY 2005 to FY 2006, Horry County received the largest increase in building permit revenue since we started permitting construction in the mid – 1970s. From FY 2004 to FY 2006, permit revenue increased from \$4.5 million to a peak of \$9.2 million. After the peak in 2006, permit revenue returned to the 2004 level by the end of FY 2008. Construction has continued to rise since FY 2014. In FY 2017, permit revenue increased 15 percent to \$6.3 million from FY 2016 at \$5.4 million. New Single Family Residential structure permits increased 8 percent in FY 2017 (SFRs 3,023) from FY 2016 (SFRs 2,795). The construction value has increased 15 percent from FY 2016 (\$614 million) to FY 2017 (\$706 million).

Tourism continues to be the largest industry on the Grand Strand. Myrtle Beach is considered one of the nation's top vacation destinations and hosts an estimated 19.6 million visitors annually. The sixty (60) plus miles of beach, golf, shopping, and entertainment theaters are all major attractions for the region. Group market sales, as well as sports tourism, are also an increasing part of the visitor industry for the Grand Strand. The region now has more than 1,700 full service restaurants, more than 157,000 rooms available for overnight guests, seven (7) live entertainment theaters with approximately 7,500 seats and approximately 88 golf courses. According to Tourism Works for Us, throughout the Grand Strand, tourism accounts for 83,000 jobs. Tourism creates 60,679 jobs directly, and 22,362 jobs are indirectly related to tourism.

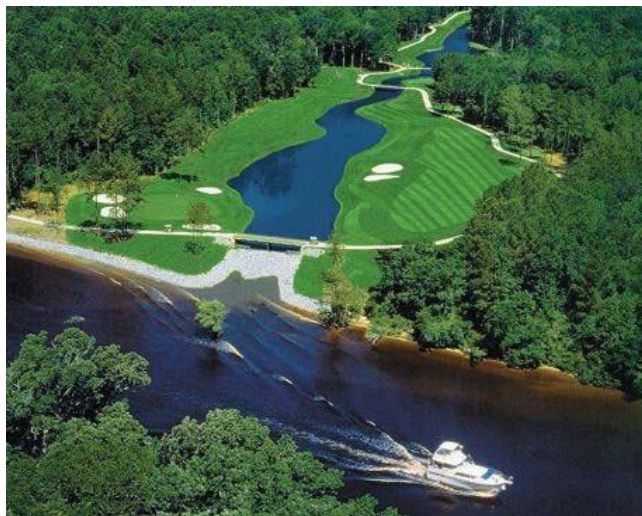




The Myrtle Beach area of South Carolina proves that it is worthy of the moniker “The Grand Strand” year after year by garnering prestigious awards and designations ranging from “America’s Most Awesome Boardwalks” by Budget Travel and seven Grand Strand golf course layouts earned spots on “America’s 100 Greatest Public Golf Course” by Golf Digest. Samantha Brown, well known for her travel programs on The Travel Channel, has ranked Myrtle Beach #1 on her Best Travel Spots list on her show’s website. Flipkey, the vacation rental company of leading travel website TripAdvisor.com, has listed Myrtle Beach as one of the best family vacation spots and one of “The Top East Coast Beaches.”

There are many amusement attractions spanning the Grand Strand, and the 80 plus golf courses located in the area constitute one of the largest concentrations of like facilities in the nation. Golfers are able to tee-off on any of 1,500 golf holes in the area. Vacationing golfers play approximately 2.9 million rounds of golf annually. Golf Week listed Dunes Golf and Beach Club among their “Best Classic Courses” in the United States.

Some of the best-known names in golf, including Jack Nicklaus, Arnold Palmer, Robert Trent Jones, Tom Fazio, Davis Love III, Greg Norman, Gary Player, and Pete and P.B. Dye, have designed area golf courses. Many of the local courses host major professional and amateur golf tournaments including The Myrtle Beach World Amateur Handicap Championship, Hootie and the Blowfish Monday after the Masters, Palmetto High School Golf Championship, the Veterans Golf Classic and the Never Forget Memorial Golf Outing. The Horry County area contributes a large portion of South Carolina’s golf revenue. This industry has been instrumental in the expansion of the tourist season, including early spring and late fall in our regular May through October season.



Retail sales, employment and construction are all intimately tied to the tourism industry. Retail sales tend to show a seasonal pattern, with the first quarter of each year noticeably below the other quarters. However, all signs indicate that the Myrtle Beach area is becoming more of a year-round tourism destination.

The recession affected the tourism industry and tourism related revenues suffered from FY 2008 to FY 2010 before a slight economic upturn began in FY 2011. The combined total of state and local accommodations tax and the hospitality fees dipped to \$36.7 million in FY 2010. During FY 2011 and FY 2012 the County began to see the return of these combined revenues. Revenues have continued to increase to \$53.6 million in FY 2018. June of FY 2018 set a record for county-wide hospitality revenue received during the month of June in any previous year. This is a possible sign of an earlier start to the tourist season.

AIRPORT

Horry County owns and operates the largest airport system in South Carolina with one commercial service airport serving the greater Myrtle Beach Region and three general aviation airports - Grand Strand, Conway, and Loris Twin Cities. The Grand Strand Airport (CRE), located in the City of North Myrtle Beach, serves private and corporate aircraft. The Conway-Horry County Airport (HYW), located 5 miles west of the county seat of Conway, provides operations and services for the growing general aviation community in the western part of Horry County. The Loris Twin Cities Airport (5J9) is an unattended airport for public use.

Myrtle Beach International Airport (MYR) is a county facility located on approximately 2,000 acres within the City of Myrtle Beach and provides air service for the Grand Strand and surrounding counties. The airport consists of a passenger terminal complex, a 9,500- foot lighted runway and related taxiways, a general aviation apron and supporting buildings and hangars. The facilities are located on or adjacent to property formerly utilized as the Myrtle Beach Air Force Base.

The following direct and indirect carriers presently serve the airport: American Airlines, Allegiant Air, Delta Air Lines, Elite Airways, Frontier, Porter Airlines, Spirit, Sun Country, United and WestJet. These carriers collectively offer non-stop air service to 48 markets. Departing seat capacity exceeded 1,557M seats, resulting in a 23% increase over previous year. The airport is also served by a number of charter services.

Passenger enplanements for the fiscal year ending June 30, 2018, were 1,215,241, which represents an 18.2% increase from the previous fiscal year. This increase of 187,527 passengers is the result of airlines increasing seat capacity and frequencies in existing markets and the introduction of new nonstop air service from markets previously not served.

In fiscal year 2018, new nonstop air service was added to Albany (ALB), Nashville (BNA), Columbus (CMH), Denver (DEN), Flint (FNT), White Plains (HPN), Kansas City (MCI), Minneapolis/St Paul (MSP), Providence (PVD), Louisville (SDF) and Trenton (TTN) to Myrtle Beach International Airport (MYR). As of June 30, 2018, MYR has non-stop service to 48 markets by 10 carriers.

TRANSPORTATION

In order to improve Horry County's transportation system, a major federal interstate is under consideration. I-73/I-74 would begin in Michigan and continue through Ohio, West Virginia, Virginia, North Carolina and end in Charleston, South Carolina, after passing through the Grand Strand. The Federal Government has allocated \$400,000 for South Carolina to do a feasibility study regarding the project.

In addition, former Governor Beasley approved the most aggressive road construction program in the history of Horry County, RIDE – Road Improvement and Development Effort in September 1996. Horry County's RIDE Project represents a comprehensive solution for transportation problems which pairs significant funding from the local level with funding provided by the State of South Carolina. Horry County enacted an ordinance in the fall of 1996 that implemented a 1.5 percent hospitality fee (accommodations, restaurants, amusements, golf and theaters) effective January 1, 1997. The purpose of this fee is to provide the financial ability for Horry County to partner with the State of South Carolina to meet the infrastructure needs of the County. The participating parties of the RIDE project are Horry County, the South Carolina Transportation Infrastructure Bank and the South Carolina Department of Transportation. The total cost of the RIDE I program was \$774 million (\$698 million in 1997 dollars, escalated at 4.5 percent per year over the seven year construction period). The total debt service over the life of the proposed bonds for the RIDE project is \$1.2 billion. Horry County's contribution to retire the debt is \$368 million; the South Carolina Transportation Infrastructure Bank is expected to fund the balance of the debt service, \$859 million. The RIDE Project included a series of interconnected highway construction and road enhancements that improved the overall transportation network in Horry County.

The RIDE II program, submitted to Horry County Council in May 2004, outlined an additional list of priorities for roadway improvements. To fund these projects, a local option sales tax was passed by Horry County voters in November of 2006.

The RIDE III initiative was recently approved by voters in the November 2016 general election. This initiative includes more than thirteen projects which will cost close to \$590 million dollars. RIDE III calls for a one-penny sales tax to be collected for no more than eight years, beginning in May of 2017. The sales tax would remain in effect for eight years through April 30, 2025.

LONG-TERM PLANNING

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

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

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 and is only the beginning of the District's planned improvements in education.

In the last ten years, Horry County Schools' enrollment has grown over 6,314 students. Of the District's 58 school facilities, 8 of them are operating over capacity with another 7 schools within 95 - 99% of capacity. To temporarily cope with growth, more than 157 portable classrooms are in use and attendance lines have been redrawn to deal with the swelling population. Looking to the future, the District anticipates the enrollment to increase from 43,706 students in fiscal year 2017-18 to over 48,799 students by fiscal year 2022-23.

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

In February 2012, Horry County Schools initiated a Long-Term Facility Plan. The purpose of the plan is to evaluate the adequacy of existing educational facilities, plan for future capital facilities spending and address how the student population will be housed over the next 10 years. This document also provides for facility improvements or adjustments to the programmatic needs of the District. This report contains data and analysis that will provide the basis for decisions regarding when and where to build new capacity, renovate existing facilities, replace facilities, and when and how to provide sustainment activities to maintain our facilities to the highest quality.

Additionally, this report provided a comprehensive analysis of athletic facilities, playgrounds, and grounds along with recommendations for improvements to these areas. The District also produced a set of Educational Specifications. That document provides the guidance necessary to ensure that school facilities are planned and designed to support the mission and vision of Horry County Schools. The total projected cost of the Long-Term Facility Plan was over \$633.9 million.

Construction Document Scanning and archiving will complete the digitization of over 200,000 construction documents stored in the warehouse. Capacity & Higher Utilization Planning will assist with developing capacity analysis and higher utilization modifications needed to handle growth and program additions in the future.

The Long-Term Facility Plan focused on a comprehensive approach to all facilities including custodial, maintenance, and capital improvements. The **revised** plan focuses on establishing a capital plan within forecasted revenue from 2013-14 to 2023-24 and Board priorities established on June 15, 2013. The Capital Plan was approved on September 30, 2013, revised on June 9, 2014, revised June 30, 2014, revised July 28, 2014, revised May 26, 2015, revised July 29, 2015, revised on November 2, 2015, revised on June 6, 2016, and revised on December 11, 2017, to the current Board Approved Short-term Capital Plan as indicated on the next page.

Short-term Capital Plan

Current Board Approved Project List	Total	Proposed Completion Date
Addition & Renovation - NMB Middle	9,660,750	Operational August 2017
Addition & Renovation - Midland Elementary	16,191,887	January 2018
Replace HCEC	47,363	Project Delayed
New Intermediate (St. James)	51,391,369	Opened August 2017
New Middle (Carolina Forest)	50,845,221	Opened August 2017
Replace Socastee Elementary	40,305,836	Opened August 2017
New Middle (Myrtle Beach)	49,741,056	Opened January 2018
Addition & Renovation - Aynor Middle	-	Project Delayed
New Middle (Socastee)	47,891,843	Opened August 2018
Renovation - NMBH	21,086,340	Completed March 2018
Support Space & Building Modifications	57,000,000	Annual \$5,181,818 (End: June 2024)
Sustainment Projects	72,000,000	Annual \$6,545,455 (End: June 2024)
Unplanned Projects or Maintenance Repair	10,000,000	Annual \$909,091 (End: June 2024)
Property Acquisitions	4,000,000	September 2016
Capital Administration	20,000,000	Annual \$1,818,182 (End: June 2024)
Owner's Contingency for Five Design-Build Projects	174,444	February 2018
Off-Site Development Contingency for Five Design-Build Projects	-	August 2017
Renovation - Old Myrtle Beach Middle School	21,128,943	February 2019
Misc. Equipment	5,000,000	Annual \$454,545 (End: June 2024)
Technology	86,000,000	Annual \$9,100,000 (End: June 2024)
Total	562,465,052	

The Board is reviewing a Capital Improvement Plan for Fiscal Years 2018-2023, which is also known as "The Five-Year Plan." The "Plan" addresses capacity and growth needs, replacement/renovation projects, sustainment projects (roofing, HVAC), athletic upgrades, and paving/grounds projects. The estimated cost of the "Plan" is approximately \$755 million.

HONORS AND DISTINCTIONS

Our Performance

[Horry County Schools](#) is fully-accredited by AdvancED, a non-profit, non-partisan organization that conducts rigorous, on-site external reviews of Pre-K-12 schools and school systems to ensure that all learners realize their full potential. Combining the knowledge and expertise of a research institute, the skills of a management consulting firm and the passion of a grassroots movement for educational change, AdvancED is a trusted partner to 34,000 schools and school systems across the United States and 70 other nations.

In a concurrent evaluation, the [Academy for the Arts, Science, and Technology](#) was awarded the new AdvancED STEM Certification as an accredited whole school STEM site, distinguishing the Academy as a highly-effective school that prioritizes education in science, technology, engineering and math.

[Horry County Schools'](#) students surpassed the national composite on the SAT, reaching a score of 1,101 for Evidence-Based Reading and Writing and mathematics. The 2017 composite for HCS seniors was 44 points higher than the state composite and 57 points higher than the nation. Eight schools surpassed the SAT national composite: [Aynor High School](#) (1,116); [North Myrtle Beach High School](#) (1,094); [Loris High School](#) (1,095); [Myrtle Beach High School](#) (1,049); [Socastee High School](#) (1,103); [Carolina Forest High School](#) (1,126); [St. James High School](#) (1,107); and the [Academy for the Arts, Science and Technology](#) (1,155).

[Horry County Schools'](#) students took more Advanced Placement (AP) courses and topped the State and nation on the percentage of students scoring 3 or higher on AP exams. District students took 3,203 exams (an increase of 526 exams from last year), with 61.2 percent of students scoring a 3 or higher. The 2,075 students taking AP exams was a record for HCS. Those who score 3, 4, or 5 on an AP exam are, in many instances, considered qualified to receive credit for the equivalent course(s) at colleges and universities. Nationally, 56 percent of students scored 3 or higher, and the State average is 57 percent.

Spring 2017 ACT scores from all third-year high school students were required as part of State and Federal accountability. [Horry County Schools'](#) juniors had a composite mean score of 18.0, compared to the State's 17.7 composite. Beginning with the 2017-18 school year, third-year high school students will have the option of taking either ACT or SAT, paid for by the State, as part of the State's new accountability requirements.

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

School and Team Awards

The [HCS Early College High School](#) was named a National Blue Ribbon School by the United States Department of Education. [Horry County Schools](#) have been awarded 10 National Blue Ribbon Schools awards since 2002.

Five HCS high schools are among the Top 25 in South Carolina, as ranked in US News & World Report's annual list of Best High Schools. [St. James High School](#) (#14), [Carolina Forest High School](#) (#15), and [Aynor High School](#) (#17) each earned Silver designations. [North Myrtle Beach High School](#) (#18), and [Green Sea Floyds High School](#) (#25) earned Bronze designations. The [HCS Early College High School](#) also earned a Bronze designation.

[St. James Middle School](#) earned the honor of being re-designated as a National 2017- 2018 Schools to Watch®, which was originally earned during the 2014-2015 school year.

[Aynor, Conway, Green Sea Floyds, Myrtle Beach, and Socastee High Schools](#) earned the distinction as a Safe Sports School from the National Athletic Trainers' Association. The schools were named "1st Team" award recipients for having met or exceeded all nine of the criteria as a Safe Sports School.

[Ten Oaks Middle School's STEM](#) (Science, Technology, Engineering and Math) program was named the South Carolina winner of the Samsung Solve for Tomorrow competition and was awarded a \$25,000 Samsung technology prize package.

[The Academy for the Arts, Science, and Technology's](#) Aluminum Assault robotics team advanced from the Palmetto FIRST Regional Robotics Competition to the World Championship and was the first regional recipient of the FIRST Robotics Gracious Professionalism Award.

[St. James Elementary School](#) was one of five schools chosen by the South Carolina School Improvement Council as a finalist for the 2017 Dick and Tunky Riley Award for School Improvement Council Excellence.

The Farm Business Management team of [Aynor High School's](#) Future Farmers of America won the State Championship.

[Socastee High School's](#) Academic Team won the 20th annual Horry County Schools Academic Olympics.

Thirty-one [Horry County Schools'](#) students were chosen for All-State performing arts ensembles; 13 for the South Carolina Elementary Honors Choir; nine for the SC All-State Chorus; six for the South Carolina All-State Band; two for the South Carolina All-State Orchestra; and one for the South Carolina All-State Jazz Band.

2017 State Champions: [Myrtle Beach High School](#), AAAA Volleyball; [St. James High School](#), AAAA Girls Golf; [Smith Knaffle](#), [St. James High School](#), AAAA Girls' Golf; [Brianna Young](#), [Socastee High School](#), AAAAA Girls Discus Throw; [Taylor Steele](#), [Carolina Forest High School](#), AAAAA Girls' 100-meter Breaststroke; and [Casey Mitchell](#), [St. James High School](#), AAAA Boys' 500-meter Freestyle.

Student Awards

Two [Horry County Schools'](#) students are among 14 in South Carolina and 1,936 in the nation selected as Coca-Cola Scholars semifinalists. [Patrick Daly and Jaan Nandwani](#) are both seniors attending the [Academy for the Arts, Science & Technology](#).

[Fallon Tomlin of Ocean Bay Middle School](#) won first place in Individual Performance at the National History Day in Washington, DC.

[Socastee High School's Alvina Emram](#) was selected as one of four students from South Carolina to participate in the National Youth Orchestra.

[Darren Stanley of Conway High School](#) was named the 2017 National Mentee of the Year by 100 Black Men of America, Inc.

[Carolina Forest High School's Jade Gambill](#) was chosen to participate in the Congress of Future Medical Leaders, a summer program of the National Academy of Future Physicians and Medical Scientists.

[Dylan Rush, a senior from Conway High School](#) who attends the HCS Scholars Academy, earned a perfect score of 36 on the ACT.

[Fifth-grader Alia Abou Dakka of River Oaks Elementary School](#) won The Sun News Regional Spelling Bee.

[Horry County Schools'](#) students made an impressive show at the State's first IT-oLogy Innovation Challenge, winning two of three middle school awards and two honorable mentions. [Peyton Quickery of Ten Oaks Middle School](#) placed second in the State and [Forestbrook Middle School's Cole Smith](#) placed third. Honorable mentions went to [Samuel Bornfreund and Andrew Vaughan of Ocean Bay Middle School](#) and to [David de Jesus of the Academy for the Arts, Science and Technology and Carolina Forest High School](#).

[Kristina Matthews of the Academy for the Arts, Science, and Technology](#) was the state winner for the Aspirations in Computing award.

The Society of Manufacturing Engineers selected [Anthony Angone of the Academy for the Arts, Science and Technology](#) among South Carolina and North Carolina students as a Rising Star.

[Lee Adi of the Scholars Academy and Carolina Forest High School](#) was one of two delegates chosen to represent South Carolina in the US Senate Youth Program.

[Marina Ataalla of Carolina Forest High School](#) was the 2017 State Champion for the High School Mock Trial Courtroom Sketch Artist competition.

[Leajah Favorite of Myrtle Beach High School](#) won South Carolina's Youth of the Year Award from the Boys and Girls Club of South Carolina.

[Horry County Schools'](#) students earned a third of awards presented at the South Carolina National History Day competition, with six wins in first place, five in second place, and seven in third place across the junior and senior divisions in multiple event categories. In addition, HCS students won nearly 25 percent of Special Topics Awards, as follows: [Tyrianna Singleton of Loris Middle School](#); [Emery Grayson and Samuel Oppelt of St. James Middle School](#); [Caroline Kingsmore of Ocean Bay Middle School](#); and [Gracie Benton and Hannah Loudin of Conway Middle School](#).

[Danielle Silvestri and Julia Valencia of the Academy for the Arts, Science and Technology](#) won first place for their graphic designs which were used for print projects and promotion of the 2017 SC Education and Business Summit.

Five [Horry County Schools'](#) students placed at the 2017 South Carolina Visual Arts Competition including one taking Best in Show. Winners are [Kaitlyn Nillas](#), [Hitomi Kobayashi](#), [Sawyer McDuffie](#), [Glenn Courtney of the Academy for the Arts, Science and Technology](#) and [Katelyn DuBose of Myrtle Beach High School](#).

Staff Awards

[Sean Junkins](#), an instructional coach at [Whittemore Park Middle School](#), was chosen as one of 46 educators from 23 states and seven countries for the 2017 Emerging Leaders program sponsored by the Association for Supervision and Curriculum Development.

[Chad Hamilton of Whittemore Park Middle School](#) received the "Extra Yard for Teachers" award from the College Football Playoff Foundation, presented to him by Coastal Carolina University.

[Marion Touzel of Ten Oaks Middle School](#) was invited to publish her research on ABMCeducation.org, an award-winning website for teachers.

The SC Bar Association named [Brenda Kidd of North Myrtle Beach Middle School](#) the 2017 Middle School Teacher of the Year for Law Related Education.

[Myrtle Beach High School Principal John Washburn](#) was named the 2017 Outstanding High School Principal of the Year by the South Carolina Art Education Association for his support of the arts.

[Roger Dixon](#), [Horry County Schools'](#) Athletic Director and former athletic director at [Socastee High School](#), was inducted into the SC Athletic Director's Hall of Fame.

The South Carolina Athletic Administrators Association named [Joe Quigley of North Myrtle Beach High School](#) the South Carolina Athletic Director of the Year; [Jason Cox of Green Sea Floyds High School](#) the Division A Athletic Director of the Year; and [Vann Pennell of St. James High School](#) the Division AAAA Principal of the Year.

The [HCS Office of Information Services](#) earned 11 Rewards for Excellence awards for exemplary communications projects, publications, and initiatives, as presented by the South Carolina Chapter of the National School Public Relations Association.

[HCS awarded Budget Award](#)

The District has received the Distinguished Budget Presentation Award from the Government Finance Officers Association.

[HCS awarded Certificate of Achievement for Excellence in Financial Reporting](#)

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Horry County School District for its comprehensive annual financial report for the past sixteen fiscal years. A Certificate of Excellence is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Excellence Program's requirements and we are submitting it to the ASBO to determine its eligibility for another certificate.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Horry County School District for its comprehensive annual financial report for the past sixteen 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 2018 Comprehensive Annual Financial Report would not have been possible.

Respectfully Submitted,



John K. Gardner
Chief Financial Officer

BOARD OF EDUCATION

District 1 Board Member Holly Heniford
District 2 Board Member Sherrie Todd
District 3 Board Member Ray Winters
District 4 Board Member, Interim Vice Chairman David Cox
District 5 Board Member Janice Morreale
District 6 Board Member Pamela Timms
District 7 Board Member Janet Graham
District 8 Board Member John Poston
District 9 Board Member Chris Hardwick
District 10, Interim Chairman Neil James
District 11 Board Member Shanda Allen

ADMINISTRATIVE OFFICIALS

Superintendent Dr. Rick Maxey
Chief Academic Officer Boone Myrick
Chief Support Services Officer Daryl Brown
Chief Financial Officer John K. Gardner
Chief Human Resources Officer Mary J. Anderson
Chief Information & Accountability Officer Edward Boyd
Chief Student Services Officer Velna Allen



Dr. Rick Maxey, Superintendent of Schools: The Horry County Board of Education appointed Dr. Maxey the Superintendent of Schools in June 2015 after a six-month appointment as the Acting Superintendent. Dr. Maxey has more than 30 years of career experience, to include three years as the District's Deputy Superintendent and other leadership roles in District operations, support services, middle school and secondary education, and special education.

Before he began working as a District administrator, Dr. Maxey was the principal of Conway High School for five years and of Carolina Forest High School for two years. He was an assistant principal and technology coordinator for Loris High School after six years of teaching English at the school. Before working for Horry County Schools, Dr. Maxey was an English instructor at both Presbyterian College and Clemson University.

Dr. Maxey earned master's and doctoral degrees in Educational Leadership from the University of South Carolina. He also holds master's and bachelor's degrees in English from Clemson University. He and his wife, Vencie, are career educators and the parents of two adult sons.



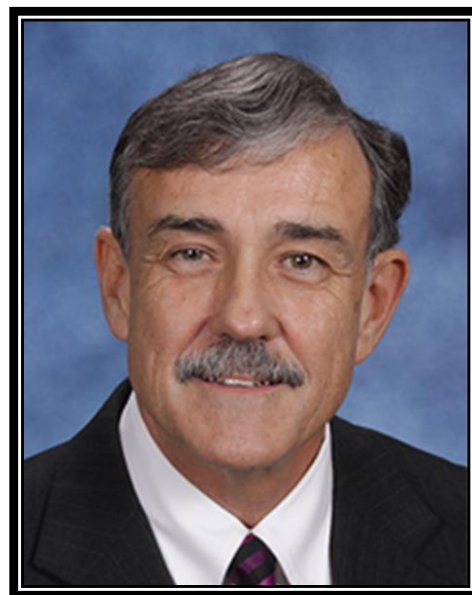
Holly Heniford, District 1 – Ms. Heniford was elected to the School Board in November 2014. A native of Horry County and a graduate of Loris High School, Heniford is a licensed real estate broker in the Carolinas and is currently the broker-in-charge of B Mack & Co. Real Estate in North Myrtle Beach. Heniford has served as a member of the Board of Directors for Sandhills Bank, the Grand Strand Board of Realtors, and the Horry Georgetown Home Builders Association. She served on the Horry County Planning Commission from 2004-2009. She earned degrees from the Art Institute and Brenau Women's College which are both in Georgia. She earned a master's degree in human resource management from Webster University in Myrtle Beach. She is the mother of one daughter, Carly, who attended Horry County Schools and now attends college.

Sherrie Todd, District 2 – Ms. Todd was elected to the School Board in November 2014. She is a life-long resident of Myrtle Beach and a retired Horry County Schools teacher. Todd earned a master's degree in career and technology education from the University of South Carolina and serves on the Book Adoption Committee for the South Carolina Department of Education. In addition to her career teaching at the secondary level, Todd also teaches as an adjunct instructor at Horry Georgetown Technical College. Todd is a small business owner and the president of Hair Heirs, Inc., LLC. She has served four terms on the Board of Trustees for the Horry County Museum. Todd and her husband, Ting, have two adult daughters, one adult son, and six grandchildren.



Ray H. Winters, District 3 – Mr. Winters was elected as a member of the Board of Education in November 2014. He obtained his undergraduate degrees in History and Political Science from the University of South Alabama as well as his Masters from USA in Public Administration in 1994. He received his Juris Doctorate from Loyola University (New Orleans) in 1998. Ray is a licensed attorney in the states of South Carolina and Alabama, as well as the U. S. Tax Court. He is the managing attorney of his own law practice that focuses on real estate, corporate and business transactions, and other basic transactional matters. He and his wife, Tracy, have one daughter, Alyssa.

David Cox, District 4, Interim Vice Chairman – Mr. Cox was elected to the Board of Education in November 2008. Mr. Cox is employed by Elliott Realty in North Myrtle Beach. He is a graduate of the University of South Carolina with a Bachelor of Arts degree in Journalism. He is married with children and grandchildren.



Janice Morreale, District 5 – Ms. Morreale was elected to the Board of Education in November 2012. She is a graduate of Horry Georgetown Technical College with an Associate's Degree in Public Service Technology. She is a paralegal at Nelson Mullins Riley and Scarborough. Mrs. Morreale and her husband, John, have two children, Anthony and Gabriel.

Pamela C. Timms, District 6 – Ms. Timms has been a member of the Horry County Schools' Board of Education since November 1998. A native of Horry County, Ms. Timms is a 1972 graduate of Myrtle Beach High School and attended Coastal Carolina's school of nursing program from 1973-76. Ms. Timms is nationally certified as a professional activity director (NAAP) and a member of the South Carolina Activity Professional Association (SCAPA). She is employed as Director of Activities at Reflections Assisted Living in Carolina Forest. Ms. Timms has one daughter, Sarah Elizabeth and one granddaughter.



Janet P. Graham, District 7 – Ms. Graham was appointed to the Board of Education in September 2012 and was elected in November 2014. She is an Area Manager for the Myrtle Beach Area Small Business Development Center (SBDC) at Coastal Carolina University. Ms. Graham received a Bachelor's Degree in Finance from Coastal Carolina University in 2000 and a Master of Business Administration from Winthrop University in 2004. Janet and her husband Gregory have three children and nine grandchildren.



John R. Poston, District 8 – Mr. Poston was elected to the Board of Education in November 2008. He is a professional land surveyor and a professional engineer. He is the Chief Operating Officer and a partner with Castles Engineering, Inc. Mr. Poston received his Bachelor of Science degree in Mathematics from Francis Marion University in 1991 and a Bachelor of Science degree in Civil Engineering from Clemson University in 1996. Mr. Poston and his wife, Robin, have three children – a son and two daughters.

Chris Hardwick, District 9 – Mr. Hardwick was elected to the Board of Education in 2016. He is the owner and president of Hardwick Funeral Home in Loris. He graduated from the University of South Carolina with degrees in English and Business Management and from Gupton-Jones College with a degree in Mortuary Science. Mr. Hardwick is a former president of the Loris Area Chamber of Commerce and attends the Loris Presbyterian Church. He and his wife, Cindy, have two daughters.

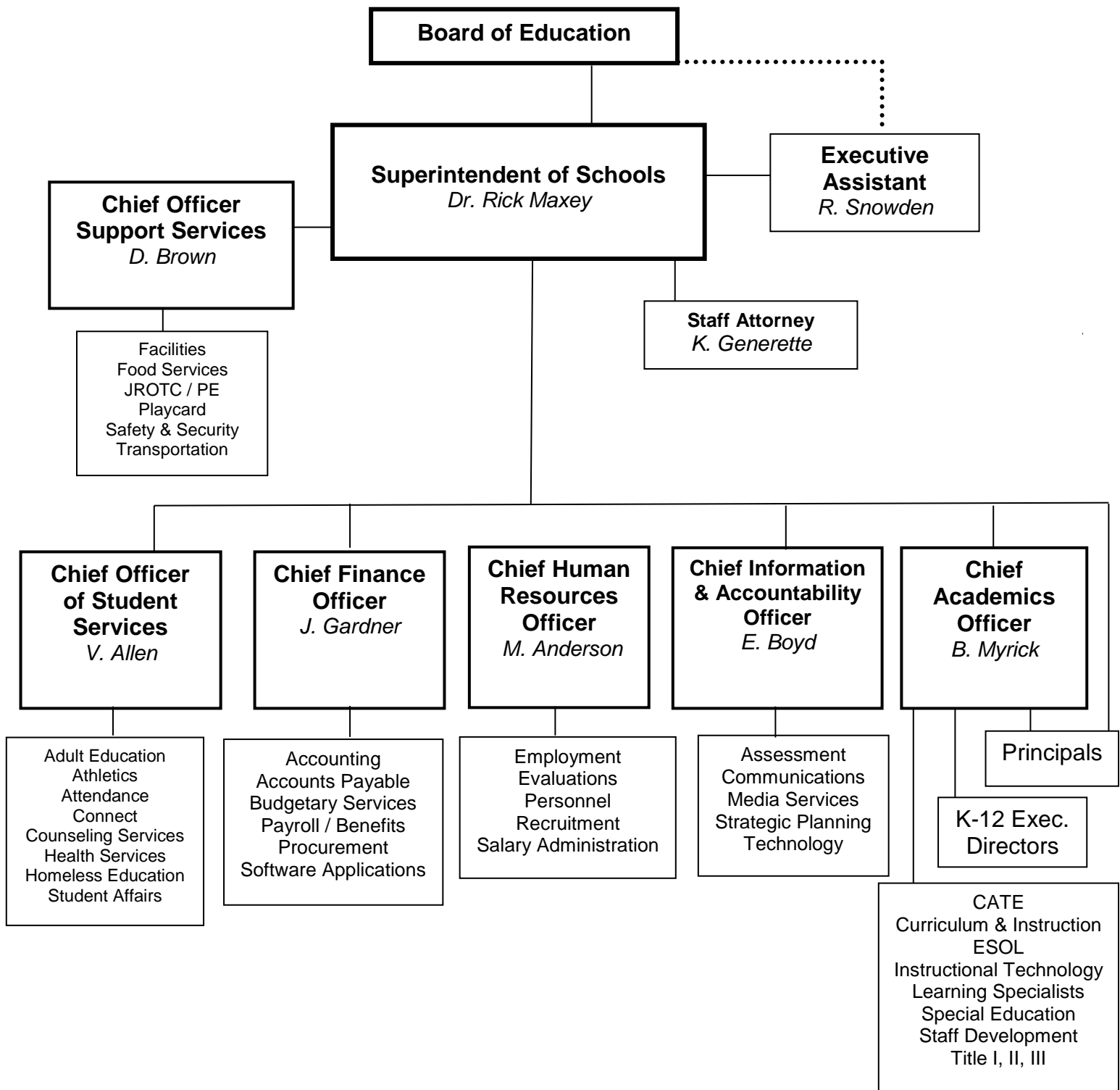




Neil James, Interim Chairman, District 10 – Mr. James was appointed to the Board of Education in November 2009 and elected in 2010 and again in 2014. He is a professional engineer (PE) and holds a BS in Agricultural Engineering and a BS in Electrical Engineering from Clemson University, and an MBA from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

Shanda Allen, District 11 – Mrs. Allen was elected to the Board of Education in 2016. She is the owner and operator of Allen Aviation, Inc., and has served on the Higher Education Commission at Coastal Carolina University. Mrs. Allen is a native to Horry County. She and her husband, Al, have two children.







ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Horry County Schools

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Horry County School District
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Horry County Schools (the "School District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial positions of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the School District as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. GAAP.

Implementation of New Accounting Standard

As discussed in Note 10 to the financial statements, the School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, effective June 30, 2017. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules, OPEB schedules and budgetary comparison schedules, as presented in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, the statistical section, the other supplementary schedules, as presented in the Table of Contents, and the accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are not a required part of the basic financial statements.

The other supplementary schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Charleston, South Carolina
November 30, 2018

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**HORRY COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

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, 2018. 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

- Beginning June 30, 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which established new financial reporting requirements for most governments that provide pension benefits through a multiple-employer, cost-sharing defined-benefit pension plan. District employees, including the charter schools' employees, are in a program administered by the South Carolina Public Benefit Authority (PEBA). Statement No. 68 requires the district and its charter schools to record a proportionate share of PEBA's unfunded pension liability. The District and its charter schools have no legal obligation to fund any shortfall, nor do they have any liability to affect funding, benefits, or annual required contribution decisions made by PEBA.
- Beginning June 30, 2017, the District adopted the provisions of GASB Statement No. 75. This statement revises and establishes new financial reporting requirements for postemployment benefits other than pensions (OPEB). The implementation of the statement required the District to record beginning net OPEB liability and the effects on unrestricted net position of contributions made by the District during the measurement period (fiscal year ended June 30, 2017). As a result, ending net position for the District for the year ended June 30, 2017, decreased by \$442.1 million. This decrease resulted in the restatement of net position to a deficit balance of \$290.6 million as of June 30, 2017.
- The liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources at June 30, 2018, by \$288 million, primarily due to the net OPEB and pension liabilities, noted above, of \$989.7 million.
- The District's total net position for 2017-18 increased by \$2.6 million which consisted of an increase of \$8.4 million for governmental activities and a decrease of \$5.8 million in business-type activities.
- Our principal operating fund, the General Fund, had \$392.6 million in fiscal year 2018 revenues, which primarily consisted of state aid and property taxes. In addition, the General Fund had \$11.1 million in other financing sources, which consisted primarily of transfers from the Special Revenue Fund in the form of indirect cost and teacher salary supplement transfers. The General Fund incurred \$393.9 million in expenditures, as well as \$1.1 million in other financing uses.
- The General Fund's fund balance increased from \$101.8 million as of June 30, 2017, to \$110.5 million as of June 30, 2018. In the 2017-18 funding plan, the District planned to utilize \$13.3 from fund balance. This significant change in fund balance was the result of several events. The District received \$7.9 million more in total revenues than was budgeted. This was most notably the result of a \$1.6 million increase in budgeted Education Finance Act (EFA) revenues, a \$1.2 million in Medicaid reimbursement, and a \$2.6 million credit for the employer contribution rate to the South Carolina Retirement System (SCRS). Analysis of ad valorem taxes indicate that the district received over 100% of the budgeted revenues for 2017-18.

- Analysis of the positive budget variances related to expenditures indicate \$13 million in salaries and employee benefits and \$8.9 million in operating expenditures contributed to the surplus. As it is the District's position to budget all vacant positions at the full complement, it is not uncommon for the District to have unspent funds in salaries and employee benefits at the fiscal year end. In addition, it is the policy of the District to assign fund balance in the subsequent year for certain items not received prior to the fiscal year end and to assign reserve funds for workers' compensation claims. Included in the \$8.9 million operating expenditure surplus was \$4.9 million assigned from fiscal year 2017.
- The District's total general obligation debt decreased by \$17.8 million during fiscal year 2018 to \$426.8 million due to scheduled principal payments.
- The District currently has a Standard & Poor's underlying rating of AA and a Moody's Investor Services underlying rating of Aa2.
- The District's only Proprietary Fund is the Food Service Fund. The fund ended the year with expenses and transfers exceeding revenues by \$5.8 million and total net position deficit balance of \$21.1 million.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

The government-wide financial statements include not only the District itself (known as the primary government), but also the component units of Waccamaw Park Public Charter Schools, Inc. (also known as Bridgewater Academy), Palmetto Academy of Learning and Success (also known as PALS), Academy of Hope, and Palmetto Academy of Learning Motor Sports (also known as PALM). Bridgewater Academy, PALS, Academy of Hope, and PALM are charter schools sponsored by the District. Financial information for the charter schools is reported separately from the financial information presented for the primary government itself. Additional information on the District's component units can be found on page 163-178.

The government-wide financial statements are included on pages 46 and 47 of this report.

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

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

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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 49 and 51.

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 59 – 96.

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 Position. Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$288 million as of June 30, 2018.

The following table presents a comparative analysis of the District's net position for the fiscal years ended June 30, 2018, and June 30, 2017.

Net Position						
(Amounts expressed in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 299,997	\$ 357,701	\$ 7,895	\$ 6,842	\$ 307,892	\$ 364,543
Capital assets, net	894,616	839,297	4,820	1,806	899,436	841,103
Total assets	1,194,613	1,196,998	12,715	8,648	1,207,328	1,205,646
Deferred outflows of resources	136,432	91,809	4,557	1,765	140,989	93,574
Current liabilities	79,361	86,336	1,415	1,421	80,776	87,757
Long-term liabilities	1,445,289	1,045,398	34,353	9,646	1,479,642	1,055,044
Total liabilities	1,524,650	1,131,734	35,768	11,067	1,560,418	1,142,801
Deferred inflows of resources	73,281	5,212	2,623	(349)	75,904	4,863
Net position						
Net investment in capital assets	404,743	315,403	4,820	1,806	409,563	317,209
Restricted	115,091	176,491	-	-	115,091	176,491
Unrestricted	(786,720)	(340,033)	(25,939)	(2,111)	(812,659)	(342,144)
Total Net position	<u>\$(266,886)</u>	<u>\$ 151,861</u>	<u>\$(21,119)</u>	<u>\$ (305)</u>	<u>\$(288,005)</u>	<u>\$ 151,556</u>

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

- Although the net position of the District's governmental activities increased by \$8.4 million in 2018, the total net position deficit of \$266.9 million was caused by the restatement of the net position as of June 30, 2017 by (\$427.1 million).
- The \$52.3 million decrease in cash and cash equivalents in governmental activities was primarily due the expenditures related to the construction of five new schools.
- Total deferred outflows of resources increased \$47.4 million due to increases in deferred outflows related to pensions and OPEB.

- The \$58.3 million increase in capital assets is primarily due to an increase in construction.
- Total liabilities increased \$417.6 million primarily due to a \$24.1 million increase in the net pension liability and a \$426.2 million net OPEB liability. The decrease in other liabilities is due to a \$3.8 million decrease in accounts payable and other liabilities combined with a \$3.8 million decrease in revenue received in advance, a \$2.5 million decrease in retainage payable, and a \$3.1 million increase in accrued interest payable. This increase was offset by a \$25.8 million reduction in long-term obligations due to principal payments on outstanding debt, amortization of deferred bond premiums, and a decrease in compensated absences.
- Total deferred inflows of resources increased \$71 million due to increases in deferred inflows related to pensions and OPEB.

The District's financial position is the product of several financial transactions including the net results of activities, the restructuring and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The most notable impact on the District's net position was the adoption of GASB 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)" and the impacts of "GASB Statement 68 "Accounting and Financial Reporting for Pensions."

The following table presents a six-year comparative analysis of the District's net position for the fiscal years ended 2013 through 2018.

Net Position By Component
(Amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018
Governmental Activities	\$ 437,380	\$ 32,250	\$ 61,337	\$ 114,796	\$ 151,861	\$ (266,886)
Business - Type Activities	6,588	(211)	153	118	(305)	(21,119)
Total Primary Government	<u>\$ 443,968</u>	<u>\$ 32,039</u>	<u>\$ 61,490</u>	<u>\$ 114,914</u>	<u>\$ 151,556</u>	<u>\$ (288,005)</u>

Prior to the implementation of GASB Statements 68 and 75, the largest portion of the District's positive net position reflected its net investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress), less any related debt used to acquire those assets that is still outstanding.

The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The restriction for Capital Projects represents residual funding for building construction scheduled in fiscal year 2019 and beyond.

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

The following table presents a six-year comparative analysis of the District's net position for the fiscal years ended 2013 through 2018.

Net Position By Classification
(Amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018
Net Investment in Capital Assets	\$ 270,872	\$ 288,317	\$ 311,053	\$ 142,238	\$ 317,208	\$ 409,563
Restricted for Debt Service	27,229	27,198	26,431	36,832	34,069	56,185
Restricted for Capital Projects	54,957	56,408	61,496	265,227	141,037	57,224
Restricted for Special Projects	-	-	-	677	1,385	1,682
Unrestricted	90,910	(339,884)	(337,490)	(330,060)	(342,143)	(812,659)
Total Primary Government	<u>\$ 443,968</u>	<u>\$ 32,039</u>	<u>\$ 61,490</u>	<u>\$ 114,914</u>	<u>\$ 151,556</u>	<u>\$ (288,005)</u>

As mentioned previously, the implementation of GASB Statement 68 continues to have a significant impact on the District's ending net position. The following table presents a six-year comparative analysis of the District's net pension liability for the fiscal years ended 2013 through 2018.

Net Pension Liability By Component
(Amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018
Governmental Activities	\$ -	\$ 452,587	\$ 434,410	\$ 469,632	\$ 529,681	\$ 543,601
Business - Type Activities	-	7,155	6,868	7,912	9,598	19,827
Total Primary Government	<u>\$ -</u>	<u>\$ 459,742</u>	<u>\$ 441,278</u>	<u>\$ 477,544</u>	<u>\$ 539,279</u>	<u>\$ 563,428</u>

The implementation of GASB Statement 75 had a significant impact on the District's ending net position. The following table presents a six-year comparative analysis of the District's net OPEB liability for the fiscal years ended 2013 through 2018.

Net OPEB Liability By Component
(Amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018
Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 411,773
Business - Type Activities	-	-	-	-	-	14,489
Total Primary Government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 426,262</u>

Changes in Net Position. The District's total revenues for the fiscal year ended June 30, 2018, were \$559.1 million. The total cost of all programs and services before transfers was \$556.5 million.

The following table presents a comparative analysis of changes in net position for the fiscal years ended June 30, 2018, and June 30, 2017.

Changes in Net Position
(Amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for services	\$ 635	\$ 902	\$ 4,101	\$ 4,568	\$ 4,736	\$ 5,470
Operating grants and contributions	202,062	186,347	17,263	16,136	219,325	202,483
General revenues						
Property taxes	277,205	278,248	-	-	277,205	278,248
State aid	54,063	52,829	-	-	54,063	52,829
Other	3,625	2,324	145	193	3,770	2,517
Total revenues	<u>537,590</u>	<u>520,650</u>	<u>21,509</u>	<u>20,897</u>	<u>559,099</u>	<u>541,547</u>
Expenses						
Instruction	321,479	299,279	-	-	321,479	299,279
Support services	185,218	168,860	-	-	185,218	168,860
Community services	1,963	1,491	-	-	1,963	1,491
Pupil Activities	-	242	-	-	-	242
Interest on long-term debt	17,446	14,272	-	-	17,446	14,272
Food service	-	-	30,405	20,761	30,405	20,761
Total expenses	<u>526,106</u>	<u>484,144</u>	<u>30,405</u>	<u>20,761</u>	<u>556,511</u>	<u>504,905</u>
Increase (decrease) in net position before transfers	11,484	36,506	(8,896)	136	2,588	36,642
Transfers	<u>(3,110)</u>	<u>559</u>	<u>3,110</u>	<u>(559)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	8,374	37,065	(5,786)	(423)	2,588	36,642
Net position July 1, as originally stated	151,861	114,796	(305)	118	151,556	114,914
Restatement for GASB 75	<u>(427,121)</u>	<u>-</u>	<u>(15,028)</u>	<u>-</u>	<u>(442,149)</u>	<u>-</u>
Net position July 1, as restated	<u>(275,260)</u>	<u>114,796</u>	<u>(15,333)</u>	<u>118</u>	<u>(290,593)</u>	<u>114,914</u>
Net position June 30	<u><u>\$(266,886)</u></u>	<u><u>\$151,861</u></u>	<u><u>\$(21,119)</u></u>	<u><u>\$(305)</u></u>	<u><u>\$(288,005)</u></u>	<u><u>\$151,556</u></u>

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

- Operating grants and contributions increased from the prior due to a combination of factors. The District received \$5.9 million more in Education Finance Act (EFA) revenues due to an increase in students and an increase in the per student allocation. EFA is the State of South Carolina's primary vehicle for financing public education. The District also received an additional \$3.6 million to help offset the increases in employee insurance and retirement. Initiatives funded from the Education Improvement Act (EIA) fund increased by \$5.4 million. Last year, the District experienced an increase in federal receipts in the Special Projects Fund in the amount of \$3.0 million. This year we experienced a decrease in the amount of \$1.7 million. The increase was mostly attributable to a reduction in Title I expenditures.

- Ad valorem tax revenue had a net decrease of \$1 million in fiscal year 2018. Although actual collections increased \$3.7 million, the deferred tax revenues decreased by \$4.7 million. Included in property taxes is the collection of the Education Capital Improvements Sales tax (additional penny sales tax) for debt service and the funding of capital improvement projects. Under the accrual approach, a receivable for property taxes (current taxes billed but not paid) is recognized as revenue less an allowance. Under the modified accrual basis, the receivable for property taxes is based on actual collections for July and August of the subsequent year.
- State Aid increased due to ACT 388. The ACT provides a 100 percent exemption from school operating tax for residential owner occupied property. In fiscal year 2008, the State fully reimbursed districts the foregone amount. The District received \$24.8 million in fiscal year 2008; however, future payments will be “frozen” at the 2008 actual reimbursement with a proportionate share of the growth in the State entitlement. The District received an additional \$1.1 million as its proportionate share of the fiscal year 2018 entitlement.
- Other revenue increased due to insurance proceeds in the amount of \$1.2 million.
- Included in the expenses for 2018 was a 2% longevity increase (if eligible) for certified teachers and all other employees.
- The District did incur additional operating expenses for the 2018 fiscal year. These include property insurance, employee benefits, utilities, and maintenance of facilities.
- The Proprietary Fund (Food Service Fund) program revenues, comprised of proceeds from sales of meals, decreased by \$0.5 million and operating expenses increased by \$9.6 million due to the recognition of pension and OPEB expenses. Operating grants and contributions, primarily composed of USDA food service reimbursements, increased by \$1.1 million due to participation in the USDA’s Community Eligibility Provision (CEP). The District has 17 schools that serve lunch and breakfast at no cost to all enrolled students. The net transfers increased by \$3.7 million due to the transfer of assets purchased for the five new schools and the transfer from the General Fund for fringe benefits.

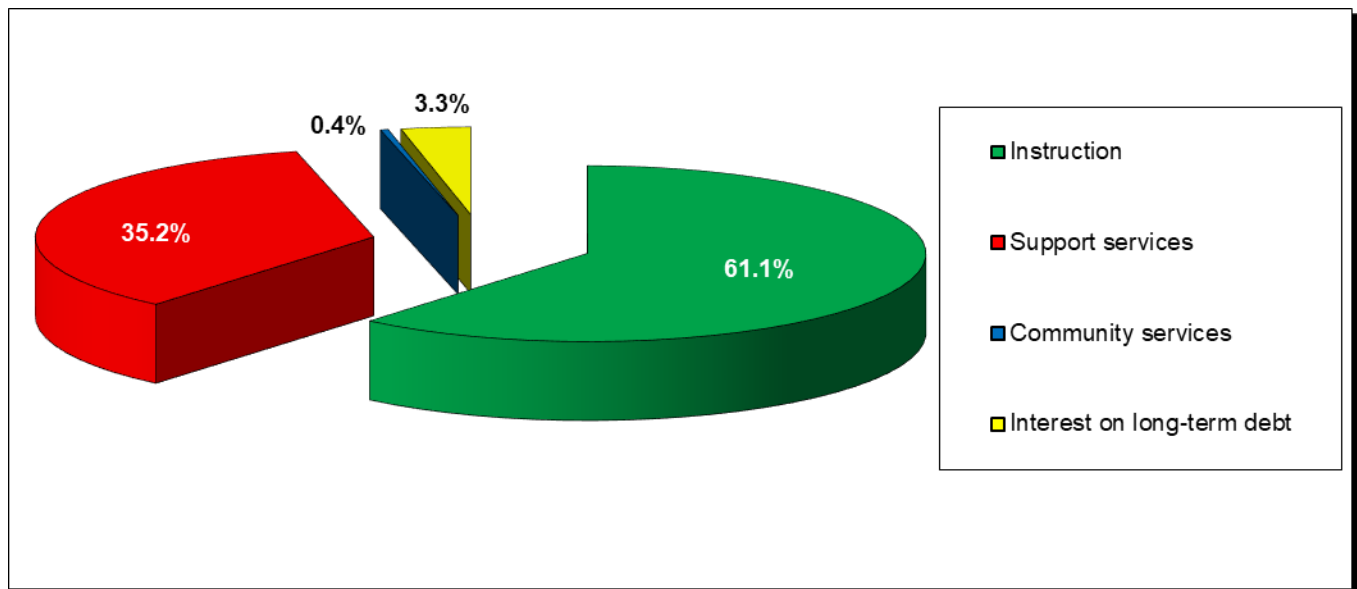
Governmental activities. The following table presents the cost of the five major District functional activities: instruction, support services, community services, pupil activities, and interest on long-term debt for the fiscal years ended June 30, 2018, and June 30, 2017. The table also shows each function’s 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)

	2018		2017	
	Total Expenses	Net (Expense) Revenue	Total Expenses	Net (Expense) Revenue
Instruction	\$ 321,479	\$ (182,013)	\$ 299,279	\$ (170,334)
Support services	185,218	(122,060)	168,860	(110,619)
Community services	1,963	(1,890)	1,491	(1,416)
Pupil Activities	-	-	242	(242)
Interest on long-term debt	17,446	(17,446)	14,272	(14,272)
Total expenses	<u>\$ 526,106</u>	<u>\$ (323,409)</u>	<u>\$ 484,144</u>	<u>\$ (296,883)</u>

- The cost of all governmental activities this fiscal year was \$526.1 million.
- Operating grants, capital grants, and charges for services subsidized certain programs in the amount of \$202.7 million.
- Net cost of governmental activities, \$323.4 million was financed by general revenues, which are made up primarily of property taxes in the amount of \$277.2 million and state aid of \$54.1 million. Unrestricted grants/other contributions and other revenue accounted for \$3.6 million. In addition, a net transfer of \$3.1 million was made to the Proprietary Fund for the transfer of assets from the Capital Projects 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, unassigned 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 \$8.7 million. Incorporating *nonspendable categories* that include inventories and prepaid expenditures; *assigned categories* that include encumbrances and subsequent years' expenditures; the remaining *unassigned* fund balance is \$85.1 million. It is the policy of the Board of Education to designate 15 percent of the prior year's General Fund expenditures as a minimum fund balance designation as advised by the District's bond counsel and financial advisors. Therefore, \$59.2 million of the *unassigned* fund balance is utilized to address cash flow requirements pending the receipt of local property tax revenues. The remaining \$25.9 million of *unassigned* fund balance is available for future Board initiatives.

The Special Revenue Fund and Special Revenue - Education Improvement Act (EIA) Fund are used to account for revenues derived from the state of South Carolina and the federal government. The Special Revenue Fund had a fund balance of \$1.7 million at the end of the current year, which was a decrease of \$0.1 million due to expenditures and transfers out exceeding revenues. The Special Revenue - EIA Fund does not have a fund balance as revenues should be expended, deferred (unearned), or returned to the grantor.

The Debt Service fund balance showed an increase of \$22.6 million from the prior year. Incorporating the positive budgeted variance of \$23.1 million, this increase is net result of \$0.8 million in additional property tax revenue, \$3.2 million in additional receipts from Education Capital Improvements tax, a \$0.2 million increase in interest earnings and a \$4.8 million increase in the transfer of funds to the Capital Projects Fund. The additional penny sales tax enacted in March 2009 allows all consumers, including more than 14 million people who visit our area each year, to help support the needs of educational facilities. Penny revenues allowed the school district to reduce the debt service millage from 28 to 10 mills over fiscal years' 2009 - 2012. In addition to rolling-back property taxes and broadening the tax base, the penny sales tax will enable Horry County Schools, Coastal Carolina University, and Horry Georgetown Technical College to collaborate on more shared initiatives to increase access and services to students of all ages. The penny sales tax does not apply to groceries, gasoline or prescription drugs.

The District maintains sufficient fund balance in the Debt Service Fund to pay the ensuing six-month principal and interest payments on general obligation debt. By statute, only funds received and certified as of June 30 could be considered in the establishment of millage for 2018-19 principal and interest payments. The planned increase in the Debt Service Fund Balance is due to the aggressive payment schedules for the \$125 million and the \$72.8 bonds. These issues mature on March 1, 2025.

In 2012, the District completed a comprehensive Long-Term Facility Plan. The Plan was initiated to evaluate the adequacy of existing educational facilities, plan for future capital facilities spending and address how the student population will be housed over the next 10 years. After several revisions to the facility plan during 2015-16, the District awarded contracts to build 3 new middle schools, 1 new intermediate school, and one new elementary school in November 2015. Three of these schools were operational when school began in August 2017, and the remaining two opened in 2017-18.

The Capital Projects fund balance decreased from \$116.8 million to \$42.7 million due to the construction of the new schools. The funding for existing as well as future projects will be provided from the utilization of the Capital Projects fund balance and from the Education Capital Improvements tax. In 2018, \$24.3 million was transferred from the Debt Service fund to the Capital Projects fund. As capital projects may span fiscal years, the Capital Projects fund balance is restricted for these commitments.

Proprietary Funds. The Proprietary Fund (Food Service Fund) showed a decrease in net position in the amount of \$20.8 million compared with a \$0.4 million decrease in the prior year. As mentioned previously, the implementation of GASB Statement No. 75 required the District to record beginning net OPEB liability and the effects on unrestricted net position of contributions made by the District during the measurement period (fiscal year ended June 30, 2017). As a result, ending net position for the Food Service Fund for the year ended June 30, 2017, decreased by \$15 million. This decrease resulted in the restatement of net position to a deficit balance of \$15.3 million as of June 30, 2017.

GENERAL FUND BUDGETARY HIGHLIGHTS

The net change between the General Fund's expenditure original budget and final budget (\$8.3 million) is primarily due to the prior year assignments of fund balance, insurance claims, and contributions and donations. The table below indicates the changes:

Reserve for workers compensation	\$ 2,085,657
School carryover budgets and enrollment adjustments	524,580
Subsequent years expenditures	38,418
Salary study	192,500
Additional school security officers	238,464
Funding for old Myrtle Beach Middle renovation	439,371
Board of Education funds	90,000
Land/Building Purchase	425,000
Insurance claims	288,537
Modular classrooms	3,990,915
	<u>\$ 8,313,442</u>

The net change between the General Fund's revenue and other financing sources' original budget and final budget \$288,537, which is due to reimbursement from insurance claims.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2018, the District had invested \$1,204.6 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 \$305.2 million including current depreciation expense of \$23 million for the year.

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2018, and June 30, 2017.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 27,185	\$ 26,797	\$ -	\$ -	\$ 27,185	\$ 26,797
Buildings and improvements	799,461	543,078	-	-	799,461	543,078
Improvements other than buildings	28,637	28,869	-	-	28,637	28,869
Autos and trucks	5,199	5,534	34	-	5,233	5,534
Machinery and equipment	8,123	7,707	4,786	1,806	12,909	9,513
Construction in progress	26,011	227,312	-	-	26,011	227,312
Total	<u>\$894,616</u>	<u>\$839,297</u>	<u>\$4,820</u>	<u>\$1,806</u>	<u>\$899,436</u>	<u>\$841,103</u>

Additional information on the District's capital assets can be found in Note 5 of this report.

Debt Administration: At year-end, the District had \$353.9 million in general obligation bonds and \$72.8 million in special obligation bonds outstanding, of which \$62.9 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, 2018, and June 30, 2017.

Outstanding Debt
(Amounts expressed in millions)

	2018	2017
8% General obligation debt	\$ 125.0	\$ 125.0
Special obligation debt	72.8	72.8
Referendum general obligation debt	229.0	246.8
Total	<u>\$ 426.8</u>	<u>\$ 444.6</u>

State statutes currently limit the amount of general obligation debt a District may issue to 8 percent of its total assessed valuation. Additional information on the District's long-term debt can be found in Note 6 of this report.

NEXT YEAR'S BUDGET

The 2018-19 comprehensive budget as proposed by the administration represents months of involvement by various stakeholders. This budget incorporates the parameters established by the Board of Education for the 2018-19 fiscal year:

1. The District will comply with all applicable State and/or Federal laws and regulations.
2. Resources will support the District's vision to be a premier world-class school system in which every student acquires an excellent education.
3. The District will provide the curriculum programs and instructional support which have been proven to be effective for students, with a primary emphasis on literacy.
4. The District must provide the instructional support essential to meet the State and Local accountability goals.
5. The District must provide resources for unfunded mandates.
6. 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.
7. The District will identify funding sources for new programs and/or initiatives.

The District expects to serve approximately 848 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 2018-19 fiscal year. These include increases in retirement, health insurance, and other fixed costs. Additionally, the 2018-19 funding plan incorporates a 2% salary increase for all eligible employees and a 1% salary increase for teachers.

Although there is always a great deal of uncertainty regarding State funding, the current 2018-19 Appropriations bill has many items that remain to be “worked out” between the two legislative bodies. Among them are the base student cost (BSC), the poverty definition, and teacher pay increases. The BSC as provided by House is at the current 2017-18 amount of \$2,425. The Senate proposed raising the BSC to \$2,485. As a result of the community eligibility provision (CEP), the House recommended that the poverty definition would continue to be based on the 2013-14 pupils in poverty. The Senate recommended that the poverty definition would be based on the 2017-18 direct certification which would result in an overall decrease in the identified students. In regard to the teacher pay increase, the House recommended a 2% pay increase while the Senate recommended a 1% pay increase.

The revenue projections incorporated in this document are generally based on the Senate Finance version of the state budget, where appropriate. Otherwise, projections are based on the current year allocations. Property tax revenues have seen a modest increase for the past several years. The 2018-19 funding plan anticipates that this growth will continue next year.

ACT 388 limits millage increases to the percent of growth in CPI and the population growth of the County. Based on information received from the South Carolina Revenue and Fiscal Affairs Office, the CPI increased 2.13% and the population increase for the County is 3.68%. Under this statute, the District cannot exceed a 5.81% or 7.1 mill increase for operations.

The proposed 2018-19 General Fund budget indicates the utilization of \$16 million of the unassigned fund balance. The fund balance at June 30, 2018 for the General Fund is \$110.5 million. This amount maintains the Board established minimum of 15% and provides adequate reserves for 2018-19.

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 original budgets for the District's Government Funds for the years 2018-19 and 2017-18.

	2018-19	2017-18	Change
Governmental Funds Budget (total)	\$654,249,716	\$655,520,490	\$ (1,270,774)
General Fund	427,146,145	408,636,793	18,509,352
Special Projects Fund	34,299,379	31,528,540	2,770,839
Education Improvement Act Fund (EIA)	29,552,061	26,479,882	3,072,179
Debt Service Fund	90,089,508	58,167,158	31,922,350
Capital Projects Fund	73,162,623	130,708,117	(57,545,494)
Millage required for General Fund	123.1 mills	123.1 mills	no change
Millage required for Debt Service	10.0 mills	10.0 mills	no change
Total millage required	133.1 mills	133.1 mills	no change

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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Horry County Schools**Statement of Net Position****June 30, 2018**

	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash and cash equivalents	\$ 264,413,371	\$ 7,367,256	\$ 271,780,627	\$ 1,210,442
Receivables:				
Property taxes receivable	19,050,128	-	19,050,128	-
Due from state government, net	389,028	-	389,028	-
Due from federal government	7,813,831	65,632	7,879,463	-
Due from other governmental units, net	4,520,688	-	4,520,688	61,979
Other receivables	216,992	80,964	297,956	70,322
Prepaid and other	2,897,279	-	2,897,279	83,390
Inventories - supplies and materials	695,699	381,421	1,077,120	-
Non-current assets:				
Non-depreciable capital assets	53,195,513	-	53,195,513	-
Depreciable capital assets, net	841,420,044	4,820,202	846,240,246	8,087,584
Total assets	<u>1,194,612,573</u>	<u>12,715,475</u>	<u>1,207,328,048</u>	<u>9,513,717</u>
Deferred outflows of resources				
Deferred charge on bond refunding	10,970,283	-	10,970,283	-
Deferred outflows related to pensions	110,319,484	4,023,725	114,343,209	1,911,891
Deferred outflows related to OPEB	15,142,727	532,814	15,675,541	146,141
Total deferred outflows of resources	<u>136,432,494</u>	<u>4,556,539</u>	<u>140,989,033</u>	<u>2,058,032</u>
Liabilities				
Accounts payable and other accrued liabilities	57,848,897	1,227,876	59,076,773	583,278
Retainage payable	4,974,002	-	4,974,002	-
Unearned revenue	9,970,552	187,169	10,157,721	94,411
Accrued interest payable	6,567,523	-	6,567,523	-
Non-current liabilities:				
Due within one year	52,750,557	13,664	52,764,221	114,539
Due in more than one year	437,164,854	24,137	437,188,991	8,455,634
Net pension liability	543,600,689	19,826,957	563,427,646	5,408,865
Net OPEB liability	411,773,035	14,488,691	426,261,726	4,520,725
Total liabilities	<u>1,524,650,109</u>	<u>35,768,494</u>	<u>1,560,418,603</u>	<u>19,177,452</u>
Deferred inflows of resources				
Deferred inflows related to pensions	34,349,379	1,252,838	35,602,217	807,073
Deferred inflows related to OPEB	38,931,543	1,369,849	40,301,392	427,423
Total deferred inflows of resources	<u>73,280,922</u>	<u>2,622,687</u>	<u>75,903,609</u>	<u>1,234,496</u>
Net position (deficit)				
Net investment in capital assets	404,742,861	4,820,202	409,563,063	(257,736)
Restricted for:				
Debt service	56,185,054	-	56,185,054	-
Capital projects	57,223,845	-	57,223,845	-
Special projects	1,682,139	-	1,682,139	2,586
Net position - unrestricted	(786,719,863)	(25,939,369)	(812,659,232)	(8,585,049)
Total net position	<u>\$ (266,885,964)</u>	<u>\$ (21,119,167)</u>	<u>\$ (288,005,131)</u>	<u>\$ (8,840,199)</u>

See Notes to Basic Financial Statements

Horry County Schools
Statement of Activities
For the year ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Primary Government	Business-Type Activities	Total	
Primary government:							
Governmental activities:							
Instruction	\$ 321,479,475	\$ 562,442	\$ 138,903,754	\$ (182,013,279)		\$ (182,013,279)	
Support Services	185,217,747	-	63,158,094	(122,059,653)		(122,059,653)	
Community Service	1,962,935	72,899	-	(1,890,036)		(1,890,036)	
Interest & Other Charges	17,446,127	-	-	(17,446,127)		(17,446,127)	
Total governmental activities	526,106,284	635,341	202,061,848	(323,409,095)		(323,409,095)	
Business-type activities:							
Food Service	30,405,036	4,101,231	17,262,551		\$ (9,041,254)	(9,041,254)	
Total primary government	\$ 556,511,320	\$ 4,736,572	\$ 219,324,399	(323,409,095)	(9,041,254)	(332,450,349)	
Component units:							
Charter Schools	\$ 8,887,906	\$ -	\$ 7,310,194				\$ (1,577,712)
General revenues:							
Property taxes levied for:							
General purposes				193,434,434	-	193,434,434	-
Debt service				83,770,430	-	83,770,430	-
State aid not restricted for specific purpose				54,063,198	-	54,063,198	-
Unrestricted investment earnings				2,641,921	35,623	2,677,544	-
Miscellaneous				1,574,819	109,664	1,684,483	488,378
Loss on sale/disposal of capital assets				(591,887)	-	(591,887)	-
Transfers				(3,110,170)	3,110,170	-	-
Total general revenues and transfers				331,782,745	3,255,457	335,038,202	488,378
Change in net position				8,373,650	(5,785,797)	2,587,853	(1,089,334)
Net position - beginning of year, as originally stated				151,861,325	(304,646)	151,556,679	(3,125,728)
Restatement for GASB 75				(427,120,939)	(15,028,724)	(442,149,663)	(4,625,137)
Net position - beginning of year, as restated				(275,259,614)	(15,333,370)	(290,592,984)	(7,750,865)
Net position - end of year				\$ (266,885,964)	\$ (21,119,167)	\$ (288,005,131)	\$ (8,840,199)

See Notes to Basic Financial Statements

Horry County Schools**Balance Sheet - Governmental Funds****June 30, 2018**

	Special Revenue Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Service	Capital Projects	
Assets						
Cash and cash equivalents	\$ 142,743,025	\$ -	\$ 10,125,511	\$ 54,320,990	\$ 57,223,845	\$ 264,413,371
Property taxes receivable, net	17,292,118	-	-	1,758,010	-	19,050,128
Due from state government, net	396,547	-	179,917	-	-	576,464
Due from federal government	98,486	7,715,345	-	-	-	7,813,831
Due from other governmental units, net	4,414,571	63	-	106,054	-	4,520,688
Prepaid and other	2,877,069	20,210	-	-	-	2,897,279
Inventories - supplies and materials	695,699	-	-	-	-	695,699
Other receivables	94,259	108,941	13,792	-	-	216,992
Total assets	<u>\$ 168,611,774</u>	<u>\$ 7,844,559</u>	<u>\$ 10,319,220</u>	<u>\$ 56,185,054</u>	<u>\$ 57,223,845</u>	<u>\$ 300,184,452</u>
Liabilities						
Accounts payable	\$ 3,745,729	\$ 1,972,305	\$ 444,061	\$ -	\$ 9,555,285	\$ 15,717,380
Accrued salaries and payroll related liabilities	38,244,441	2,192,560	1,694,516	-	-	42,131,517
Due to state government, net	-	187,436	-	-	-	187,436
Retainage payable	-	-	-	-	4,974,002	4,974,002
Unearned revenue	-	1,789,909	8,180,643	-	-	9,970,552
Total liabilities	<u>41,990,170</u>	<u>6,142,210</u>	<u>10,319,220</u>	<u>-</u>	<u>14,529,287</u>	<u>72,980,887</u>
Deferred inflows of resources						
Unavailable revenue - property taxes	16,133,087	-	-	1,633,239	-	17,766,326
Total deferred inflows of resources	<u>16,133,087</u>	<u>-</u>	<u>-</u>	<u>1,633,239</u>	<u>-</u>	<u>17,766,326</u>
Fund balances						
Non-spendable	3,572,768	20,210	-	-	-	3,592,978
Restricted	-	1,682,139	-	54,551,815	42,694,558	98,928,512
Assigned	21,802,439	-	-	-	-	21,802,439
Unassigned	85,113,310	-	-	-	-	85,113,310
Total fund balances	<u>110,488,517</u>	<u>1,702,349</u>	<u>-</u>	<u>54,551,815</u>	<u>42,694,558</u>	<u>209,437,239</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 168,611,774</u>	<u>\$ 7,844,559</u>	<u>\$ 10,319,220</u>	<u>\$ 56,185,054</u>	<u>\$ 57,223,845</u>	<u>\$ 300,184,452</u>

See Notes to Basic Financial Statements

Horry County Schools***Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position******June 30, 2018***

Total governmental fund balances	\$ 209,437,239
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of capital assets was \$1,195,142,648 and the accumulated depreciation was \$300,527,091.	894,615,557
Property taxes receivable are not available to pay for current period expenditures and, therefore are deferred in the funds.	17,766,326
Bond premiums are amortized in the Statement of Net Position. The premiums of \$89,512,123 have been amortized by \$29,943,431.	(59,568,692)
Some assets (liabilities), including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(3,601,719)
Deferred refunding	10,970,283
Bonds payable	(426,745,000)
Accrued interest	(6,567,523)
Pension related deferrals	43,846,243
OPEB related deferrals	(38,200,865)
Contributions to the pension plan in the current fiscal year	32,123,862
Contributions to the OPEB plan in the current fiscal year	14,412,049
Pension obligation	(543,600,689)
OPEB obligation	(411,773,035)
Net position of governmental activities	\$ (266,885,964)

Horry County Schools**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**
For the year ended June 30, 2018

		Special Revenue Funds				
	General	Special Projects	Education Improvement Act	Debt Service	Capital Projects	Total Governmental Funds
Revenues						
Local:						
Taxes levied/assessed by the LEA	\$ 191,512,840	\$ -	\$ -	\$ 83,776,208	\$ -	\$ 275,289,048
Revenue from local governmental units	6,180,609	-	-	503,581	-	6,684,190
Tuition	78,886	9,023	-	-	-	87,909
Earnings on investments	915,478	-	-	335,072	1,391,371	2,641,921
Pupil activities	-	474,533	-	-	-	474,533
Other revenue from local sources	5,533,166	3,442,774	-	-	716,478	9,692,418
Intergovernmental	115,969	-	-	-	621,531	737,500
State sources	187,481,798	8,104,463	28,195,597	967,083	375,000	225,123,941
Federal sources	775,053	27,432,984	-	-	-	28,208,037
Total revenues	<u>392,593,799</u>	<u>39,463,777</u>	<u>28,195,597</u>	<u>85,581,944</u>	<u>3,104,380</u>	<u>548,939,497</u>
Expenditures						
Current:						
Instruction	242,312,812	23,757,682	13,495,462	-	960,985	280,526,941
Support services	140,216,354	9,118,335	4,614,140	-	10,508,396	164,457,225
Community services	57,998	1,689,263	-	-	-	1,747,261
Intergovernmental	7,062,356	3,835,020	525,209	-	-	11,422,585
Debt Service:						
Principal	-	-	-	17,815,000	-	17,815,000
Interest	-	-	-	20,831,600	-	20,831,600
Other objects	-	-	-	9,369	-	9,369
Capital outlay	4,238,253	246,234	182,403	-	87,232,266	91,899,156
Total expenditures	<u>393,887,773</u>	<u>38,646,534</u>	<u>18,817,214</u>	<u>38,655,969</u>	<u>98,701,647</u>	<u>588,709,137</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,293,974)</u>	<u>817,243</u>	<u>9,378,383</u>	<u>46,925,975</u>	<u>(95,597,267)</u>	<u>(39,769,640)</u>
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	5,000	5,000
Transfers in	11,094,978	-	-	-	24,739,371	35,834,349
Transfers out	(1,126,377)	(904,243)	(9,378,383)	(24,300,000)	(3,235,516)	(38,944,519)
Total other financing sources (uses)	<u>9,968,601</u>	<u>(904,243)</u>	<u>(9,378,383)</u>	<u>(24,300,000)</u>	<u>21,508,855</u>	<u>(3,105,170)</u>
Net change in fund balances	8,674,627	(87,000)	-	22,625,975	(74,088,412)	(42,874,810)
Fund balance, beginning of year	<u>101,813,890</u>	<u>1,789,349</u>	<u>-</u>	<u>31,925,840</u>	<u>116,782,970</u>	<u>252,312,049</u>
Fund balance, ending of year	<u>\$ 110,488,517</u>	<u>\$ 1,702,349</u>	<u>\$ -</u>	<u>\$ 54,551,815</u>	<u>\$ 42,694,558</u>	<u>\$ 209,437,239</u>

See Notes to Basic Financial Statements

Horry County Schools

***Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the year ended June 30, 2018***

Net change in fund balance - total governmental funds	\$ (42,874,810)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized items acquired (\$78,930,730) exceeded net depreciation expense (\$23,014,848).	55,915,882
In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale/disposal increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of capital assets sold or disposed.	(596,887)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consisted of bond principal retirements.	17,815,000
Because some property taxes will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Unearned tax revenues decreased by this amount in the current year.	(4,768,374)
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This is the amount that the net amortization of bond premiums (\$8,028,425) exceed the amortization of the deferred refunding (\$1,547,506) in the current year.	6,480,919
In the Statement of Activities, compensated absences (sick pay and vacation) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amount actually paid). This year vacation and sick leave earned (\$1,868,668) exceeds vacation and sick leave used (\$1,827,130). This amount is adjusted by the decrease in compensated absences that has already been included in the governmental funds.	(41,538)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus required the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as it accrues, regardless of when it is due. Accrued interest increased by this amount during the year.	(3,086,077)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	32,123,862
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities.	14,412,049
A 1% contribution made by the State on employers' behalves directly to PEBA starting in fiscal year 2018 is not included on the Statement of Activities as the measurement date for fiscal year 2019 is a year in arrears. Revenues and expenditures of \$2,623,805 are excluded from the Statement of Activities.	-
Non-employer contributions related to OPEB made by PEBA on behalf of the School District in fiscal year 2018 are not included on the Statement of Activities as the measurement date for fiscal year 2019 is a year in arrears. Revenues and expenditures of \$3,365,327 are excluded from the Statement of Activities.	-
Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:	
School District's portion of pension expense	(44,153,415)
School District's portion of OPEB expense	(22,852,961)
Change in net position of governmental activities	\$ 8,373,650

See Notes to Basic Financial Statements

Horry County Schools**Statement of Net Position - Proprietary Fund - School Food Service****June 30, 2018****Assets****Current assets**

Cash and cash equivalents	\$ 7,367,256
Due from federal government	65,632
Inventories	381,421
Other receivables	80,964
Total current assets	<u>7,895,273</u>

Property and equipment, net

Total assets	<u>4,820,202</u>
	<u>12,715,475</u>

Deferred outflows of resources

Deferred outflows related to pensions	4,023,725
Deferred outflows related to OPEB	532,814
Total assets and deferred outflows of resources	<u>\$ 17,272,014</u>

Liabilities**Current liabilities**

Accrued liabilities	\$ 1,227,876
Unearned revenue	187,169
Compensated absences payable	13,664
Total current liabilities	<u>1,428,709</u>

Non-current liabilities

Compensated absences payable	24,137
Net pension liability	19,826,957
Net OPEB liability	14,488,691
Total non-current liabilities	<u>34,339,785</u>
Total liabilities	<u>35,768,494</u>

Deferred inflows of resources

Deferred inflows related to pensions	1,252,838
Deferred inflows related to OPEB	<u>1,369,849</u>

Net position

Investment in capital assets	4,820,202
Unrestricted	<u>(25,939,369)</u>
Total net position	<u>(21,119,167)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 17,272,014</u>

See Notes to Basic Financial Statements

Horry County Schools

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund - School Food Service For the year ended June 30, 2018

Operating revenues

Meal sales	\$ 4,101,231
Other operating revenue	145,287
Total operating revenues	<u>4,246,518</u>

Operating expenses

Food costs	8,395,154
Salaries	7,233,127
Employee benefits	13,577,719
Purchased services	93,576
Supplies and materials	579,435
Other objects	25,602
Intergovernmental	115,255
Depreciation	385,168
Total operating expenses	<u>30,405,036</u>
Operating loss	<u>(26,158,518)</u>

Non-operating revenues

USDA reimbursements	15,956,527
USDA commodities	1,304,820
Other state aid	1,204
Total non-operating revenues	<u>17,262,551</u>
Loss before transfers	<u>(8,895,967)</u>

Transfers from other funds, net

3,110,170

Change in net position

(5,785,797)

Net position, beginning of year as originally stated

(304,646)

Restatement for GASB 75

(15,028,724)

Net position, beginning of year as restated

(15,333,370)

Net position, end of year

\$ (21,119,167)

Horry County Schools**Statement of Cash Flows - Proprietary Fund - School Food Service****For the year ended June 30, 2018****Cash flows from operating activities**

Received from patrons	\$ 4,062,867
Payments to employees for services	(7,251,121)
Payments for employee benefits	(13,577,719)
Payments to suppliers for goods and services	(7,827,588)
Other receipts	9,873,519
Net cash used for operating activities	<u>(14,720,042)</u>

Cash flows from non-capital financing activities

Federal and state grants received	16,023,234
Transfers from other funds	3,110,170
Net cash provided by non-capital financing activities	<u>19,133,404</u>

Cash flows from capital and related financing activities

Purchases of capital assets	<u>(3,399,424)</u>
Net cash used for capital and related financing activities	<u>(3,399,424)</u>
Net change in cash and cash equivalents	1,013,938

Cash and cash equivalents - beginning of year**Cash and cash equivalents - end of year**

6,353,318

\$ 7,367,256**Reconciliation of operating loss to net cash used by operating activities**

Operating loss	\$ (26,158,518)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	385,168
Pension expense	9,572,087
OPEB expense	297,002
Commodities received from USDA	1,304,820
Change in assets and liabilities:	
Increase in accounts receivable	(36,377)
Increase in inventories - supplies and materials	(68,714)
Increase in accounts payable	4,471
Decrease in accrued salaries	(14,621)
Increase in accrued payroll related liabilities	6,393
Decrease in compensated absences payable	(9,766)
Decrease in unearned revenue	(1,987)
Net cash used for operating activities	<u>\$ (14,720,042)</u>

Non-cash, non-capital financing activities

USDA commodities received	<u>\$ 1,304,820</u>
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See Notes to Basic Financial Statements

Horry County Schools**Statement of Net Position - Fiduciary Funds****As of June 30, 2018**

	Private-Purpose Trusts	Agency Funds
Assets		
Cash and cash equivalents	\$ 71,681	\$ 5,841,735
Investments	100,000	-
Other assets	-	134,375
Total assets	<u>171,681</u>	<u>5,976,110</u>
Liabilities		
Accounts payable	\$ -	\$ 416,889
Accrued liabilities	-	70,209
Due to other governments	-	1,047,990
Due to student organizations	-	4,441,022
Total liabilities	<u>-</u>	<u>5,976,110</u>
Restricted net position	<u>\$ 171,681</u>	<u>\$ -</u>

See Notes to Basic Financial Statements

Horry County Schools**Statement of Changes in Net Position - Fiduciary Fund****For the year ended June 30, 2018**

	Private-Purpose Trusts
Additions	
Scholarship receipts	\$ 44,198
Other income	9,424
Interest	6,779
Receipts	-
Transfers in	-
Total additions	<u>60,401</u>
Deductions	
Scholarships awarded	52,799
Disbursements	-
Total deductions	<u>52,799</u>
Change in net position	7,602
Total net position/due to others, beginning of year	<u>164,079</u>
Total net position/due to others, end of year	<u><u>\$ 171,681</u></u>

See Notes to Basic Financial Statements

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Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 1. Summary of Significant Accounting Policies

The accounting policies of Horry County Schools (the "School District") conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The School District is a Local Education Agency empowered by State law with the responsibility to oversee and control all activities related to public school education in Horry County, South Carolina. The School District receives State, Local and Federal government funding and must adhere to the legal requirements of each funding entity. Educational services are provided to approximately 42,000 students residing in Horry County, South Carolina. The School District operates under the direction of an elected Board of Education. A Superintendent, hired by the Board, serves as the chief administrative officer of the School District.

The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. The primary entity is financially accountable if it appoints a voting majority of the organization's governing body including situations in which the voting majority consists of the primary entity's officials serving as required by law and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary entity. The primary entity also may be financially accountable if an organization is fiscally dependent on it even if it does not appoint a voting majority of the Board. An organization is fiscally dependent on the primary entity that holds one or more of the following powers: determine its budget without another government having the authority to approve and modify that budget, levy taxes or set rates or charges without approval by another government, and issue bonded debt without approval by another government.

As required by U.S. GAAP, these financial statements present the School District and its component units, entities for which the School District is considered to be financially accountable or for which exclusion of a component unit would render the financial statements incomplete or misleading. The discretely presented component units are reported in a separate column in the basic financial statements to emphasize they are legally separate from the School District.

Discretely Presented Component Units: Waccamaw Park Public Charter Schools, Inc., d/b/a Bridgewater Academy, Palmetto Academy of Learning and Success, Academy of Hope, Inc. and Palmetto Academy for Learning Motorsports, are charter schools chartered under legislation enacted on June 18, 1996. Educational services are provided to approximately 700 students residing in Horry County, South Carolina. As these charter schools are fiscally dependent on the School District and exclusion of the charter schools would cause the School District's financial statements to be incomplete, the financial statements of the charter schools are included in those of the School District.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

A. Reporting Entity, Continued

Complete separately issued financial statements may be obtained for each of the charter schools from the administrative offices of Bridgewater Academy, 161 River Landing Blvd, Myrtle Beach, SC 29579, Palmetto Academy of Learning and Success, 3021 Fred Nash Road, Myrtle Beach, SC 29577, Academy of Hope, 3521 Juniper Bay Road, Conway, SC 29527 and Palmetto Academy for Learning Motorsports, 136 Rodeo Drive, Myrtle Beach, SC 29579.

The School District evaluated its current and potential component units and made the determination that the charter schools noted above are the only component units required to be included in its financial statements at June 30, 2018.

B. Basis of Presentation

The financial statement presentation provides a comprehensive, entity-wide perspective of the School District's net position, revenue, expenses and changes in net position and, as applicable, cash flows that replace the fund-group perspective previously required. The statements of the School District are presented as follows:

Government-wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary activities. The effect of interfund activity has been eliminated from these statements except for interfund services provided and used. These statements distinguish between the governmental and business-type activities of the School District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the School District and each function of the School District's governmental activities. Direct expenses are those that are specifically associated with a program or function, and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been eliminated for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not program revenues are presented as general revenues.

The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the financial statements for governmental funds.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

B. Basis of Presentation, Continued

Fund Financial Statements: Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources.

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into governmental, proprietary, and fiduciary fund types.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is separated as fund balance. The following are the School District's governmental funds:

General Fund (major fund) - to account for all financial transactions not properly accounted for in another fund. The School District uses this fund to account for expenditures principally for administration, instruction, pupil services, operation and maintenance of plant and related fixed charges.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than debt service or major capital projects) that are restricted, committed or assigned to expenditures for specified purposes. The School District has two special revenue funds:

- 1) Special Projects Fund (major fund), a fund used to account for financial resources provided by federal, state, and local projects and grants.
- 2) The Education Improvement Act (EIA) Fund (major fund), a fund used to account for the revenue from the Education Improvement Act of 1984 and legally required to be accounted for as a specific revenue source.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

B. Basis of Presentation, Continued

Governmental Funds, continued

Debt Service Fund (major fund) - to account for and report the accumulation of resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt, principal and interest.

Capital Projects Fund (major fund) - to account for and report all financial resources that are restricted to expenditure for capital outlays, other than those financed by proprietary and trust funds. Capital projects are funded by proceeds of bonds issued for public school construction and from certain State assistance and grants.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to provide sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The School District has no internal service funds.

Enterprise funds account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or covered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The School Food Service Fund is the School District's only enterprise fund and is used to account for the United States Department of Agriculture (USDA) approved school breakfast and lunch programs. The School Food Service is a major fund.

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The School District's fiduciary funds consist of agency funds and private purpose trust funds. The agency funds are custodial in nature and do not involve measurement of results of operation. The agency funds and private purpose trust funds are used to account for amounts held for student and faculty activity organizations. Fiduciary funds are not included in the government-wide financial statements. The following are the School District's fiduciary funds:

Agency Fund - Pupil Activity Fund (non-major fund) - to report resources held by the School District in a custodial capacity for students and student organizations.

Agency Fund - Federal Program Fund (non-major fund) - to report resources held by the School District in a custodial capacity to pay unemployment benefits of federal program personnel.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

B. Basis of Presentation, Continued

Fiduciary Funds, continued

Private Purpose Trust Fund - Education Endowment Fund (non-major fund) - to account for scholarship money under the control of the School District for the benefit of the students within the School District.

Private Purpose Trust Fund - Scholarship Endowment Fund (non-major fund) - to account for scholarship money under the control of the School District for the benefit of the students within the School District.

C. Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Agency fund and Private Purpose Trust fund accounts for the receipt and disbursement of monies to and from student activity organizations or for the benefit of the Federal program fund. These funds have no equity and do not include revenues and expenditures for general operation of the School District. This accounting reflects the agency relationship of the School District with the student activity organizations and the accumulation of funds to pay Federal programs unemployment benefits.

Government Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in governmental funds to be available if the revenues are collected within sixty days after year-end. These include federal and state grants, some charges for services, and ad-valorem property taxes. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the School District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the School District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

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

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

Budgetary Data: The School District adopts an annual operating budget, which can be amended by the Board throughout the year. During the year ended June 30, 2018, there were several budget amendments.

Formal budgetary accounting is employed as a management control for all funds of the School District; however, legal budgets are adopted only for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund. For each of the funds for which a formal budget is adopted, the basis of accounting used to reflect budget and actual revenues and expenditures is U.S. GAAP. Budgeted appropriations lapse at year-end for all funds.

When the Board of Education adopts a budget, it is done at the fund level of budgetary control. Because expenditures may not legally exceed budgeted appropriations, supplemental budget appropriations are made by the Board of Education, when additional revenue is identified, or for expenditures exceeding total appropriations within the legal level of control.

The School District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrance accounting is used for the General Fund, Special Revenue Fund and Capital Project Fund. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances lapse at year end, except for the General Fund, which is carried forward as assigned fund balance until liquidated.

Cash and Cash Equivalents: For purposes of the proprietary fund statement of cash flows, the School District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables: Receivables consist of property taxes levied against Horry County taxpayers. Receivables also include amounts due from the Federal government, State and Local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the School District's grants and contracts. Receivables 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.

Prepaid and Other: Payments made to vendors for services benefiting future periods are recorded as prepaid items in both government-wide and fund financial statements using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense/expenditure is reported in the year in which services are consumed.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

Inventories: The inventories of the School District's General Fund consist of expendable materials and supplies, which are recorded as expenditures when purchased. These inventories are reported at cost using the first in first out ("FIFO") method. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is designated as non-spendable. Enterprise Fund inventories consist of food and supplies and are recorded as expenses when consumed. Included within Enterprise Fund inventories, are USDA commodities which were received, but not consumed as of June 30, 2018. Commodities received from the USDA have been recorded at fair market value as provided by the USDA.

Capital Assets: Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Qualifying improvements which are capitalized include major additions and renovations; improvements that add to the usable space; or improvements that extend the useful life of an existing building. The School District capitalized moveable personal property with a unit value in excess of \$5,000 and a useful life in excess of one year. Routine repairs and maintenance are charged to expenses in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated lives of the assets, generally 15 to 50 years for buildings and improvements and 5 to 15 years for machinery, equipment and vehicles. Depreciation is prorated six months the year the asset is placed in service and in the year of disposition. The School District does not allocate any depreciation expense directly to any program. Land and construction in progress are not depreciated.

Unearned Revenues: Unearned revenues in the governmental funds include amounts received from grant and contract sponsors that have not yet been earned. The unearned revenues from grants are considered to be a liability to the School District rather than deferred inflows of resources since the eligibility requirements of the grants have not been met.

Unavailable Revenues: Unavailable revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Delinquent property taxes and property taxes for which there is an enforceable legal claim as of June 30, 2018, but which have not met the revenue recognition criteria, have been recorded as unavailable revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unavailable revenue.

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

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, 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 Position on a FIFO basis and as a component of the appropriate functional category in the Statement of Activities. Employees can earn up to 45 days for subsequent use or payment upon termination, death or retirement. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District's past experience of making termination payments. The portion of time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements. In prior years, the General Fund and/or Proprietary Fund have been used to liquidate the liability for compensated absences.

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Changes in net pension liability not included in pension expense and net OPEB liability not included in OPEB expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability and net OPEB liability are reported as deferred outflows of resources.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus and Basis of Accounting, Continued

Pensions: In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note 9 and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The School District recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the School District's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the School District's fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Postemployment Benefits Other Than Pensions (OPEB): For purposes of measuring the School District's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") and the South Carolina Long-Term Disability Insurance Trust Fund ("SCLTDITF"), collectively referred to as the Other Post-Employment Benefits Trust Funds ("OPEB Trusts"), and additions to/deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they are reported by the OPEB Trusts. For this purpose, the OPEB Trusts recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Fund Balances and Net Position: The School District has five classifications of governmental fund balances: nonspendable, restricted, committed, assigned and unassigned. Where applicable, these classifications are presented on the face of the governmental funds balance sheet.

For the government wide financial statements the School District applies restricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net position are available. The School District generally requires restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the School District generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

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

Fund Balances and Net Position, continued: Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statements of Net Position. Net investment in capital assets consists of capital assets reduced by accumulated depreciation and the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

Non-Operating Revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, investment income, and any grants or contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for other purposes.

Operating Revenues: Operating revenues generally result from exchange transactions related to the School District's principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services or (2) grants and contracts that are essentially the same as contracts for services that finance programs the School District would not otherwise undertake. Proprietary funds operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal ongoing revenues of the enterprise fund are charges to students and teachers for breakfast, lunch and special sales. Operating expenses for the enterprise fund include the cost of sales, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the School District's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

D. *New Accounting Standards*

Effective for the fiscal year ended June 30, 2018, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for OPEB*. As a result of this implementation, the School District will now report its portion of the State of South Carolina's other postemployment benefits liability. Since the information for the restatement of beginning balances of deferred inflows of resources or deferred outflows of resources is not available for the earliest period presented, the cumulative effect of the Statement implementation will be shown as a restatement to ending net position as of June 30, 2017. The effect of this implementation is discussed in Note 14.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 1. Summary of Significant Accounting Policies, Continued

D. New Accounting Standards, Continued

Other accounting standards that have been issued or proposed by the GASB or other standards-setting bodies are not expected to have a material impact on the District's financial position, changes in net position, or cash flows.

E. Subsequent Events

In preparing these financial statements, the School District's management has evaluated events and transactions for potential recognition or disclosure through November 30, 2018, the date the financial statements were available for issuance.

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

The School District follows GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. The Horry County Treasurer is authorized to invest funds held for the School District, which are not needed for immediate disbursement by the School District, in interest bearing accounts or certificates of deposit issued by banking institutions or savings and loan associations licensed to do business in this state or in securities issued by the United States Government.

Custodial Credit Risk for Deposits: This is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. Deposits of the School District are subject to South Carolina state statutes for custodial credit risk. The statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina, political subdivisions of South Carolina, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation. In accordance with the aforementioned statute, the School District's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. Deposited funds may be invested in demand or time deposits, continuously and fully secured with direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. At June 30, 2018 the carrying amount of the School District's deposits was \$277,694,043 and the bank balance was \$259,274,623 (approximately \$10,584,539 of which was exposed to custodial credit risk as uninsured and uncollateralized) with the difference being outstanding checks and deposits.

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

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

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

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

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

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

Fair Value of Financial Instruments: The School District categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Amounts on deposit with the Horry County Treasurer are not categorized since they cannot be identified by securities that exist in physical or book entry form. These amounts are subject to the same investment authorizations as the District under state law. The carrying values of these investments approximate fair values. The Horry County Treasurer is responsible for maintaining these investments in accordance with state laws.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 3. Tax Abatement (GASB 77)

The School District does not negotiate or enter into an agreement for tax abatements. The School District is subject to any tax abatement agreements entered by Horry County. Horry County provides tax abatement incentives through three programs to encourage economic development, attract new businesses, and retain existing businesses - Fee in Lieu of Tax, Special Source Revenue Credits, and Multi-County Business Parks:

- A Fee in Lieu of Tax ("FILOT") is authorized under South Carolina Code Title 12, Chapter 44, Title 4, Chapter 29, or Title 4, Chapter 12. The FILOT is used to encourage investment and provides a reduction of property tax when a business invests a minimum of \$2,500,000 within a 5-6 year investment period (beginning with date property is placed in service, ending five years after the last day of the property tax year in which the property is initially placed in service). The reduction in property taxes is accomplished by a reduction of assessed value, reduction in millage rate and elimination of (or reduction in) number of times millage rates are changed. In addition, an agreement may allow the possible use of net present value method over the term of FILOT to equalize payments. Repayment of incentive is required by state law if taxpayer fails to meet statutory minimum investment requirement. Other recapture provisions may be negotiated (such as a pro rata clawback for failure to meet and/or maintain jobs/investment).
- A Special Source Revenue Credit ("SSRC") is authorized under South Carolina Code Sections 4-29-68, 4-1-170, and 12-44-70. The SSRC is used to encourage investment and provides a credit against property taxes in the form of a percentage reduction or a dollar amount reduction. The County manually applies SSRC to reduce the applicable property tax bill. To receive the credit, a business must incur costs of designing, acquiring, constructing, improving, or expanding improved or unimproved real estate or personal property used in the operation of a manufacturing or commercial enterprise, infrastructure servicing the project, or certain aircraft.

For the fiscal year ended June 30, 2018, the County abated School District property tax revenues of \$502,846 under agreements entered into by the County. The table below summarizes the tax abatements by program:

<u>Tax Abatement Program</u>	<u>Abatement</u>
Fee in lieu of tax ("FILOT")	\$ 475,006
Special Source Revenue Credit ("SSRC")	<u>27,840</u>
Total	<u>\$ 502,846</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 3. Tax Abatement (GASB 77), Continued

The School District has chosen to disclose information about some of its tax abatement agreements individually. It established a quantitative threshold of 10 percent of the total dollar amount of taxes abated during the year.

- A FILOT agreement with a manufacturer for expansion of their existing facility located in the City of Myrtle Beach. This agreement was completed in 1999. The abatement amounted to \$179,080 during the fiscal year ended June 30, 2018.
- A FILOT agreement with a manufacturer for expansion of their existing facility located in the Atlantic Center Industrial Park. This agreement was completed in 2009. The abatement amounted to \$86,621 during the fiscal year ended June 30, 2018.
- A FILOT agreement with a forest product manufacturer for expansion of their existing facility located in unincorporated area of Horry County. This agreement was completed in 2003. The abatement amounted to \$81,305 during the fiscal year ended June 30, 2018.
- A FILOT agreement with a forest product manufacturer for expansion of their existing facility located in unincorporated area of Horry County. This agreement was completed in 2003. The abatement amounted to \$58,196 during the fiscal year ended June 30, 2018.

The School District has not made any commitments as part of the agreements other than to reduce property taxes.

Note 4. Property Taxes

The Horry County Treasurer collects Horry County property taxes for the School District. Taxes are levied on October 1st of each year. They are due and payable without penalty until January 15th. If unpaid on March 16th of the following year, they attach as an enforceable lien on the property at that time. Vehicle taxes are levied on a monthly basis in accordance with guidelines established by the State of South Carolina. Vehicle taxes must be paid prior to the time the vehicle license is renewed.

Property taxes levied but uncollected are recorded as receivables reduced by an allowance for uncollectible amounts. Taxes receivable not collected within 60 days after year-end are recorded as unavailable revenue in the governmental fund financial statements since they are not available to meet current obligations at the end of the year. On the government-wide financial statements, taxes receivable not collected within 60 days after year-end are not deferred.

A summary of property taxes receivable as of June 30, 2018 is as follows:

Total property taxes uncollected	\$ 31,750,215
Less allowance for doubtful accounts	<u>(12,700,087)</u>
Net property taxes receivable in the Statement of Net Position	19,050,128
Less collections made within 60 days of year end	<u>(1,283,802)</u>
Total deferred inflows of resources included in the Governmental Funds Balance Sheet	<u>\$ 17,766,326</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	<u>Balance, July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2018</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 26,796,567	\$ 404,594	\$ (16,200)	\$ 27,184,961
Construction in progress	<u>227,312,303</u>	<u>75,979,456</u>	<u>(277,281,207)</u>	<u>26,010,552</u>
Total capital assets, not being depreciated	<u>254,108,870</u>	<u>76,384,050</u>	<u>(277,297,407)</u>	<u>53,195,513</u>
Capital assets, being depreciated:				
Buildings and improvements	761,855,499	274,800,875	(861,280)	1,035,795,094
Land improvements	51,403,470	1,937,617	(11,317)	53,329,770
Vehicles	11,380,592	649,922	(88,476)	11,942,038
Machinery and equipment	<u>38,440,760</u>	<u>2,439,473</u>	<u>-</u>	<u>40,880,233</u>
Total capital assets, being depreciated	<u>863,080,321</u>	<u>279,827,887</u>	<u>(961,073)</u>	<u>1,141,947,135</u>
Accumulated depreciation:				
Buildings and improvements	(218,777,546)	(17,848,611)	291,910	(236,334,247)
Land improvements	(22,534,695)	(2,158,334)	-	(24,693,029)
Vehicles	(5,846,841)	(984,840)	88,476	(6,743,205)
Machinery and equipment	<u>(30,733,547)</u>	<u>(2,023,063)</u>	<u>-</u>	<u>(32,756,610)</u>
Total accumulated depreciation	<u>(277,892,629)</u>	<u>(23,014,848)</u>	<u>380,386</u>	<u>(300,527,091)</u>
Governmental activities capital assets, net	<u>\$ 839,296,562</u>	<u>\$ 333,197,089</u>	<u>\$ (277,878,094)</u>	<u>\$ 894,615,557</u>
	<u>Balance, July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2018</u>
Business-type activities				
Capital assets being depreciated:				
Machinery and equipment	\$ 6,100,908	\$ 3,362,937	\$ -	\$ 9,463,845
Vehicles	<u>42,864</u>	<u>36,487</u>	<u>-</u>	<u>79,351</u>
Total capital assets, being depreciated	<u>6,143,772</u>	<u>3,399,424</u>	<u>-</u>	<u>9,543,196</u>
Accumulated depreciation:				
Machinery and equipment	(4,294,962)	(382,888)	-	(4,677,850)
Vehicles	<u>(42,864)</u>	<u>(2,280)</u>	<u>-</u>	<u>(45,144)</u>
Total accumulated depreciation	<u>(4,337,826)</u>	<u>(385,168)</u>	<u>-</u>	<u>(4,722,994)</u>
Business-type activities capital assets, net	<u>\$ 1,805,946</u>	<u>\$ 3,014,256</u>	<u>\$ -</u>	<u>\$ 4,820,202</u>

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 5. Capital Assets, Continued

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

Instruction	\$ 14,610,165
Support services	8,327,739
Community services	<u>76,944</u>
Total depreciation expense - governmental activities	<u>\$ 23,014,848</u>

Note 6. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2018, is as follows:

	<u>Balance, July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2018</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds payable					
General obligation bonds	\$ 444,560,000	\$ -	\$ (17,815,000)	\$ 426,745,000	\$ 42,895,000
Plus deferred amounts for issuance premiums	<u>67,597,117</u>	<u>-</u>	<u>(8,028,425)</u>	<u>59,568,692</u>	<u>8,028,427</u>
Total bonds payable	512,157,117	-	(25,843,425)	486,313,692	50,923,427
Compensated absences	3,560,181	1,868,668	(1,827,130)	3,601,719	1,827,130
Net pension liability*	529,681,055	13,919,634	-	543,600,689	-
Net OPEB liability*	<u>427,120,939</u>	<u>-</u>	<u>(15,347,904)</u>	<u>411,773,035</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$1,472,519,292</u>	<u>\$ 15,788,302</u>	<u>\$ (43,018,459)</u>	<u>\$1,445,289,135</u>	<u>\$ 52,750,557</u>
	<u>Balance, July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2018</u>	<u>Due Within One Year</u>
Business-type activities					
Compensated absences	\$ 47,567	\$ 3,898	\$ (13,664)	\$ 37,801	\$ 13,664
Net pension liability*	9,598,365	10,228,592	-	19,826,957	-
Net OPEB liability*	<u>15,028,724</u>	<u>-</u>	<u>(540,033)</u>	<u>14,488,691</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 24,674,656</u>	<u>\$ 10,232,490</u>	<u>\$ (553,697)</u>	<u>\$ 34,353,449</u>	<u>\$ 13,664</u>

* Additions and reductions for net pension liability and net OPEB liability are shown net.

For the governmental activities, compensated absences, net pension liabilities, and OPEB are generally liquidated by the fund from which their fund liabilities were incurred.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 6. Long-Term Liabilities, Continued

Bonds payable consisted of the following at June 30, 2018:

General obligation bonds	Original bond issue	Interest rates	Maturity dates	Balance June 30, 2018
Series 2010A	\$ 43,330,000	2.00 - 5.00%	March 1, 2021	\$ 16,315,000
Series 2011A	54,965,000	3.00 - 5.00%	March 1, 2022	27,720,000
Series 2012A	59,455,000	2.00 - 5.00%	March 1, 2030	46,015,000
Series 2015A	110,810,000	3.50 - 5.00%	March 1, 2031	109,505,000
Series 2015B	32,970,000	3.00 - 5.00%	March 1, 2027	29,410,000
Series 2016A	125,000,000	5.00%	March 1, 2025	125,000,000
Series 2016B	72,780,000	5.00%	March 1, 2025	72,780,000
				<u>\$ 426,745,000</u>

Constitutionally, the School District is limited in the amount of debt it can hold to 8% of the assessed value of all taxable property within the School District. This constitutional debt limit does not include any debt existing prior to November 30, 1982, or any special obligation debt or debt approved by referendum. At June 30, 2018, the only debt applicable to the debt limitation is related to the Series 2016A issue of \$125,000,000. Based on Horry County's assessed property tax values, the School District is within its debt limit of approximately \$166,070,000 at June 30, 2018.

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

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

	Principal	Interest	Total
2019	\$ 42,895,000	\$ 19,973,950	\$ 62,868,950
2020	45,070,000	17,863,950	62,933,950
2021	47,375,000	15,615,500	62,990,500
2022	46,130,000	13,257,350	59,387,350
2023	48,440,000	11,007,075	59,447,075
2024-2027	138,780,000	21,357,225	160,137,225
2028-2031	<u>58,055,000</u>	<u>5,533,200</u>	<u>63,588,200</u>
Totals	<u>\$ 426,745,000</u>	<u>\$ 104,608,250</u>	<u>\$ 531,353,250</u>

Note 7. Inter-Fund Balances and Activity

The School District reports interfund transfers between many of its funds. During the course of normal operations, the School District has transactions between funds to provide services, construct assets, service debt, etc. These transactions are generally reflected as transfers.

Transfers are used (1) to move revenues from the fund that a statute or budget requires to collect them to the fund that a statute or budget requires to expend them, and (2) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 7. Inter-Fund Balances and Activity, Continued

Transfers out of the Education Improvement Act and Special Projects fund to the General fund are to cover allowable salaries paid out of the general fund. Transfers out of the school food service fund to the general fund are to cover indirect costs. Inter-fund transfers for the year ended June 30, 2018, consist of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 11,094,978	\$ 1,126,377
Special Projects	-	904,243
Education Improvement Act	-	9,378,383
Capital Projects	24,739,371	3,235,516
Debt Service	-	24,300,000
School Food Service	<u>3,922,522</u>	<u>812,352</u>
	<u>\$ 39,756,871</u>	<u>\$ 39,756,871</u>

Note 8. Fund Balances and Net Position

The fund balances/net position have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

Governmental fund financial statements

Fund balance - Non-spendable - includes amounts that inherently cannot be spent either because it is not in spendable form (i.e., prepaids, inventories, etc.) or because of legal or contractual requirements (i.e., principal on an endowment, etc.).

Fund balances - Restricted - includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

Fund balances - Committed - includes amounts that are constrained by specific purposes that are internally imposed by the School District through formal action made by the highest level of decision-making authority (the Board of Education) before the end of the reporting period. The committed amounts cannot be used for any other purpose unless the School District removes or changes the specified use by taking the same type of action it employed to previously commit the amounts.

Fund balances - Assigned - includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. The Board of Education allows the School District's Chief Financial Officer the right to make assignments of fund balance for the School District.

Fund balances - Unassigned - includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 8. Fund Balances and Net Position, Continued

Governmental fund financial statements, continued

The School District's Board of Education passed a resolution whereby a 15% reserve equal to 15% of the current year General Fund expenditures is to remain in Fund Balance at all times to meet cash flow needs based upon the seasonal receipt of local property tax revenues. The amount of \$59,252,123 for this commitment is included in the unassigned fund balance at June 30, 2018.

Government-wide and proprietary fund financial statements

Net investment in capital assets - This represents the School District's net investment in capital assets, reduced by the 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. Details of net investment in capital assets are:

	Governmental Activities
Capital assets, net of depreciation	\$ 894,615,557
Capital-related debt:	
Less: bonds, notes and loans	(426,745,000)
Less: premiums and discounts	(59,568,692)
Add: deferred charges on bond refundings	10,970,283
Less: accounts and retainages payable	(14,529,287)
Add: unspent debt proceeds*	-
Net investment in capital assets	<u>\$ 404,742,861</u>

**All cash in the capital projects fund at 6/30/18 is related to the 1% sales tax and, thus, is appropriately excluded from the calculation of net investment in capital assets above.*

Restricted net position (expendable) - represents resources in which the School District is legally or contractually obligated to spend in accordance with restrictions imposed by third parties.

Restricted net position (non-expendable) - consists 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 position - represents resources derived from ad valorem taxes, earnings on investments, and various local and state unrestricted grants, contracts and revenues.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 8. Fund Balances and Net Position, Continued

Government-wide and proprietary fund financial statements, continued

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total
Nonspendable:					
Inventories	\$ 695,699	\$ -	\$ -	\$ -	\$ 695,699
Prepaid items	<u>2,877,069</u>	<u>20,210</u>	<u>-</u>	<u>-</u>	<u>2,897,279</u>
	<u>3,572,768</u>	<u>20,210</u>	<u>-</u>	<u>-</u>	<u>3,592,978</u>
Restricted for:					
Afterschool childcare	-	1,682,137	-	-	1,682,137
Debt service	-	-	54,551,815	-	54,551,815
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,694,559</u>	<u>42,694,559</u>
	<u>-</u>	<u>1,682,137</u>	<u>54,551,815</u>	<u>42,694,559</u>	<u>98,928,511</u>
Assigned to:					
Subsequent year expenditures	21,235,384	-	-	-	21,235,384
Carryover school budgets	<u>567,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>567,055</u>
	<u>21,802,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,802,439</u>
Unassigned	<u>85,113,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,113,310</u>
	<u>\$ 110,488,517</u>	<u>\$ 1,702,347</u>	<u>\$ 54,551,815</u>	<u>\$ 42,694,559</u>	<u>\$ 209,437,238</u>

Note 9. Pension Plans

Description of the entity:

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 9. Pension Plans, Continued

Description of the entity, continued:

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan descriptions:

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

The State Optional Retirement Program (ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

Membership:

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 9. Pension Plans, Continued

Membership, continued:

State ORP - As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not considered part of the retirement systems for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits:

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system is presented below.

SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 9. Pension Plans, Continued

Benefits, continued:

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions:

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 percent differential between the SCRS employer and employee contribution rates respectively. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

The Retirement System Funding and Administration Act increases employer contribution rates to 13.56 percent for SCRS and ORP, and 16.24% for PORS, effective July 1, 2017. It also removes the 2.9 percent differential and increases and establishes a ceiling on employee contribution rates at 9 percent for SCRS. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization schedule. The recent pension reform legislation also changes the long-term funded ratio requirement from ninety to eighty-five.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 9. Pension Plans, Continued

Contributions, continued:

Required **employee** contribution rates for fiscal year 2018 are as follows:

SCRS

Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation
State ORP Employee	9.00% of earnable compensation

PORS

Employee Class Two	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation

Required **employer** contributions for fiscal year 2018 are as follows:

SCRS

Employer Class Two	13.41% of earnable compensation
Employer Class Three	13.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

State ORP

Employer Contribution	13.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

PORS

Employer Class Two	15.84% of earnable compensation
Employer Class Three	15.84% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

Total contributions to the SCRS, ORP and PORS pension plans from the School District's governmental and business-type activities were \$32,745,783 for the year ended June 30, 2018.

Actuarial assumptions and methods:

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2015.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 9. Pension Plans, Continued

Actuarial assumptions and methods, continued:

The June 30, 2017, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2017, using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2017.

	SCRS	PORS
Actuarial cost method	Entry age	Entry age
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5%	3.5% to 12.5%
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2017, TPL are as follows.

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 9. Pension Plans, Continued

Actuarial assumptions and methods, continued:

The NPL is calculated separately for each system and represents the TPL determined in accordance with GASB No. 67 less the SCRS fiduciary net position. NPL totals, as of June 30, 2017 are:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 48,244,437,494	\$ 25,732,829,268	\$22,511,608,226	53.3%
PORS	\$ 7,013,684,001	\$ 4,274,123,178	\$ 2,739,560,823	60.9%

The TPL is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the System's notes to the financial statements and required supplementary information. Liability calculations performed by the SCRS actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the funding requirements.

At June 30, 2018, the School District reported a liability of \$563,427,646, including \$562,936,306 for its proportionate share of the SCRS net pension liability and \$491,340 for its proportionate share of the PORS net pension liability. The net pension liability was measured as of July 1, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportionate share of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, and June 30, 2016, the School District's proportionate share of the SCRS plan was 2.50065 percent and 2.52242 percent, respectively, and their share of the PORS plan was 0.01794 percent and 0.01953 percent, respectively.

Pension expense:

For the year ended June 30, 2018, the School District recognized total pension expense of \$21,601,639, including \$21,590,534 for the SCRS plan and \$11,105 for the PORS plan.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 9. Pension Plans, Continued

Deferred inflows of resources and deferred outflows of resources:

At June 30, 2018, the School District reported total deferred outflows of resources related to pensions of \$114,343,209 and total deferred inflows of resources related to pensions of \$35,602,217 from the following sources:

	SCRS	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 2,509,569	\$ 312,017
Changes of assumptions	32,953,879	-
Net difference between projected and actual earnings on pension plan investments	45,414,891	29,700,352
Changes in proportion and differences between School District contributions and proportionate share of contributions	615,670	5,522,890
School District contributions subsequent to the measurement date	32,706,666	-
Total	<u>\$ 114,200,675</u>	<u>\$ 35,535,259</u>
	PORS	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 4,381	\$ -
Changes of assumptions	46,633	-
Net difference between projected and actual earnings on pension plan investments	51,456	33,948
Changes in proportion and differences between School District contributions and proportionate share of contributions	947	33,010
School District contributions subsequent to the measurement date	39,117	-
Total	<u>\$ 142,534</u>	<u>\$ 66,958</u>

The \$32,706,666 and \$39,117 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2018 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2019.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 9. Pension Plans, Continued

Deferred inflows of resources and deferred outflows of resources, continued:

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the SCRS and PORS plans, respectively:

<u>Year ended June 30:</u>	<u>SCRS</u>
2019	\$ 12,662,782
2020	22,730,882
2021	14,990,992
2022	<u>(4,425,906)</u>
	<u>\$ 45,958,750</u>

<u>Year ended June 30:</u>	<u>PORS</u>
2019	\$ 9,661
2020	18,132
2021	11,584
2022	<u>(2,918)</u>
	<u>\$ 36,459</u>

Long-term expected rate of return:

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.57 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.32 percent real rate of return and a 2.25 percent inflation component.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 9. Pension Plans, Continued

Long-term expected rate of return, continued:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity:			
Global Public Equity	31.0%	6.72%	2.08%
Private Equity	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
Real Assets:			
Real Estate (Private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
Opportunistic:			
GTAA/Risk Parity	10.0%	4.16%	0.42%
Hedge Funds (non-PA)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
Diversified Credit:			
Mixed Credit	6.0%	3.92%	0.24%
Emerging Markets Debts	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
Conservative Fixed Income:			
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.02%
Total Expected Real Return	100.0%		5.32%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.57%

Discount rate:

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 9. Pension Plans, Continued

Sensitivity analysis:

The following table presents the collective NPL of the School calculated using the discount rate of 7.25 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 725,547,569	\$ 562,936,306	\$ 464,269,479
PORS	\$ 663,403	\$ 491,340	\$ 355,809

Additional financial and actuarial information:

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2017, accounting and financial reporting actuarial valuation as of June 30, 2017 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2017.

Note 10. Post-Employment Benefits Other Than Pensions (OPEB)

General information:

As previously discussed, PEBA is a state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trusts and retirement systems and is part of the State of South Carolina primary government (the "State"). The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of PEBA. By law, the State Fiscal Accountability Authority ("SFFA"), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and OPEB.

PEBA issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the Insurance Benefits' link on PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to PEBA - Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina, and therefore, the financial information of the OPEB Trust funds is also included in the comprehensive annual financial report of the State.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Plan descriptions:

The OPEB Trusts collectively refers to the SCRHITF and SCLTDITF, and were established by the State of South Carolina as Act 195, which became effective on May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability Income Benefit Plan. In accordance with Act 195, the OPEB Trusts are administered by PEBA, Insurance Benefits. The State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

The OPEB Trusts are cost-sharing multiple-employer defined benefit plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

Benefits:

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

Contributions:

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment and long-term disability benefits to be funded through annual appropriations by the General Assembly for active employees to the PEBA, Insurance Benefits and participating retirees to PEBA, except for the portion funded through the pension surcharge and provided from the other applicable sources of the PEBA, Insurance Benefits. For active employees who are not funded by State General Fund appropriations, participating employers are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office. The covered payroll surcharge for the year ended June 30, 2017, was 5.33 percent. The South Carolina Retirement System collects the monthly surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF include mandatory transfers of accumulated PEBA, Insurance Benefits' reserves and income generated from investments.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Contributions, continued:

Employer contributions also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs.

Basic long term disability ("BLTD") benefits are funded through a person's premium charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2017. The SCLTDITF premium is billed monthly by PEBA, Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

Contributions to the SCRHITF and SCLTDITF plans from the School District were \$14,718,600 and \$200,553 for the year ended June 30, 2018, respectively.

OPEB Liabilities and OPEB Expense:

At June 30, 2018, the School District reported liabilities of \$426,211,839 and \$49,887 for its proportionate shares of the SCRHITF and SCLTDITF net OPEB liabilities, respectively, measured at June 30, 2017. The net OPEB liabilities are calculated separately for each OPEB Trust Fund and represents that particular Trust's total OPEB liability determined in accordance with GASB No. 74, less that Trust's fiduciary net position. The collective net OPEB liabilities were determined based upon actuarial valuations performed on June 30, 2016, which were then rolled forward to the June 30, 2017, measurement date. The School District's proportion of the collective net OPEB liability was determined using the Government's payroll-related contributions over the measurement period. This method is expected to be reflective of the School District's long-term contribution effort, as well as, be transparent to individual employers and their external auditors. At June 30, 2017, the School District's proportionate shares of the SCRHITF and SCLTITF plans' net OPEB liabilities were 3.14667 percent and 0.01953 percent, respectively.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2018, the School District recognized OPEB expense of \$23,445,371 and \$211,697 for the SCRHITF and SCLTDITF plans, respectively. At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SCRHITF	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 732,352	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	40,295,628
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	-
School District contributions subsequent to the measurement date	14,718,600	-
Total	<u>\$ 15,450,952</u>	<u>\$ 40,295,628</u>

	SCLTDITF	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 24,036	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	5,764
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	-
School District contributions subsequent to the measurement date	200,533	-
Total	<u>\$ 224,589</u>	<u>\$ 5,764</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$14,919,133 results from School District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2019.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the School District's OPEB expense as follows:

<u>Years ending June 30:</u>	<u>SCRHITF</u>
2018	\$ (6,268,341)
2019	(6,268,341)
2020	(6,268,341)
2021	(6,268,341)
2022	(6,451,429)
Thereafter	(8,038,483)
	<u>\$ (39,563,276)</u>

<u>Years ending June 30:</u>	<u>SCLTDITF</u>
2018	\$ 5,366
2019	5,366
2020	5,366
2021	5,366
2022	(643)
Thereafter	(2,549)
	<u>\$ 18,272</u>

Actuarial assumptions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Actuarial assumptions, continued:

The total OPEB liabilities were determined by actuarial valuations performed as of June 30, 2016. Update procedures were used to roll forward the total OPEB liabilities to June 30, 2017. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Additional information as of the latest actuarial valuation for SCRHITF:

SCRHITF:

Valuation Date:	June 30, 2016
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.56% as of June 30, 2017
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 15 years
Aging Factors:	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums
Notes:	There were no benefit changes during the year. The discount rate changed from 2.92% as of June 30, 2016 to 3.56% as of June 30, 2017.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Actuarial assumptions, continued:

Additional information as of the latest actuarial valuation for SCLTDITF:

SCLTDITF:

Valuation Date:	June 30, 2016
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of Plan investment expense; including inflation
Single Discount Rate:	3.87% as of June 30, 2017
Salary, Termination, and Retirement Rates:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Disability Incidence:	The rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems pension plans
Disability Recovery:	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years
Offsets:	40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Notes:	There were no benefit changes during the year. The discount rate changed from 3.74% as of June 30, 2016 to 3.87% as of June 30, 2017.

The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Actuarial assumptions, continued:

This information is summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Allocation-Weighted Long-Term Expected Real Rate of Return</u>
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash	20.00%	0.84%	0.17%
Total	100.00%		1.84%
Expected Inflation			2.25%
Total Return			4.09%
Investment Return Assumption			4.00%

Discount rate:

The Single Discount Rate of 3.56% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 3.87% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 4.00% and a municipal bond rate of 3.56%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2037. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 10. Post-Employment Benefits Other Than Pensions (OPEB), Continued

Sensitivity analysis:

The following table presents the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.56%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher. In addition, regarding the sensitivity of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher.

	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
SCRHITF Net OPEB Liability	\$ 501,957,079	\$ 426,211,839	\$ 365,142,634
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
SCRHITF Net OPEB Liability	\$ 349,511,370	\$ 426,211,839	\$ 525,520,512

The following table presents the SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 3.87%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
SCLTDITF Net OPEB Liability	\$ 88,749	\$ 49,887	\$ 11,741

OPEB plan fiduciary net position:

Detailed information about the OPEB Trusts' fiduciary net position is available in the separately issued PEBA financial report.

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 11. Funding Flexibility

The State of South Carolina passed a Joint Resolution to provide funding flexibility for the fiscal year ended June 30, 2018. Under the resolution, school districts may transfer revenue between programs to any instructional program with the same funding source and may make expenditures for instructional programs and essential operating costs from any state source without regard to fund type except school building bond funds. Certain funds and other exceptions apply. The School District used this flexibility for the current fiscal year by making certain transfers allowed under the Joint Resolution. The impact of applying funding flexibility to the School District's General Fund was not measured.

Note 12. Risk Management

The School District is exposed to various risks of loss and maintains State and other insurance coverage for each of these risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settlement claims have not exceeded this coverage in any of the past three years.

The School District believes it is more economical to manage its workers' compensation claims through the South Carolina School Boards Insurance Trust/Workers Compensation Trust Fund (SCSBIT/WCTF), a public entity risk pool comprised of member school districts in the State of South Carolina. This entity is operating as a common risk management and insurance program. The School District pays an annual premium to SCSBIT/WCTF for its workers' compensation insurance coverage based upon the total payroll of the School District for each plan year. The Agreement for Formation of the SCSBIT/WCTF provides that the SCSBIT/WCTF will be self-sustaining through member premiums and deficiencies can be charged back to the member districts in the event a fund deficit arises. Insurance settlements have not exceeded insurance coverage for the past three years.

The School District obtains coverage for its property and casualty insurance through the South Carolina Insurance Reserve Fund. There have been no significant reductions in insurance coverage over the prior years.

Note 13. Commitments and Contingencies

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

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

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

Horry County Schools

Notes to Basic Financial Statements

For the fiscal year ended June 30, 2018

Note 13. Commitments and Contingencies, Continued

The District has entered into contracts and agreements with contractors and builders for various capital projects throughout the District including, but not limited to the following: flooring and painting improvements, HVAC enhancements, and the construction/renovation of facilities. The outstanding contract balance is included in restricted fund balance for contracts in the capital projects fund.

Several capital projects are in process at June 30, 2018. A summary of the contracts in process by location is as follows:

	<u>Contract Amount</u>	<u>Expended as of June 30, 2018</u>	<u>Remaining Commitment</u>
North Myrtle Beach High	\$ 55,613,563	\$ 55,252,075	\$ 361,488
St. James Intermediate	48,351,449	48,046,174	305,275
Carolina Forest Middle	47,604,388	47,294,518	309,870
Socastee Middle	44,446,338	44,093,843	352,495
Socastee Elementary	38,310,751	38,049,231	261,520
North Myrtle Beach High	21,530,605	21,517,267	13,338
Myrtle Beach Elementary	16,588,745	6,874,495	9,714,250
All others < \$15,000,000 per location	<u>33,645,897</u>	<u>32,138,192</u>	<u>1,507,705</u>
	<u>\$ 306,091,736</u>	<u>\$ 293,265,795</u>	<u>\$ 12,825,941</u>

Note 14. Restatement for Change in Accounting Principle

The School District implemented GASB Statement 75, *Accounting and Financial Reporting for OPEB*, in the fiscal year ended June 30, 2018. The implementation of the statement required the School District to record beginning net OPEB liability and the effects on unrestricted net position of contributions made by the School District during the measurement period (fiscal year ended June 30, 2017). As a result, ending net position for the School District for the year ended June 30, 2017 decreased by \$442,149,663. This decrease resulted in the restatement of net position to a deficit balance of \$290,592,984 as of June 30, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

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Horry County Schools**Budgetary Comparison Schedule - General Fund****For the year ended June 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Local sources	\$ 201,675,374	\$ 201,963,911	\$ 204,220,979	\$ 2,257,068
Intergovernmental	56,518	56,518	115,969	59,451
State sources	181,918,805	181,918,805	187,481,798	5,562,993
Federal sources	724,188	724,188	775,053	50,865
Total revenues	<u>384,374,885</u>	<u>384,663,422</u>	<u>392,593,799</u>	<u>7,930,377</u>
Expenditures				
Instruction	248,812,704	251,967,543	242,312,812	9,654,731
Support services	148,825,615	149,409,095	140,216,354	9,192,741
Community services	-	60,879	57,998	2,881
Intergovernmental	7,802,788	7,802,788	7,062,356	740,432
Capital outlay	2,319,614	6,394,487	4,238,253	2,156,234
Total expenditures	<u>407,760,721</u>	<u>415,634,792</u>	<u>393,887,773</u>	<u>21,747,019</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,385,836)</u>	<u>(30,971,370)</u>	<u>(1,293,974)</u>	<u>29,677,396</u>
Other financing sources (uses)				
Other financing sources	385,480	385,480	-	(385,480)
Transfers in	10,576,210	10,576,210	11,094,978	518,768
Transfers out	(876,072)	(1,315,443)	(1,126,377)	189,066
Total other financing sources (uses)	<u>10,085,618</u>	<u>9,646,247</u>	<u>9,968,601</u>	<u>322,354</u>
Net change in fund balances	<u>\$ (13,300,218)</u>	<u>\$ (21,325,123)</u>	8,674,627	<u>\$ 29,999,750</u>
Fund balance, beginning of year			101,813,890	
Fund balance, end of year			<u>\$ 110,488,517</u>	

Footnote: Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

Horry County Schools**Budgetary Comparison Schedule - Special Revenue Fund - Special Projects Fund
For the year ended June 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Local sources	\$ 2,239,409	\$ 7,220,398	\$ 3,926,330	\$ (3,294,068)
State sources	2,843,172	5,154,654	8,104,463	2,949,809
Federal sources	26,445,959	33,804,607	27,432,984	(6,371,623)
Total revenues	31,528,540	46,179,659	39,463,777	(6,715,882)
Expenditures				
Instruction	21,217,726	28,619,617	23,757,682	4,861,935
Support services	6,698,821	12,297,559	9,118,335	3,179,224
Community services	1,984,825	2,519,867	1,689,263	830,604
Intergovernmental	339,939	475,365	3,835,020	(3,359,655)
Capital outlay	84,077	1,117,963	246,234	871,729
Total expenditures	30,325,388	45,030,371	38,646,534	6,383,837
Excess of revenues over expenditures	1,203,152	1,149,288	817,243	(332,045)
Other financing sources (uses)				
Transfers out	(1,203,152)	(1,149,288)	(904,243)	245,045
Total other financing sources (uses)	(1,203,152)	(1,149,288)	(904,243)	245,045
Net change in fund balances	\$ -	\$ -	(87,000)	\$ (87,000)
Fund balance, beginning of year			1,789,349	
Fund balance, end of year			\$ 1,702,349	

Footnote: Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

Horry County Schools**Budgetary Comparison Schedule - Special Revenue Fund - Education Improvement Act Fund
For the year ended June 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
State sources	\$ 26,479,882	\$ 36,165,191	\$ 28,195,597	\$ (7,969,594)
Total revenues	26,479,882	36,165,191	28,195,597	(7,969,594)
Expenditures				
Instruction	13,222,081	20,817,107	13,495,462	7,321,645
Support services	3,617,825	5,173,086	4,614,140	558,946
Intergovernmental	416,168	480,951	525,209	(44,258)
Capital outlay	455,330	220,841	182,403	38,438
Total expenditures	17,711,404	26,691,985	18,817,214	7,874,771
Excess of revenues over expenditures	8,768,478	9,473,206	9,378,383	(94,823)
Other financing sources (uses)				
Transfers out	(8,768,478)	(9,473,206)	(9,378,383)	94,823
Total other financing sources (uses)	(8,768,478)	(9,473,206)	(9,378,383)	94,823
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

Footnote: Accounting principles generally accepted in the United States of America serve as the budgetary basis of accounting.

Horry County Schools*Schedule of the District's Proportionate Share of the Net Pension Liability**For the year ended June 30, 2018*

	SCRS									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability	2.50065%	2.52242%	2.51573%	2.56084%	2.56084%	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability	<u>\$ 562,936,306</u>	<u>\$ 538,784,122</u>	<u>\$ 477,120,324</u>	<u>\$ 440,892,267</u>	<u>\$ 459,323,882</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's covered payroll during the measurement period	<u>\$ 265,112,547</u>	<u>\$ 256,766,931</u>	<u>\$ 220,703,321</u>	<u>\$ 217,871,216</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	212.33861%	209.83392%	216.18176%	202.36371%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	53.30%	52.91%	56.99%	59.92%	56.39%	N/A	N/A	N/A	N/A	N/A
	PORS									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability	0.01794%	0.01953%	0.01945%	0.02015%	0.02015%	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability	<u>\$ 491,340</u>	<u>\$ 495,298</u>	<u>\$ 423,868</u>	<u>\$ 385,757</u>	<u>\$ 417,704</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's covered payroll during the measurement period	<u>\$ 241,521</u>	<u>\$ 248,943</u>	<u>\$ 240,929</u>	<u>\$ 238,010</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	203.43573%	198.96040%	175.93067%	162.07596%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	60.90%	60.44%	64.57%	67.55%	62.98%	N/A	N/A	N/A	N/A	N/A

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

Horry County Schools***Schedule of District Contributions - SCRS and PORS******For the year ended June 30, 2018***

	SCRS									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 32,706,666	\$ 29,136,600	\$ 27,015,407	\$ 25,710,929	\$ 24,644,067	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	32,706,666	29,136,600	27,015,407	25,710,929	24,644,067	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
Entity's covered-employee payroll	\$ 273,530,206	\$ 265,112,547	\$ 256,766,931	\$ 220,703,321	\$ 217,871,216	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	11.95724%	10.99028%	10.52137%	11.64954%	11.31130%	N/A	N/A	N/A	N/A	N/A
	PORS									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 39,117	\$ 34,393	\$ 34,205	\$ 32,309	\$ 31,117	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	39,117	34,393	34,205	32,309	31,117	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
Entity's covered-employee payroll	\$ 240,854	\$ 241,521	\$ 248,943	\$ 240,929	\$ 238,010	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	16.24096%	14.24017%	13.74009%	13.41017%	13.07382%	N/A	N/A	N/A	N/A	N/A

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

Horry County Schools*Schedule of the District's Proportionate Share of the Net OPEB Liability**For the year ended June 30, 2018*

	SCRHITF									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net OPEB liability	3.14667%	3.14667%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net OPEB liability	<u>\$ 426,211,839</u>	<u>\$ 455,280,647</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's covered payroll during the measurement period	<u>\$ 265,354,068</u>	<u>\$ 257,015,874</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	160.62005%	177.14106%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	7.60%	6.62%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	SCLTDITF									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net OPEB liability	0.01953%	0.01945%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net OPEB liability	<u>\$ 49,887</u>	<u>\$ 19,101</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's covered payroll during the measurement period	<u>\$ 248,943</u>	<u>\$ 240,929</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	20.03953%	7.92806%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	95.29%	98.15%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Horry County Schools**Schedule of District Contributions - OPEB****For the year ended June 30, 2018**

	SCRHITF									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 14,718,600	\$ 12,950,903	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	14,718,600	12,950,903	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Entity's covered-employee payroll	\$ 273,771,060	\$ 265,354,068	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	5.37624%	4.88061%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	SCLTDITF									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 200,553	\$ 199,183	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	200,553	199,183	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Entity's covered-employee payroll	\$ 241,521	\$ 248,943	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	83.03750%	80.01149%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

SCRHITF:

Changes of assumptions: The discount rate changed from 2.92% as of June 30, 2016, to 3.56% as of June 30, 2017.

SCLTDITF:

Changes of assumptions: The single discount rate changed from 3.74% as of June 30, 2016, to 3.87% as of June 30, 2017.

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GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. All property taxes, intergovernmental revenues, and miscellaneous revenues are recorded in this fund except amounts which are specifically collected to service debt or for which the School District collects in a fiduciary capacity. Operational expenditures for general education, support services and other departments of the School District are paid through the General Fund.

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Horry County Schools**Comparative Balance Sheets - General Fund****As of June 30, 2018 and 2017**

	2018	2017
Assets		
Cash and cash equivalents	\$ 142,743,025	\$ 131,728,730
Property tax receivable, net	17,292,118	21,255,603
Due from state government, net	396,547	1,655
Due from federal government	98,486	25,744
Due from other governmental units, net	4,414,571	4,892,289
Prepaid and other	2,877,069	2,453,743
Inventories - supply and materials	695,699	641,426
Other receivables	94,259	614,001
Total assets	<u>\$ 168,611,774</u>	<u>\$ 161,613,191</u>
Liabilities		
Accounts payable	\$ 3,745,729	\$ 3,335,745
Accrued salaries	22,325,149	21,586,232
Accrued payroll related liabilities	15,919,292	14,485,222
Total liabilities	<u>41,990,170</u>	<u>39,407,199</u>
Deferred inflows of resources		
Unavailable revenue - property taxes	16,133,087	20,392,102
Total deferred inflows of resources	<u>16,133,087</u>	<u>20,392,102</u>
Fund balances		
Non-spendable	3,572,768	3,095,169
Assigned	21,802,439	18,207,629
Unassigned	85,113,310	80,511,092
Total fund balances	<u>110,488,517</u>	<u>101,813,890</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 168,611,774</u>	<u>\$ 161,613,191</u>

Horry County Schools**Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund**
For the years ended June 30, 2018 and 2017

	2018	2017
Revenues		
Local sources	\$ 204,220,979	\$ 200,873,739
Intergovernmental	115,969	123,910
State sources	187,481,798	173,924,142
Federal sources	775,053	736,897
Total revenues	<u>392,593,799</u>	<u>375,658,688</u>
Expenditures		
Instruction	242,312,812	232,157,193
Support services	140,216,354	132,977,137
Community services	57,998	24,605
Pupil activities	-	239,408
Intergovernmental	7,062,356	6,731,526
Capital outlay	4,238,253	4,243,841
Total expenditures	<u>393,887,773</u>	<u>376,373,710</u>
Excess (deficiency) of revenues over expenditures	<u>(1,293,974)</u>	<u>(715,022)</u>
Other financing sources (uses)		
Transfers in	11,094,978	11,341,055
Transfers out	<u>(1,126,377)</u>	<u>(759,573)</u>
Total other financing sources (uses)	<u>9,968,601</u>	<u>10,581,482</u>
Excess of revenues and other financing sources over expenditures	8,674,627	9,866,460
Fund balance, beginning of year	<u>101,813,890</u>	<u>91,947,430</u>
Fund balance, end of year	<u><u>\$ 110,488,517</u></u>	<u><u>\$ 101,813,890</u></u>

Horry County Schools***Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2018***

	Final Budget	Actual	Variance
Revenues			
1000 Revenue from local sources			
1100 Taxes levied/assessed by the LEA			
1110 Ad valorem taxes-including delinquent	\$ 189,408,791	\$ 189,785,787	\$ 376,996
1140 Penalties & interest on taxes	2,024,904	1,727,053	(297,851)
1200 Revenue from local governmental units other than leas			
1280 Revenue in lieu of taxes	6,120,621	6,180,609	59,988
1300 Tuition			
1310 Tuition from patrons for regular day school	68,492	78,886	10,394
1500 Earnings on investments			
1510 Interest on investments	394,217	915,478	521,261
1900 Other revenue from local sources			
1910 Rentals	100,385	55,681	(44,704)
1920 Contributions and donations from private sources	9,500	5,100	(4,400)
1930 Special needs transportation	2,952,268	4,198,418	1,246,150
1950 Refund of prior year's expenditures	99,141	254,571	155,430
1990 Miscellaneous local revenue			
1993 Receipt of insurance proceeds	392,559	830,541	437,982
1999 Revenue from other local sources	393,033	188,855	(204,178)
Total revenue from local sources	<u>201,963,911</u>	<u>204,220,979</u>	<u>2,257,068</u>
2000 Intergovernmental revenue			
2100 Payments from other governmental units	56,518	115,969	59,451
Total intergovernmental revenue	<u>56,518</u>	<u>115,969</u>	<u>59,451</u>
3000 Revenue from state sources			
3100 Restricted state funding			
3130 Special programs			
3131 Handicapped transportation	19,171	15,013	(4,158)
3132 Home schooling	1,099	1,213	114
3160 School bus driver salary	2,604,704	3,341,423	736,719
3161 EAA bus driver salary and fringe	12,731	9,278	(3,453)
3162 Transportation workers' compensation	185,270	188,851	3,581
3180 Fringe benefits employer contributions	35,801,206	35,419,703	(381,503)
3181 Retiree insurance	9,441,964	10,027,023	585,059
3199 Other restricted state grants	2,298	660	(1,638)
3300 Education finance act			
3310 Full-time programs			
3311 Kindergarten	3,879,447	3,958,113	78,666
3312 Primary	12,443,869	11,558,702	(885,167)
3313 Elementary	19,415,140	20,128,855	713,715
3314 High school	9,607,288	8,967,238	(640,050)
3315 Trainable mentally handicapped	339,424	339,296	(128)
3316 Speech handicapped (part-time program)	3,491,489	3,531,801	40,312
3317 Homebound	83,883	82,876	(1,007)
3320 Part-time programs			
3321 Emotionally handicapped	450,355	376,424	(73,931)
3322 Educable mentally handicapped	326,565	333,290	6,725
3323 Learning disabilities	8,613,376	8,799,606	186,230
3324 Hearing handicapped	210,277	182,573	(27,704)
3325 Visually handicapped	89,946	89,087	(859)
3326 Orthopedically handicapped	159,695	129,361	(30,334)
3327 Vocational	6,599,794	7,901,368	1,301,574

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2018**

	Final Budget	Actual	Variance
Revenues, Continued			
3000 Revenue from state sources, continued			
3330 Miscellaneous EFA programs			
3331 Autism	1,343,957	1,550,381	206,424
3332 High achieving students	1,728,646	1,804,444	75,798
3334 Limited English proficiency	840,212	908,467	68,255
3350 Residential treatment facilities	42,051	50,732	8,681
3351 Academic assistance	2,325,416	2,613,092	287,676
3352 Pupils in poverty	8,688,334	8,876,558	188,224
3353 Dual credit enrollment	122,352	185,120	62,768
3392 NBC excess EFA formula	-	318,796	318,796
3800 State revenue in lieu of taxes			
3810 Reimbursement for local residential property tax relief	11,700,436	11,700,436	-
3820 Homestead exemption	3,952,008	3,952,008	-
3825 Reimbursement for property tax relief	35,893,449	35,975,489	82,040
3830 Merchant's inventory tax	701,824	701,824	-
3840 Manufacturers depreciation reimbursement	250,644	249,475	(1,169)
3890 Other state property tax revenues	550,125	516,883	(33,242)
3900 Other state revenue			
3993 PEBA on-behalf	-	2,623,805	2,623,805
3999 Revenue from other state sources	360	72,534	72,174
Total revenue from state sources	<u>181,918,805</u>	<u>187,481,798</u>	<u>5,562,993</u>
4000 Revenue from federal sources			
4900 Other federal sources			
4990 Other federal revenue			
4999 Revenue from other federal sources	724,188	775,053	50,865
Total revenue from federal sources	<u>724,188</u>	<u>775,053</u>	<u>50,865</u>
Total revenues from all sources	<u>384,663,422</u>	<u>392,593,799</u>	<u>7,930,377</u>
Expenditures			
100 Instruction			
110 General instruction			
111 Kindergarten programs			
100 Salaries	9,586,400	9,471,179	115,221
140 Terminal leave	-	2,045	(2,045)
200 Employee benefits	4,234,591	4,194,106	40,485
300 Purchased services	2,157	1,089	1,068
400 Supplies and materials	244,460	243,502	958
500 Capital outlay	1,006	225	781
	<u>14,068,614</u>	<u>13,912,146</u>	<u>156,468</u>
112 Primary programs			
100 Salaries	31,487,873	30,776,803	711,070
140 Terminal leave	-	4,380	(4,380)
200 Employee benefits	12,687,399	12,531,036	156,363
300 Purchased services	611,885	608,188	3,697
400 Supplies and materials	1,554,734	1,552,063	2,671
500 Capital outlay	4,993	4,506	487
600 Other objects	393	383	10
	<u>46,347,277</u>	<u>45,477,359</u>	<u>869,918</u>
113 Elementary programs			
100 Salaries	43,985,371	42,611,054	1,374,317
140 Terminal leave	-	7,420	(7,420)
200 Employee benefits	17,553,745	17,030,852	522,893
300 Purchased services	906,591	906,105	486
400 Supplies and materials	2,052,714	2,217,926	(165,212)
500 Capital outlay	87,426	5,553	81,873
600 Other objects	8,595	8,532	63
	<u>64,594,442</u>	<u>62,787,442</u>	<u>1,807,000</u>

Horry County Schools***Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2018***

	Final Budget	Actual	Variance
114 High school programs			
100 Salaries	36,414,168	35,303,013	1,111,155
140 Terminal leave	-	45,313	(45,313)
200 Employee benefits	14,256,037	13,652,432	603,605
300 Purchased services	2,040,311	2,039,834	477
400 Supplies and materials	1,661,598	1,423,493	238,105
500 Capital outlay	31,966	30,576	1,390
600 Other objects	58,190	57,331	859
	<u>54,462,270</u>	<u>52,551,992</u>	<u>1,910,278</u>
115 Career and technology education programs			
100 Salaries	3,400,939	3,364,608	36,331
140 Terminal leave	-	17,252	(17,252)
200 Employee benefits	1,324,845	1,299,146	25,699
300 Purchased services - other than tuition	54,357	53,764	593
400 Supplies and materials	401,318	200,881	200,437
500 Capital outlay	7,735	7,555	180
600 Other objects	7,000	6,955	45
	<u>5,196,194</u>	<u>4,950,161</u>	<u>246,033</u>
117 Driver education program			
400 Supplies and materials	15,836	4,492	11,344
	<u>15,836</u>	<u>4,492</u>	<u>11,344</u>
Total general instruction	<u>184,684,633</u>	<u>179,683,592</u>	<u>5,001,041</u>
120 Exceptional programs			
121 Educable mentally handicapped			
400 Supplies and materials	4,860	3,161	1,699
	<u>4,860</u>	<u>3,161</u>	<u>1,699</u>
122 Trainable mentally handicapped			
100 Salaries	2,123,839	2,042,737	81,102
140 Terminal leave	-	930	(930)
200 Employee benefits	859,146	818,632	40,514
300 Purchased services	26,000	25,655	345
400 Supplies and materials	12,191	6,552	5,639
600 Other objects	330	330	-
	<u>3,021,506</u>	<u>2,894,836</u>	<u>126,670</u>
123 Orthopedically handicapped			
100 Salaries	773,859	773,786	73
200 Employee benefits	333,400	332,407	993
300 Purchased services	10,785	10,245	540
400 Supplies and materials	1,296	458	838
	<u>1,119,340</u>	<u>1,116,896</u>	<u>2,444</u>
124 Visually handicapped			
100 Salaries	98,505	98,398	107
200 Employee benefits	45,283	45,283	-
300 Purchased services	7,920	3,203	4,717
400 Supplies and materials	5,860	-	5,860
	<u>157,568</u>	<u>146,884</u>	<u>10,684</u>
125 Hearing handicapped			
100 Salaries	310,828	265,239	45,589
200 Employee benefits	171,579	141,289	30,290
300 Purchased services	6,000	4,575	1,425
400 Supplies and materials	1,544	824	720
	<u>489,951</u>	<u>411,927</u>	<u>78,024</u>

Horry County Schools***Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2018***

	Final Budget	Actual	Variance
126 Speech handicapped			
100 Salaries	2,566,051	2,565,915	136
140 Terminal leave	-	80	(80)
200 Employee benefits	1,015,183	1,014,173	1,010
300 Purchased services	16,003	4,950	11,053
400 Supplies and materials	11,935	5,731	6,204
	<u>3,609,172</u>	<u>3,590,849</u>	<u>18,323</u>
127 Learning disabilities			
100 Salaries	18,663,378	18,030,694	632,684
140 Terminal leave	-	3,897	(3,897)
200 Employee benefits	7,745,229	7,535,590	209,639
300 Purchased services	442,447	104,222	338,225
400 Supplies and materials	187,807	119,472	68,335
600 Other objects	100	-	100
	<u>27,038,961</u>	<u>25,793,875</u>	<u>1,245,086</u>
128 Emotionally handicapped			
100 Salaries	1,396,299	1,395,909	390
200 Employee benefits	603,065	588,435	14,630
400 Supplies and materials	11,587	10,413	1,174
	<u>2,010,951</u>	<u>1,994,757</u>	<u>16,194</u>
129 Coordinated early intervening services (ceis)			
100 Salaries	3,259,896	2,745,352	514,544
140 Terminal leave	-	305	(305)
200 Employee benefits	1,281,986	1,055,098	226,888
400 Supplies and materials	300	275	25
	<u>4,542,182</u>	<u>3,801,030</u>	<u>741,152</u>
Total exceptional programs	<u>41,994,491</u>	<u>39,754,215</u>	<u>2,240,276</u>
130 Preschool programs			
137 Preschool handicapped-self-contained (3 & 4 year olds)			
100 Salaries	1,606,016	1,437,113	168,903
200 Employee benefits	688,991	606,013	82,978
300 Purchased services	14,000	13,895	105
400 Supplies and materials	1,060	1,058	2
	<u>2,310,067</u>	<u>2,058,079</u>	<u>251,988</u>
139 Early childhood programs			
100 Salaries	815,506	646,971	168,535
140 Terminal leave	-	1,210	(1,210)
200 Employee benefits	324,016	296,173	27,843
300 Purchased services	7,267	4,560	2,707
400 Supplies and materials	96,707	51,851	44,856
500 Capital outlay	1,663	82	1,581
600 Other objects	10	10	-
	<u>1,245,169</u>	<u>1,000,857</u>	<u>244,312</u>
Total preschool programs	<u>3,555,236</u>	<u>3,058,936</u>	<u>496,300</u>
140 Special programs			
141 Gifted and talented - academic			
100 Salaries	4,958,018	4,903,932	54,086
200 Employee benefits	1,983,862	1,977,006	6,856
300 Purchased services	478,566	476,347	2,219
400 Supplies and materials	203,756	201,987	1,769
600 Other objects	279	59	220
	<u>7,624,481</u>	<u>7,559,331</u>	<u>65,150</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2018

	Final Budget	Actual	Variance
143 Advanced placement			
100 Salaries	114,415	113,783	632
200 Employee benefits	31,835	31,417	418
300 Purchased services	402,836	131,573	271,263
400 Supplies and materials	65,893	47,591	18,302
600 Other objects	500	500	-
	<u>615,479</u>	<u>324,864</u>	<u>290,615</u>
145 Homebound			
100 Salaries	752,330	529,534	222,796
200 Employee benefits	205,319	143,945	61,374
300 Purchased services	203,001	49,351	153,650
400 Supplies and materials	105	-	105
	<u>1,160,755</u>	<u>722,830</u>	<u>437,925</u>
149 Other special programs			
100 Salaries	5,816,009	5,469,173	346,836
140 Terminal leave	-	3,109	(3,109)
200 Employee benefits	2,344,048	2,177,474	166,574
300 Purchased services	218,139	153,034	65,105
400 Supplies and materials	85,924	46,783	39,141
500 Capital outlay	11,008	-	11,008
600 Other objects	500	176	324
	<u>8,475,628</u>	<u>7,849,749</u>	<u>625,879</u>
Total special programs	<u>17,876,343</u>	<u>16,456,774</u>	<u>1,419,569</u>
160 Other exceptional programs			
161 Autism			
100 Salaries	1,802,403	1,428,278	374,125
200 Employee benefits	839,295	699,352	139,943
300 Purchased services	124,517	124,157	360
400 Supplies and materials	30,206	9,151	21,055
500 Capital outlay	4,500	-	4,500
Total other exceptional programs	<u>2,800,921</u>	<u>2,260,938</u>	<u>539,983</u>
170 Summer school program			
171 Primary summer school			
200 Employee benefits	1,900	1,813	87
400 Supplies and materials	5,000	4,318	682
	<u>6,900</u>	<u>6,131</u>	<u>769</u>
172 Elementary summer school			
200 Employee benefits	1,520	1,520	-
	<u>1,520</u>	<u>1,520</u>	<u>-</u>
173 High school summer school			
200 Employee benefits	100	95	5
	<u>100</u>	<u>95</u>	<u>5</u>
174 Gifted and talented summer school			
100 Salaries	38,200	38,197	3
200 Employee benefits	10,732	10,731	1
300 Purchased services	75,162	74,976	186
400 Supplies and materials	31,576	31,464	112
	<u>155,670</u>	<u>155,368</u>	<u>302</u>
175 Instructional programs beyond regular school day			
100 Salaries	78,189	71,930	6,259
200 Employee benefits	25,773	23,809	1,964
400 Supplies and materials	100	78	22
600 Other objects	350	347	3
	<u>104,412</u>	<u>96,164</u>	<u>8,248</u>
Total summer school program	<u>268,602</u>	<u>259,278</u>	<u>9,324</u>
180 Adult/continuing educational programs			
181 Adult basic education programs			
100 Salaries	334,685	333,413	1,272
140 Terminal leave	-	1,200	(1,200)
200 Employee benefits	146,315	134,606	11,709
300 Purchased services	7,754	7,753	1
400 Supplies and materials	5,675	5,674	1
600 Other objects	125	115	10
	<u>494,554</u>	<u>482,761</u>	<u>11,793</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2018

	Final Budget	Actual	Variance
182 Adult secondary education programs			
100 Salaries	173,838	173,808	30
200 Employee benefits	65,790	63,415	2,375
300 Purchased services	9,746	9,642	104
400 Supplies and materials	8,800	8,756	44
	<u>258,174</u>	<u>255,621</u>	<u>2,553</u>
183 Adult English literacy (esl)			
200 Employee benefits	2,050	2,009	41
400 Supplies and materials	7,088	6,167	921
	<u>9,138</u>	<u>8,176</u>	<u>962</u>
184 Post secondary education programs			
100 Salaries	500	320	180
200 Employee benefits	204	88	116
	<u>704</u>	<u>408</u>	<u>296</u>
187 Adult education remedial			
200 Employee benefits	217	215	2
	<u>217</u>	<u>215</u>	<u>2</u>
188 Parenting/family literacy			
100 Salaries	13,136	12,860	276
200 Employee benefits	15,305	15,239	66
300 Purchased services	410	404	6
400 Supplies and materials	1,161	304	857
	<u>30,012</u>	<u>28,807</u>	<u>1,205</u>
Total adult/continuing educational programs	<u>792,799</u>	<u>775,988</u>	<u>16,811</u>
190 Instructional pupil activity			
100 Salaries (optional)	65,524	49,735	15,789
200 Employee benefits (optional)	17,937	13,691	4,246
300 Purchased services (optional)	22,565	20,000	2,565
400 Supplies and materials (optional)	37,017	27,921	9,096
600 Other objects	1,772	241	1,531
Total instructional pupil activity	<u>144,815</u>	<u>111,588</u>	<u>33,227</u>
Total instruction	<u>252,117,840</u>	<u>242,361,309</u>	<u>9,756,531</u>
200 Support services			
210 Pupil services			
211 Attendance and social work services			
100 Salaries	2,814,666	2,725,595	89,071
140 Terminal leave	-	5,213	(5,213)
200 Employee benefits	1,198,882	1,133,774	65,108
300 Purchased services	40,475	31,524	8,951
400 Supplies and materials	15,324	15,297	27
500 Capital outlay	9,000	8,857	143
	<u>4,078,347</u>	<u>3,920,260</u>	<u>158,087</u>
212 Guidance services			
100 Salaries	6,400,912	6,395,407	5,505
140 Terminal leave	-	4,819	(4,819)
200 Employee benefits	2,619,888	2,512,114	107,774
300 Purchased services	66,360	55,285	11,075
400 Supplies and materials	36,781	25,111	11,670
	<u>9,123,941</u>	<u>8,992,736</u>	<u>131,205</u>

Horry County Schools***Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2018***

	Final Budget	Actual	Variance
213 Health services			
100 Salaries	2,397,651	2,394,287	3,364
140 Terminal leave	-	380	(380)
200 Employee benefits	1,165,315	1,086,402	78,913
300 Purchased services	296,475	221,966	74,509
400 Supplies and materials	160,794	128,765	32,029
500 Capital outlay	6,350	6,318	32
600 Other objects	250	196	54
	<u>4,026,835</u>	<u>3,838,314</u>	<u>188,521</u>
214 Psychological services			
100 Salaries	1,919,572	1,911,792	7,780
140 Terminal leave	-	2,400	(2,400)
200 Employee benefits	738,697	735,938	2,759
300 Purchased services	12,000	2,945	9,055
400 Supplies and materials	41,000	-	41,000
	<u>2,711,269</u>	<u>2,653,075</u>	<u>58,194</u>
215 Exceptional program services			
100 Salaries	99,568	99,526	42
200 Employee benefits	42,120	41,732	388
300 Purchased services	21	21	-
400 Supplies and materials	3,000	-	3,000
	<u>144,709</u>	<u>141,279</u>	<u>3,430</u>
217 Career specialist services			
100 Salaries	2,491	-	2,491
200 Employee benefits	1,228	591	637
	<u>3,719</u>	<u>591</u>	<u>3,128</u>
Total pupil services	<u>20,088,820</u>	<u>19,546,255</u>	<u>542,565</u>
220 Instructional staff services			
221 Improvement of instruction curriculum development			
100 Salaries	3,892,559	3,766,352	126,207
140 Terminal leave	-	126,175	(126,175)
200 Employee benefits	1,418,411	1,414,198	4,213
300 Purchased services	258,031	92,142	165,889
400 Supplies and materials	61,032	59,233	1,799
500 Capital outlay	11,200	8,334	2,866
600 Other objects	450	-	450
	<u>5,641,683</u>	<u>5,466,434</u>	<u>174,799</u>
222 Library and media services			
100 Salaries	4,314,016	4,262,119	51,897
140 Terminal leave	-	2,084	(2,084)
200 Employee benefits	1,902,413	1,843,339	59,074
300 Purchased services	22,294	19,346	2,948
400 Supplies and materials	808,207	700,237	107,970
600 Other objects	60,000	57,534	2,466
	<u>7,106,930</u>	<u>6,884,659</u>	<u>222,271</u>
223 Supervision of special programs			
100 Salaries	1,062,643	977,625	85,018
140 Terminal leave	-	8,986	(8,986)
200 Employee benefits	401,551	372,730	28,821
300 Purchased services	36,449	34,610	1,839
400 Supplies and materials	27,425	20,904	6,521
500 Capital outlay	1,700	1,672	28
600 Other objects	1,009	175	834
	<u>1,530,777</u>	<u>1,416,702</u>	<u>114,075</u>

Horry County Schools***Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2018***

	Final Budget	Actual	Variance
224 Improvement of instruction inservice and staff training			
100 Salaries	985,151	981,307	3,844
200 Employee benefits	313,126	312,776	350
300 Purchased services	1,744,299	1,743,110	1,189
400 Supplies and materials	335,085	154,094	180,991
500 Capital outlay	10,000	8,349	1,651
600 Other objects	16,890	16,588	302
	<u>3,404,551</u>	<u>3,216,224</u>	<u>188,327</u>
Total instructional staff services	<u>17,683,941</u>	<u>16,984,019</u>	<u>699,472</u>
230 General administration services			
231 Board of education			
100 Salaries	243,984	240,840	3,144
200 Employee benefits	67,311	66,823	488
300 Purchased services	231,000	174,559	56,441
318 Audit services	-	51,620	(51,620)
400 Supplies and materials	30,000	29,164	836
500 Capital outlay	15,000	-	15,000
600 Other objects	30,000	-	30,000
	<u>617,295</u>	<u>563,006</u>	<u>54,289</u>
232 Office of the superintendent			
100 Salaries	492,923	537,800	(44,877)
140 Terminal leave	-	13,580	(13,580)
200 Employee benefits	172,451	191,889	(19,438)
300 Purchased services	35,500	15,735	19,765
400 Supplies and materials	30,168	8,935	21,233
500 Capital outlay	5,500	4,801	699
600 Other objects	18,734	11,621	7,113
	<u>755,276</u>	<u>784,361</u>	<u>(29,085)</u>
233 School administration			
100 Salaries	18,555,441	18,280,719	274,722
140 Terminal leave	-	216,743	(216,743)
200 Employee benefits	7,097,444	7,048,561	48,883
300 Purchased services	114,247	76,762	37,485
400 Supplies and materials	201,951	198,760	3,191
500 Capital outlay	15,708	15,370	338
600 Other objects	22,904	22,831	73
	<u>26,007,695</u>	<u>25,859,746</u>	<u>147,949</u>
Total general administrative services	<u>27,380,266</u>	<u>27,207,113</u>	<u>173,153</u>
250 Finance and operations services			
251 Student transportation (federal/district mandated)			
100 Salaries	2,350	2,301	49
200 Employee benefits	1,700	1,560	140
300 Purchased services	9,066	3,305	5,761
	<u>13,116</u>	<u>7,166</u>	<u>5,950</u>
252 Fiscal services			
100 Salaries	1,643,047	1,280,729	362,318
140 Terminal leave	-	4,062	(4,062)
180 Head of organizational unit salaries	-	129,362	(129,362)
200 Employee benefits	652,455	521,941	130,514
280 Head of organizational unit employee benefits	-	45,349	(45,349)
300 Purchased services	100,451	96,020	4,431
380 Head of organizational unit travel	-	4,008	(4,008)
400 Supplies and materials	31,000	30,036	964
480 Head of organizational unit supplies	-	677	(677)
500 Capital outlay	1,500	1,091	409
600 Other objects	8,300	6,392	1,908
680 Head of organizational unit other objects	-	646	(646)
	<u>2,436,753</u>	<u>2,120,313</u>	<u>316,440</u>

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**
For the year ended June 30, 2018

	Final Budget	Actual	Variance
253 Facilities acquisition and construction			
100 Salaries	60,529	59,348	1,181
200 Employee benefits	34,115	33,327	788
300 Purchased services	75,000	72,000	3,000
400 Supplies and materials	75,000	74,347	653
500 Capital outlay			
510 Land	-	429,594	(429,594)
525 Buildings	4,265,915	1,948,765	2,317,150
545 Technology	-	10,341	(10,341)
	<u>4,510,559</u>	<u>2,627,722</u>	<u>1,882,837</u>
254 Operation and maintenance of plant			
100 Salaries	11,955,731	11,926,589	29,142
140 Terminal leave	-	26,453	(26,453)
200 Employee benefits	5,515,522	5,382,629	132,893
300 Purchased services	6,756,928	5,037,087	1,719,841
321 Public utilities (excludes gas, oil, elec. & other heating fuels)	-	1,386,557	(1,386,557)
400 Supplies and materials	16,624,302	3,522,282	13,102,020
470 Energy (include gas, oil, elec. & other heating fuels)	-	11,130,632	(11,130,632)
500 Capital outlay	489,376	491,207	(1,831)
600 Other objects	550,587	549,795	792
	<u>41,892,446</u>	<u>39,453,231</u>	<u>2,439,215</u>
255 Student transportation (state mandated)			
100 Salaries	11,359,143	11,081,421	277,722
140 Terminal leave	-	3,080	(3,080)
200 Employee benefits	5,605,795	5,297,808	307,987
300 Purchased services	654,697	428,556	226,141
400 Supplies and materials	313,480	299,588	13,892
500 Capital outlay	370,856	303,177	67,679
	<u>18,303,971</u>	<u>17,413,630</u>	<u>890,341</u>
256 Food service			
100 Salaries	20,552	75	20,477
200 Employee benefits	85,692	82,333	3,359
300 Purchased services	6,000	5,667	333
400 Supplies and materials	403	323	80
	<u>112,647</u>	<u>88,398</u>	<u>24,249</u>
257 Internal services			
100 Salaries	512,020	482,784	29,236
140 Terminal leave	-	29,025	(29,025)
200 Employee benefits	185,071	179,215	5,856
300 Purchased services	40,151	27,831	12,320
400 Supplies and materials	69,400	59,852	9,548
500 Capital outlay	4,800	925	3,875
600 Other objects	1,940	1,527	413
	<u>813,382</u>	<u>781,159</u>	<u>32,223</u>
258 Security			
100 Salaries	102,116	100,813	1,303
200 Employee benefits	32,174	30,717	1,457
300 Purchased services	2,378,048	1,885,142	492,906
400 Supplies and materials	110,267	37,018	73,249
500 Capital outlay	46,217	11,173	35,044
	<u>2,668,822</u>	<u>2,064,863</u>	<u>603,959</u>
Total finance and operations services	<u>70,751,696</u>	<u>64,556,482</u>	<u>6,195,214</u>
260 Central support services			
262 Planning			
100 Salaries	364,846	320,817	44,029
200 Employee benefits	134,259	117,710	16,549
300 Purchased services	295,556	90,405	205,151
400 Supplies and materials	28,300	23,207	5,093
500 Capital outlay	2,500	1,967	533
600 Other objects	47,200	44,100	3,100
	<u>872,661</u>	<u>598,206</u>	<u>274,455</u>

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund**
For the year ended June 30, 2018

	Final Budget	Actual	Variance
263 Information services			
100 Salaries	725,261	564,251	161,010
140 Terminal leave	-	31,417	(31,417)
180 Head of organizational unit salaries	-	129,362	(129,362)
200 Employee benefits	265,605	220,841	44,764
280 Head of organizational unit employee benefits	-	44,609	(44,609)
300 Purchased services	77,300	35,190	42,110
380 Head of organizational unit travel	-	3,684	(3,684)
400 Supplies and materials	137,000	136,231	769
500 Capital outlay	10,000	9,043	957
600 Other objects	900	702	198
680 Head of organizational unit other objects	-	176	(176)
	<u>1,216,066</u>	<u>1,175,506</u>	<u>40,560</u>
264 Staff services			
100 Salaries	1,918,337	1,421,464	496,873
140 Terminal leave	-	10,068	(10,068)
180 Head of organizational unit salaries	-	129,362	(129,362)
200 Employee benefits	2,717,748	733,413	1,984,335
280 Head of organizational unit employee benefits	-	41,336	(41,336)
300 Purchased services	603,877	320,256	283,621
380 Head of organizational unit travel	-	2,669	(2,669)
400 Supplies and materials	144,667	95,391	49,276
500 Capital outlay	27,500	3,702	23,798
600 Other objects	20,300	11,053	9,247
680 Head of organizational unit other objects	-	176	(176)
	<u>5,432,429</u>	<u>2,768,890</u>	<u>2,663,539</u>
266 Technology and data processing services			
100 Salaries	3,078,391	2,695,186	383,205
140 Terminal leave	-	58,278	(58,278)
200 Employee benefits	1,266,702	1,113,873	152,829
300 Purchased services	523,444	523,233	211
400 Supplies and materials	256,000	253,219	2,781
500 Capital outlay	917,068	907,090	9,978
	<u>6,041,605</u>	<u>5,550,879</u>	<u>490,726</u>
Total central support services	<u>13,562,761</u>	<u>10,093,481</u>	<u>3,469,280</u>
270 Support services pupil activity			
271 Pupil services activities			
100 Salaries	3,740,009	3,567,166	172,843
140 Terminal leave	-	490	(490)
200 Employee benefits	1,154,527	1,106,713	47,814
300 Purchased services	953,174	830,420	122,754
400 Supplies and materials	73,529	54,058	19,471
500 Capital outlay	34,000	29,993	4,007
600 Other objects			
660 Pupil activity	230,562	429,920	(199,358)
Total support services pupil activity	<u>6,185,801</u>	<u>6,018,760</u>	<u>167,041</u>
Total support services	<u>155,653,285</u>	<u>144,406,110</u>	<u>11,246,725</u>
300 Community services			
350 Custody and care of children services			
100 Salaries	33,300	32,145	1,155
200 Employee benefits	26,229	24,551	1,678
400 Supplies and materials	1,350	1,302	48
Total community services	<u>60,879</u>	<u>57,998</u>	<u>2,881</u>

Horry County Schools***Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the year ended June 30, 2018***

	Final Budget	Actual	Variance
400 Other charges			
410 Intergovernmental expenditures			
411 Payments to State Department of Education			
720 Transits	-	13,056	(13,056)
412 Payments to other governmental units			
720 Transits	179,000	105,400	73,600
414 Medicaid payments to SCDE			
720 Transits	1,173,656	711,073	462,583
416 Lea payments to public charter schools			
720 Transits	6,450,132	6,232,827	217,305
Total intergovernmental expenditures	<u>7,802,788</u>	<u>7,062,356</u>	<u>740,432</u>
Total expenditures	<u>415,634,792</u>	<u>393,887,773</u>	<u>21,747,019</u>
Other financing sources (uses)			
5900 Miscellaneous sources			
5999 Other financing sources	385,480	-	(385,480)
Interfund transfers, from (to) other funds			
5230 Transfer from special revenue EIA fund	8,768,478	9,378,383	609,905
5280 Transfer from other funds indirect costs	1,807,732	1,716,595	(91,137)
421-710 Transfer to special revenue fund	(128,250)	-	128,250
424-710 Transfer to capital projects fund	(439,371)	(439,371)	-
425-710 Transfer to food service fund	(747,822)	(687,006)	60,816
Total other financing sources (uses)	<u>9,646,247</u>	<u>9,968,601</u>	<u>322,354</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	<u>\$ (21,325,123)</u>	8,674,627	<u>\$ 29,999,750</u>
Fund balance, beginning of year		101,813,890	
Fund balance, end of year		<u>\$ 110,488,517</u>	

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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.

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Horry County Schools**Comparative Balance Sheets - Special Projects****As of June 30, 2018 and 2017**

	2018	2017
Assets		
Due from state government, net	\$ -	\$ 657,161
Due from federal government	7,715,345	7,634,211
Due from other governmental units, net	63	1,692
Other receivables	108,941	35,716
Prepaid expenses	20,210	404,007
Total assets	<u>\$ 7,844,559</u>	<u>\$ 8,732,787</u>
Liabilities		
Accounts payable	\$ 1,972,305	\$ 1,027,414
Accrued salaries	1,525,719	1,634,987
Accrued payroll related liabilities	666,841	649,303
Due to state government, net	187,436	-
Unearned revenue	1,789,909	3,631,734
Total liabilities	<u>6,142,210</u>	<u>6,943,438</u>
Fund balances		
Non-spendable	20,210	404,007
Restricted	1,682,139	1,385,342
Total fund balances	<u>1,702,349</u>	<u>1,789,349</u>
Total liabilities and fund balances	<u>\$ 7,844,559</u>	<u>\$ 8,732,787</u>

Horry County Schools***Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances - Special Projects Fund
For the years ended June 30, 2018 and 2017***

	2018	2017
Revenues		
Local sources	\$ 3,926,330	\$ 3,691,900
State sources	8,104,463	3,043,400
Federal sources	27,432,984	29,094,067
Total revenues	<u>39,463,777</u>	<u>35,829,367</u>
Expenditures		
Instruction	23,757,682	24,297,942
Support services	9,118,335	7,803,609
Community services	1,689,263	1,290,443
Intergovernmental	3,835,020	703,998
Capital outlay	246,234	261,209
Total expenditures	<u>38,646,534</u>	<u>34,357,201</u>
Excess of revenues over expenditures	<u>817,243</u>	<u>1,472,166</u>
Other financing sources (uses)		
Transfers in	-	73,500
Transfers out	(904,243)	(1,194,798)
Total other financial sources (uses)	<u>(904,243)</u>	<u>(1,121,298)</u>
Net change in fund balance	(87,000)	350,868
Fund balance, beginning of year	<u>1,789,349</u>	<u>1,438,481</u>
Fund balance, end of year	<u><u>\$ 1,702,349</u></u>	<u><u>\$ 1,789,349</u></u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2018

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
Revenues								
1000 Revenue from local sources								
1300 Tuition								
1350 From patrons for summer school	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,023	\$ 9,023
1700 Pupil activities								
1740 Student fees	-	-	-	-	-	-	474,533	474,533
1900 Other revenue from local sources								
1910 Rentals	-	-	-	-	-	-	17,218	17,218
1920 Contributions and donations from private sources	-	-	-	-	-	-	16,073	16,073
1990 Miscellaneous local revenue								
1993 Receipt of insurance proceeds	-	-	-	-	-	-	50,000	50,000
1999 Revenue from other local sources	-	-	-	-	-	-	3,359,483	3,359,483
Total local sources	-	-	-	-	-	-	3,926,330	3,926,330
3000 Revenue from state sources								
3100 Restricted state funding								
3110 Occupational education								
3118 EEDA career specialists	-	-	-	-	-	1,207,193	-	1,207,193
3120 General education								
3127 Student health and fitness - pe teachers	-	-	-	-	-	407,285	-	407,285
3130 Special programs								
3134 CDEP expansion	-	-	-	-	-	3,199	-	3,199
3136 Student health and fitness - nurses	-	-	-	-	-	761,361	-	761,361
3155 DSS snap & E&T program	-	-	-	-	-	10,111	-	10,111
3156 Adult education	-	-	-	-	-	9,338	-	9,338
3177 Summer reading camp	-	-	-	-	-	215,900	-	215,900
3190 Miscellaneous restricted state grants								
3193 Education license plates	-	-	-	-	-	5,452	-	5,452
3199 Other restricted state grants	-	-	-	-	-	-	3,026	3,026
3600 Education lottery act revenue								
3630 K-12 technology initiative	-	-	-	-	-	1,690,506	-	1,690,506
3900 Other state revenue								
3994 PEBA nonemployer contributions	-	-	-	-	-	3,365,327	-	3,365,327
3999 Revenue from other state sources	-	-	-	-	-	358,986	66,779	425,765
Total state sources	-	-	-	-	-	8,034,658	69,805	8,104,463

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2018*

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
4000 Revenue from federal sources								
4200 Occupational education								
4210 Perkins aid, Title I - career and technical education - basic grants to states	-	-	-	696,919	-	-	-	696,919
4300 Elementary and secondary education act of 1965 (ESEA)								
4310 Title I, basic state grant programs	13,947,991	-	-	-	-	-	514,510	14,462,501
4325 Mathematics and science partnerships program, Title II	-	-	-	-	-	-	38,033	38,033
4341 Language instruction for limited English proficient and immigrant students, Title III	-	-	-	-	-	-	218,327	218,327
4351 Improving teacher quality	-	-	-	-	-	-	1,086,863	1,086,863
4400 Adult education								
4410 Basic, adult education	-	-	-	-	349,036	-	-	349,036
4430 State literacy resource	-	-	-	-	14,374	-	-	14,374
4500 Programs for children with disabilities								
4510 Individuals with disabilities education act (IDEA)	-	10,004,392	-	-	-	-	187,737	10,192,129
4520 Preschool grants for children with disabilities (IDEA)	-	-	374,802	-	-	-	-	374,802
Total federal sources	13,947,991	10,004,392	374,802	696,919	363,410	-	2,045,470	27,432,984
Total revenues all sources	\$ 13,947,991	\$ 10,004,392	\$ 374,802	\$ 696,919	\$ 363,410	\$ 8,034,658	\$ 6,041,605	\$ 39,463,777
Expenditures								
100 Instruction								
110 General instruction								
111 Kindergarten programs								
100 Salaries	\$ 17,262	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,495	\$ 18,757
200 Employee benefits	11,511	-	-	-	-	-	272	11,783
112 Primary programs								
100 Salaries	1,407,396	-	-	-	-	291,241	68,869	1,767,506
200 Employee benefits	492,476	-	-	-	-	77,603	13,262	583,341
300 Purchased services	11,195	-	-	-	-	176,906	-	188,101
400 Supplies and materials	693,662	113	-	-	-	774	66,178	760,727
113 Elementary programs								
100 Salaries	1,166,691	-	-	-	-	33,755	69,032	1,269,478
200 Employee benefits	473,219	-	-	-	-	9,016	26,328	508,563
300 Purchased services	13,387	-	-	-	-	728,422	125,416	867,225
400 Supplies and materials	132,860	-	-	-	-	245,957	57,799	436,616
500 Capital outlay	19,783	-	-	-	-	-	-	19,783
114 High school programs								
100 Salaries	88,010	-	-	-	-	-	3,505	91,515
200 Employee benefits	29,966	-	-	-	-	-	744	30,710
300 Purchased services	6,386	-	-	-	-	524,672	129	531,187
400 Supplies and materials	77,807	-	-	-	-	-	672,044	749,851

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2018

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
115 Career and technology education programs								
100 Salaries	-	-	-	8,130	-	-	47,068	55,198
200 Employee benefits	-	-	-	2,268	-	-	12,572	14,840
300 Purchased services	-	-	-	4,481	-	-	-	4,481
400 Supplies and materials	-	-	-	137,572	-	-	51,212	188,784
500 Capital outlay	-	-	-	129,391	-	-	5,703	135,094
600 Other objects	-	-	-	-	-	-	267	267
120 Exceptional programs								
122 Trainable mentally handicapped								
100 Salaries	-	929,552	-	-	-	-	-	929,552
200 Employee benefits	-	388,442	-	-	-	-	-	388,442
400 Supplies and materials	-	22,014	-	-	-	-	3,131	25,145
600 Other objects	-	-	-	-	-	-	61	61
123 Orthopedically handicapped								
100 Salaries	-	4,599	-	-	-	-	-	4,599
200 Employee benefits	-	1,059	-	-	-	-	-	1,059
300 Purchased services	-	15,676	-	-	-	-	-	15,676
400 Supplies and materials	-	53,125	1,814	-	-	-	-	54,939
124 Visually handicapped								
100 Salaries	-	143,297	-	-	-	-	-	143,297
200 Employee benefits	-	53,800	-	-	-	-	-	53,800
300 Purchased services	-	35,691	-	-	-	-	-	35,691
400 Supplies and materials	-	518	-	-	-	-	-	518
125 Hearing handicapped								
100 Salaries	-	396,781	-	-	-	-	-	396,781
200 Employee benefits	-	165,455	-	-	-	-	-	165,455
300 Purchased services	-	74,485	-	-	-	-	-	74,485
400 Supplies and materials	-	40,565	-	-	-	-	-	40,565
126 Speech handicapped								
100 Salaries	-	375,345	410	-	-	-	-	375,755
200 Employee benefits	-	140,142	110	-	-	-	-	140,252
300 Purchased services	-	44,211	-	-	-	-	-	44,211
400 Supplies and materials	-	5,357	-	-	-	-	-	5,357
127 Learning disabilities								
100 Salaries	18,557	2,055,312	-	-	-	-	33,903	2,107,772
200 Employee benefits	11,889	906,430	-	-	-	-	8,899	927,218
300 Purchased services	-	3,543	-	-	-	-	5,421	8,964
400 Supplies and materials	-	240,638	-	-	-	-	15,198	255,836
600 Other objects	-	-	-	-	-	-	143	143
128 Emotionally handicapped								
100 Salaries	-	249,854	-	-	-	-	-	249,854
200 Employee benefits	-	97,859	-	-	-	-	-	97,859
400 Supplies and materials	-	4,375	-	-	-	-	-	4,375

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2018

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
130 Preschool programs								
137 Preschool handicapped-self-contained (3 & 4 year olds)								
100 Salaries	-	240,914	237,788	-	-	-	-	478,702
200 Employee benefits	-	86,969	105,581	-	-	-	-	192,550
300 Purchased services	-	3,819	4,200	-	-	-	-	8,019
400 Supplies and materials	-	10,604	10,604	-	-	-	-	21,208
139 Early childhood programs								
100 Salaries	3,290,439	-	-	-	-	-	-	3,290,439
200 Employee benefits	1,460,448	-	-	-	-	-	-	1,460,448
400 Supplies and materials	-	-	-	-	-	-	277	277
600 Other objects	-	-	-	-	-	-	351	351
140 Special programs								
141 Gifted and talented - academic								
100 Salaries	-	-	-	-	-	-	3,958	3,958
200 Employee benefits	-	-	-	-	-	-	1,839	1,839
149 Other special programs								
100 Salaries	1,259,618	-	-	-	-	-	-	1,259,618
200 Employee benefits	515,025	-	-	-	-	-	-	515,025
400 Supplies and materials	-	15,351	-	-	-	-	-	15,351
160 Other exceptional programs								
161 Autism								
100 Salaries	-	216,719	-	-	-	-	-	216,719
200 Employee benefits	-	108,843	-	-	-	-	-	108,843
300 Purchased services	-	-	-	-	-	-	111,439	111,439
170 Summer school program								
171 Primary summer school								
100 Salaries	-	-	-	-	-	59,103	-	59,103
200 Employee benefits	-	-	-	-	-	16,526	-	16,526
400 Supplies and materials	-	-	-	-	-	2,240	-	2,240
172 Elementary summer school								
100 Salaries	-	-	-	-	-	-	3,694	3,694
200 Employee benefits	-	-	-	-	-	-	998	998
173 High school summer school								
100 Salaries	-	-	-	-	-	-	7,250	7,250
200 Employee benefits	-	-	-	-	-	-	1,937	1,937
400 Supplies and materials	-	-	-	-	-	-	165	165
175 Instructional programs beyond regular school day								
100 Salaries	99,759	-	-	-	-	-	45,429	145,188
200 Employee benefits	26,298	-	-	-	-	-	12,189	38,487
400 Supplies and materials	-	-	-	-	-	-	3,074	3,074
180 Adult/continuing educational programs								
181 Adult basic education programs								
100 Salaries	-	-	-	-	74,093	5,290	975	80,358
200 Employee benefits	-	-	-	-	19,155	1,390	141	20,686
400 Supplies and materials	-	-	-	-	1,200	-	-	1,200
182 Adult secondary education programs								
100 Salaries	-	-	-	-	-	4,334	-	4,334
200 Employee benefits	-	-	-	-	-	894	-	894
183 Adult English literacy (esl)								
100 Salaries	-	-	-	-	191,302	-	-	191,302
200 Employee benefits	-	-	-	-	38,055	-	-	38,055
400 Supplies and materials	-	-	-	-	12,504	-	-	12,504

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2018

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
188 Parenting/family literacy								
100 Salaries	457,157	-	-	-	-	-	7,896	465,053
200 Employee benefits	217,798	-	-	-	-	-	2,105	219,903
300 Purchased services	31,643	-	-	-	-	-	-	31,643
400 Supplies and materials	101,411	-	-	-	-	-	-	101,411
600 Other objects	300	-	-	-	-	-	-	300
Total instruction	12,131,953	7,131,457	360,507	281,842	336,309	2,178,123	1,492,368	23,912,559
200 Support services								
210 Pupil services								
212 Guidance services								
100 Salaries	1,020	-	-	-	-	886,142	315	887,477
200 Employee benefits	269	-	-	-	-	321,051	61	321,381
213 Health services								
100 Salaries	-	-	-	-	-	532,379	-	532,379
200 Employee benefits	-	-	-	-	-	240,921	-	240,921
400 Supplies and materials	662	-	-	-	-	-	29,868	30,530
214 Psychological services								
100 Salaries	-	137,277	-	-	-	-	-	137,277
200 Employee benefits	-	51,905	-	-	-	-	-	51,905
300 Purchased services	-	15,849	-	-	-	-	-	15,849
400 Supplies and materials	-	42,331	-	-	-	-	-	42,331
215 Exceptional program services								
100 Salaries	-	68,327	-	-	-	-	-	68,327
200 Employee benefits	-	33,939	-	-	-	-	-	33,939
400 Supplies and materials	-	2,170	-	-	-	-	-	2,170
600 Other objects	-	10,024	-	-	-	-	-	10,024
217 Career specialist services								
100 Salaries	56,296	-	-	-	-	-	-	56,296
200 Employee benefits	19,480	-	-	-	-	-	-	19,480
220 Instructional staff services								
221 Improvement of instruction curriculum development								
100 Salaries	5,184	971,015	-	-	-	-	2,130	978,329
200 Employee benefits	1,372	344,664	-	-	-	-	565	346,601
300 Purchased services	-	27,495	-	-	-	-	-	27,495
400 Supplies and materials	-	10,371	-	-	-	-	-	10,371
222 Library and media services								
100 Salaries	-	-	-	-	-	-	285	285
200 Employee benefits	-	-	-	-	-	-	62	62
400 Supplies and materials	-	-	-	-	-	-	3,662	3,662
223 Supervision of special programs								
100 Salaries	305,540	281,544	-	64,827	-	248,148	-	900,059
200 Employee benefits	101,302	120,518	-	21,881	-	99,406	-	343,107
300 Purchased services	7,744	-	-	2,707	-	1,651	-	12,102
400 Supplies and materials	10,215	9,412	1,761	-	14,948	-	-	36,336

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2018

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
224 Improvement of instruction inservice and staff training								
100 Salaries	50,970	16,826	-	-	-	25,314	309,295	402,405
200 Employee benefits	13,637	4,280	-	-	-	6,833	98,630	123,380
300 Purchased services	140,327	153,071	-	50,896	-	25,876	953,960	1,324,130
400 Supplies and materials	27,168	7,640	-	-	-	322	61,758	96,888
600 Other objects	-	-	-	-	-	-	900	900
230 General administration services								
233 School administration								
100 Salaries	-	-	-	-	-	-	9,551	9,551
200 Employee benefits	-	-	-	-	-	-	2,570	2,570
400 Supplies and materials	-	-	-	-	-	-	16,636	16,636
250 Finance and operations services								
251 Student transportation (federal/district mandated)								
100 Salaries	17,846	45,567	-	930	-	-	21,382	85,725
200 Employee benefits	4,664	11,967	-	255	-	-	5,610	22,496
300 Purchased services	-	143	-	381	-	-	1,994	2,518
254 Operation and maintenance of plant								
100 Salaries	-	-	-	-	-	-	23,103	23,103
200 Employee benefits	-	-	-	-	-	-	6,166	6,166
300 Purchased services	-	-	-	-	-	-	5,732	5,732
400 Supplies and materials	-	-	-	-	-	-	31,272	31,272
500 Capital outlay	-	-	-	-	-	-	4,404	4,404
255 Student transportation (state mandated)								
100 Salaries	-	-	-	-	-	60,872	-	60,872
200 Employee benefits	-	-	-	-	-	16,816	-	16,816
256 Food services								
400 Supplies and materials	-	-	-	-	-	-	2,927	2,927
258 Security								
300 Purchased services	-	-	-	-	-	-	9,003	9,003
260 Central support services								
266 Technology and data processing services								
100 Salaries	65,892	-	-	-	-	-	-	65,892
200 Employee benefits	28,404	-	-	-	-	-	-	28,404
270 Support services pupil activity								
271 Pupil services activities								
100 Salaries (optional)	-	-	-	-	-	-	196,607	196,607
200 Employee benefits (optional)	-	-	-	-	-	-	50,864	50,864
300 Purchased services (optional)	-	-	-	-	-	-	22,855	22,855
400 Supplies and materials (optional)	-	-	-	-	-	-	1,002,317	1,002,317
500 Capital outlay	-	-	-	-	-	-	86,953	86,953
660 Pupil activity	21,122	31,583	-	244,908	-	-	101,998	399,611
Total support services	879,114	2,397,918	1,761	386,785	14,948	2,465,731	3,063,435	9,209,692
300 Community services								
350 Custody and care of children services								
100 Salaries	-	-	-	-	-	-	1,069,878	1,069,878
200 Employee benefits	-	-	-	-	-	-	272,473	272,473
300 Purchased services	-	-	-	-	-	-	8,422	8,422
400 Supplies and materials	-	-	-	-	-	-	83,772	83,772
600 Other objects	-	-	-	-	-	-	3,758	3,758

Horry County Schools

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund
For the year ended June 30, 2018*

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's, 400's, 500's, 600's)	Total
360 Welfare services								
400 Supplies and materials	5,725	-	-	-	-	-	-	5,725
370 Non-public school services								
300 Purchased services	216,260	-	-	-	-	-	12,629	228,889
400 Supplies and materials	16,346	-	-	-	-	-	-	16,346
Total community services	238,331	-	-	-	-	-	1,450,932	1,689,263
400 Other charges								
410 Intergovernmental expenditures								
416 LEA payments to public charter schools								
720 Transits	232,782	140,423	-	9,289	-	14,045	73,154	469,693
419 Payments from nonemployer contributions								
720 Transits	-	-	-	-	-	3,365,327	-	3,365,327
Total intergovernmental expenditures	232,782	140,423	-	9,289	-	3,379,372	73,154	3,835,020
Total expenditures	13,482,180	9,669,798	362,268	677,916	351,257	8,023,226	6,079,889	38,646,534
Other financing sources (uses)								
Interfund transfers, from (to) other funds								
431-791 Special revenue fund indirect costs	(465,811)	(334,594)	(12,534)	(19,003)	(12,153)	(11,432)	(48,716)	(904,243)
Total other financing sources (uses)	(465,811)	(334,594)	(12,534)	(19,003)	(12,153)	(11,432)	(48,716)	(904,243)
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	(87,000)	(87,000)
Fund balance - July 1, 2017	-	-	-	-	-	-	1,789,349	1,789,349
Fund balance - June 30, 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,702,349	\$ 1,702,349

* Restricted State Grants

919	Education License Plates
924	CDEP Expansion
926	Summer Reading Camps
928	EEDA Career Specialists
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - PE Teachers
955	SNAP
956	Adult Education
963	K-12 Technology Initiative
982	First Steps - Director Salary
994	PEBA Nonemployer Contributions

* Other Special Revenue Programs

212	Extended School Year Handicapped Services	451	Champions Grant
221	Title I, Part D (Neglected & Delinquent)	453	Exxon Mobile Grant
222	Title I, (Neglected & Delinquent)	457	Bright Ideas Grant
225	Mathematics and Science Partnership Program	463	Lesley College
230	Mathematics and Science Partnership Carryover	469	Toomey's Kids
237	Title I, Section 1003(A), School Improvement Focus Schools	470	Miscellaneous Grants
241	Improving Teacher Quality Carryover	471	Knights of Columbus
264	Language Instruction for Limited English Proficient and Immigrant Students, Title III	472	Santee Cooper
265	ESOL Title III Carryover	480	Waves of the Future Grant
267	Improving Teacher Quality	490	HCS Activity Bus
401	ESOL Afterschool Program	496	Attendance School Fees
410	PDL Device Repair Fund	497	Myrtle Beach Auditorium
416	Nursing Program	498	Middle School Summer Program
432	After School Childcare	499	High School Summer Program
433	After School Childcare Summer	528	12 Month Agriculture Program
434	After School Childcare Carryover	551	Recycling Grants - DHEC
445	FuelUp to Play60	561	Profound Mentally Disabled
		571	Winthrop Pro Team Grant
		603	IDEA Private Placement

Horry County Schools

Summary Schedule for Designated State Restricted Grants - Special Projects Fund
For the year ended June 30, 2018

Subfund	Revenue Code	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
919	3193	Education License Plates	\$ 5,452	\$ 5,452	\$ -	\$ -	\$ -
924	3134	CDEP Expansion	3,199	3,199	-	-	-
926	3177	Summer Reading Camps	215,900	215,900	-	-	-
928	3118	EEDA - Career Specialists	1,207,193	1,207,193	-	-	188,612
936	3136	Student Health and Fitness - Nurses	761,361	761,361	-	-	-
937	3127	Student and Health Fitness - PE Teachers	407,285	407,285	-	-	-
955	3155	Adult Ed Supplemental Nutrition Assistance Program	10,111	10,111	-	-	-
956	3156	Adult Education	9,338	9,338	-	-	5,622
963	3630	K-12 Technology Initiative	1,690,506	1,690,506	-	-	-
982	3999	First Steps - Director Salary	358,986	358,986	-	-	-
994	3994	PEBA Nonemployer contributions	3,365,327	3,365,327	-	-	-
			<u>\$ 8,034,658</u>	<u>\$ 8,034,658</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,234</u>

Horry County Schools

Summary Schedule of Other Special Revenue Programs - Special Projects Fund
For the year ended June 30, 2018

Subfund	Revenue Code	Program	Revenues			Total	Expenditures	Transfers In (Out)	Unearned Revenue
			Local	State	Federal				
212	4510	Extended School Year Handicapped Services	\$ -	\$ -	\$ 48,304	\$ 48,304	\$ 48,304	\$ -	\$ 95,260
221	4310	Title I, Part D (Neglected and Delinquent)	-	-	162,009	162,009	156,590	(5,419)	-
222	4310	Title I, (Neglected and Delinquent)	-	-	44,963	44,963	43,459	(1,504)	-
225	4325	Mathematics and Science Partnerships Program	-	-	21,547	21,547	20,826	(721)	-
230	4325	Mathematics and Science Partnerships Program Carryover	-	-	16,486	16,486	15,935	(551)	-
237	4310	Title I, Section 1003(A), School Improvement Focus Schools	-	-	307,538	307,538	307,538	-	-
241	4351	Improving Teacher Quality Carryover	-	-	324,967	324,967	314,099	(10,868)	-
264	4341	ESOL Title III	-	-	481	481	472	(9)	-
265	4341	ESOL Title III Carryover	-	-	217,846	217,846	213,574	(4,272)	-
267	4351	Improving Teacher Quality	-	-	761,896	761,896	736,523	(25,373)	-
401	1999	ESOL Afterschool Program	9,799	-	-	9,799	9,799	-	205
410	1740/1950/1999	PDL Device Repair Fund	671,242	-	-	671,242	671,712	470	421,592
416	1999	Nursing Program	5,084	-	-	5,084	5,084	-	11,743
432	1999	After School Childcare	2,188,170	-	-	2,188,170	1,386,237	(801,933)	-
433	1999	After School Childcare Summer	34,758	-	-	34,758	25,714	(9,044)	2,467
434	1993	After School Childcare Carryover	50,000	-	-	50,000	948,008	811,008	-
445	1999	FuelUp to Play60	3,950	-	-	3,950	3,950	-	-
451	1999	Champions Grant	1,177	-	-	1,177	1,177	-	823
453	1999	Exxon Mobile Grant	5,173	-	-	5,173	5,173	-	2,554
457	1999	Bright Ideas Grant	2,445	-	-	2,445	2,445	-	-
463	1999	Lesley College	4,069	-	-	4,069	4,069	-	-
469	1999	Toomey's Kids	16,484	-	-	16,484	16,484	-	4,719
470	1999	Miscellaneous Grants	106,728	-	-	106,728	106,228	(500)	17,858
471	1999	Knights of Columbus	8,756	-	-	8,756	8,756	-	9,733
472	1920/1999	Santee Cooper	57,605	-	-	57,605	57,605	-	86,627
480	1999	Waves of the Future Grant	13,232	-	-	13,232	13,232	-	12,946
490	1999	HCS Activity Bus	679,302	-	-	679,302	679,302	-	875,634
496	1350/1999	Attendance School Fees	5,865	-	-	5,865	5,865	-	-
497	1910/1999	Myrtle Beach Auditorium	53,543	-	-	53,543	53,543	-	53,514
498	1350	Middle School Summer Program	4,693	-	-	4,693	4,693	-	-
499	1350	High School Summer Program	4,255	-	-	4,255	4,255	-	-
528	3999	12 Month Agriculture Program	-	59,640	-	59,640	59,640	-	-
551	3999	Recycling Grants - DHEC	-	6,463	-	6,463	6,463	-	-
561	3199	Profound Mentally Disabled	-	3,026	-	3,026	3,026	-	-
571	3999	Winthrop Pro Team Grant	-	676	-	676	676	-	-
603	4510	IDEA Private Placement	-	-	139,433	139,433	139,433	-	-
			<u>\$ 3,926,330</u>	<u>\$ 69,805</u>	<u>\$ 2,045,470</u>	<u>\$ 6,041,605</u>	<u>\$ 6,079,889</u>	<u>\$ (48,716)</u>	<u>\$ 1,595,675</u>

Horry County Schools**Comparative Balance Sheets - Special Revenue Fund - Education Improvement Act Fund****As of June 30, 2018 and 2017**

	2018	2017
Assets		
Cash and cash equivalents	\$ 10,125,511	\$ 12,182,283
Due from state government, net	179,917	59,703
Other receivables	584	779
Other assets	13,208	6,480
Total assets	<u>\$ 10,319,220</u>	<u>\$ 12,249,245</u>
Liabilities		
Accounts payable	\$ 444,061	\$ 451,966
Accrued salaries	1,123,773	1,171,105
Accrued payroll related liabilities	570,743	503,343
Unearned revenue	8,180,643	10,122,831
Total liabilities	<u>10,319,220</u>	<u>12,249,245</u>
Fund balances		
Restricted	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 10,319,220</u>	<u>\$ 12,249,245</u>

Horry County Schools**Comparative Schedule of Revenues, Expenditures, and Changes in Fund Net Position****- Education Improvement Act Fund****For the years ended June 30, 2018 and 2017**

	2018	2017
Revenues		
State sources	\$ 28,195,597	\$ 22,750,417
Total revenues	<u>28,195,597</u>	<u>22,750,417</u>
Expenditures		
Instruction	13,495,462	9,162,261
Support services	4,614,140	3,922,366
Payment to public charter schools	525,209	489,161
Capital outlay	182,403	272,817
Total expenditures	<u>18,817,214</u>	<u>13,846,605</u>
Excess (deficiency) of revenues over expenditures	<u>9,378,383</u>	<u>8,903,812</u>
Other financing sources (uses)		
Transfers out	(9,378,383)	(8,903,812)
Total other financial sources (uses)	<u>(9,378,383)</u>	<u>(8,903,812)</u>
Net change in fund balance	-	-
Fund Balance, beginning of year	-	-
Fund Balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs - Education Improvement Act Fund
For the year ended June 30, 2018

Revenues

3000	Revenue from state sources		
3500	Education improvement act		
3502	ADEPT	\$	6,027
3507	Aid to districts - technology		802,560
3509	Arts in education		33,905
3511	Professional development		510,340
3512	Technology professional development		42,076
3518	Formative assessment		211,123
3519	Grade 10 assessments		193,752
3525	Career and technology education equipment		30,085
3526	Refurbishment of k-8 science kits		135,669
3528	Industry certificates		18,821
3529	Career and technology education		735,215
3532	National board salary supplement		2,880,790
3533	Teacher of the year awards		1,077
3535	Reading coaches		1,560,518
3538	Students at risk of school failure		5,723,524
3540	Early childhood programs (4k programs serving four-year-old children)		501,312
3541	Child development education program (CDEP)		69,737
3550	Teacher salary increase		8,449,530
3555	Teacher salary fringe		1,368,365
3556	Adult education		663,645
3557	Summer reading program		104,173
3558	Reading		160,859
3571	State priority schools		60,000
3577	Teacher supplies		845,900
3578	High schools that work/making middle grades work		67,691
3587	IDEA MOE tier 1		2,026,060
3592	Work-based learning		31,179
3594	EEDA supplemental programs		65,890
3595	EEDA - supplies and materials		76,946
3597	Aid to districts		818,828
	Total revenues		<u>28,195,597</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs - Education Improvement Act Fund
For the year ended June 30, 2018

Expenditures

100	Instruction		
110	General instruction		
111	Kindergarten programs		
100	Salaries	56,947	
200	Employee benefits	15,211	
300	Purchased services	253,547	
400	Supplies and materials	34,925	
		<u>360,630</u>	
112	Primary programs		
100	Salaries	692,689	
200	Employee benefits	195,207	
300	Purchased services	2,194	
400	Supplies and materials	195,035	
		<u>1,085,125</u>	
113	Elementary programs		
100	Salaries	499,593	
200	Employee benefits	133,057	
300	Purchased services	723,292	
400	Supplies and materials	858,873	
600	Other objects	600	
		<u>2,215,415</u>	
114	High school programs		
100	Salaries	683,140	
200	Employee benefits	182,326	
300	Purchased services	362,532	
400	Supplies and materials	657,200	
600	Other objects	1,600	
		<u>1,886,798</u>	
115	Career and technology education programs		
100	Salaries	37,500	
200	Employee benefits	10,016	
300	Purchased services	7,754	
400	Supplies and materials	534,803	
500	Capital outlay	182,403	
600	Other objects	200	
		<u>772,676</u>	
	Total general instruction	<u>6,320,644</u>	
120	Exceptional programs		
122	Trainable mentally handicapped		
100	Salaries	52,500	
200	Employee benefits	14,023	
400	Supplies and materials	12,100	
		<u>78,623</u>	

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs - Education Improvement Act Fund
For the year ended June 30, 2018

Expenditures, Continued

100	Instruction, continued		
124	Visually handicapped		
100	Salaries		34,806
200	Employee benefits		13,873
400	Supplies and materials		550
			<u>49,229</u>
125	Hearing handicapped		
400	Supplies and materials		1,925
			<u>1,925</u>
126	Speech handicapped		
100	Salaries		149,697
200	Employee benefits		55,599
400	Supplies and materials		14,025
			<u>219,321</u>
127	Learning disabilities		
100	Salaries		574,414
200	Employee benefits		243,493
400	Supplies and materials		992,467
			<u>1,810,374</u>
128	Emotionally handicapped		
100	Salaries		7,500
200	Employee benefits		2,003
400	Supplies and materials		6,325
			<u>15,828</u>
129	Coordinated early intervening services (CEIS)		
100	Salaries		54,176
200	Employee benefits		17,274
400	Supplies and materials		13,956
			<u>85,406</u>
	Total exceptional programs		<u>2,260,706</u>
130	Preschool programs		
137	Pre-School handicapped-self-contained (3 & 4 year olds)		
100	Salaries		13,985
200	Employee benefits		3,691
400	Supplies and materials		7,150
			<u>24,826</u>
139	Early childhood programs		
100	Salaries		206,468
200	Employee benefits		74,144
300	Purchased services		9,573
400	Supplies and materials		287,998
			<u>578,183</u>
	Total preschool programs		<u>603,009</u>
140	Special programs		
141	Gifted and Talented Academic		
100	Salaries		82,500
200	Employee benefits		22,036
400	Supplies and materials		23,409
			<u>127,945</u>

Horry County Schools***Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs - Education Improvement Act Fund
For the year ended June 30, 2018******Expenditures, Continued***

100	Instruction, continued		
149	Other special programs		
100	Salaries	2,180,297	
200	Employee benefits	888,264	
400	Supplies and materials	23,100	
		<u>3,091,661</u>	
	Total specific programs	<u>3,219,606</u>	
170	Summer school programs		
171	Primary summer school		
100	Salaries	113,518	
200	Employee benefits	31,493	
400	Supplies and materials	78,091	
		<u>223,102</u>	
172	Elementary summer school		
100	Salaries	138,874	
200	Employee benefits	38,683	
300	Purchased services	380	
400	Supplies and materials	2,462	
		<u>180,399</u>	
173	High school summer school		
100	Salaries	1,825	
200	Employee benefits	530	
		<u>2,355</u>	
175	Instructional programs beyond regular school day		
100	Salaries	242,851	
200	Employee benefits	64,180	
		<u>307,031</u>	
	Total summer school programs	<u>712,887</u>	
180	Adult/continuing education programs		
181	Adult basic education programs		
100	Salaries	140,972	
200	Employee benefits	27,907	
		<u>168,879</u>	
182	Adult secondary education programs		
100	Salaries	101,065	
200	Employee benefits	32,334	
400	Supplies and materials	49,151	
		<u>182,550</u>	
184	Post secondary education programs		
400	Supplies and materials	275	
		<u>275</u>	
187	Adult education remedial		
100	Salaries	20,501	
200	Employee benefits	5,263	
		<u>25,764</u>	

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs - Education Improvement Act Fund
For the year ended June 30, 2018

Expenditures, Continued

100	Instruction, continued		
188	Parenting/family literacy		
100	Salaries		119,964
200	Employee benefits		39,357
300	Purchased services		3,963
400	Supplies and materials		20,261
			<u>183,545</u>
	Total adult/continuing education programs		<u>561,013</u>
	Total instruction		<u>13,677,865</u>
200	Support Services		
210	Pupil services		
212	Guidance services		
100	Salaries		106,374
200	Employee benefits		28,412
300	Purchased services		25,248
400	Supplies and materials		82,740
			<u>242,774</u>
213	Health services		
100	Salaries		23,985
200	Employee benefits		6,406
			<u>30,391</u>
216	Career and technical education placement services		
300	Purchased services		16,958
			<u>16,958</u>
	Total pupil services		<u>290,123</u>
220	Instructional staff services		
221	Improvement of instruction curriculum development		
100	Salaries		1,064,748
200	Employee benefits		433,398
400	Supplies and materials		168,573
			<u>1,666,719</u>
222	Library and media services		
100	Salaries		64,151
200	Employee benefits		17,135
400	Supplies and materials		14,300
			<u>95,586</u>
223	Supervision of special programs		
100	Salaries		314,640
200	Employee benefits		106,858
300	Purchased services		48,915
400	Supplies and materials		14,554
			<u>484,967</u>
224	Improvement of instruction inservice and staff training		
100	Salaries		269,302
200	Employee benefits		70,783
300	Purchased services		1,305,755
400	Supplies and materials		150,341
			<u>1,796,181</u>
	Total instructional staff services		<u>4,043,453</u>

Horry County Schools

Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs - Education Improvement Act Fund
For the year ended June 30, 2018

Expenditures, Continued

200	Support services, continued	
230	General administrative services	
233	School administration	
100	Salaries	32,595
200	Employee benefits	9,039
		<u>41,634</u>
	Total general administrative services	<u>41,634</u>
250	Finance and operations services	
255	Student transportation (state mandated)	
100	Salaries	149,604
200	Employee benefits	41,111
300	Purchased services	10,038
600	Other objects	144
		<u>200,897</u>
	Total finance and operations services	<u>200,897</u>
260	Central support services	
266	Technology and data processing services	
400	Supplies and materials	6,570
		<u>6,570</u>
	Total central support services	<u>6,570</u>
270	Support services - pupil activity	
271	Pupil service activities	
600	Other objects	31,463
		<u>31,463</u>
	Total support services - pupil activity	<u>31,463</u>
	Total support services	<u>4,614,140</u>
400	Other charges	
410	Intergovernmental expenditures	
416	LEA payments to public charter schools	
720	Transits	525,209
	Total intergovernmental expenditures	<u>525,209</u>
	Total expenditures	<u>18,817,214</u>
	Excess of revenues over expenditures	<u>9,378,383</u>
	Other financing uses	
420-710	Transfer to general fund	(9,378,383)
	Total other financing uses	<u>(9,378,383)</u>
	Excess of revenues and other financing sources over expenditures and other financing uses	-
	Fund balance, beginning of year	-
	Fund balance, end of year	<u>\$ -</u>

Horry County Schools**Summary Schedule by Program - Education Improvement Act Fund****For the year ended June 30, 2018**

Program		Revenues	Expenditures	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500	Education improvement act				
3502	ADEPT	\$ 6,027	\$ 6,027	\$ -	\$ 43,818
3507	Aid to districts - technology	802,560	802,560	-	-
3509	Arts in education	33,905	33,905	-	2,695
3511	Professional development	510,340	510,340	-	154,045
3512	Technology professional development	42,076	42,076	-	-
3518	Formative assessment	211,123	211,123	-	206,363
3519	Grade 10 assessments	193,752	193,752	-	-
3525	Career and technology education equipment	30,085	30,085	-	-
3526	Refurbishment of k-8 science kits	135,669	135,669	-	-
3528	Industry certificates	18,821	18,821	-	61,987
3529	Career and technology education	735,215	735,215	-	165,496
3532	National board salary supplement	2,880,790	2,880,790	-	-
3533	Teacher of the year awards	1,077	1,077	-	-
3535	Reading coaches	1,560,518	1,560,518	-	-
3538	Students at risk of school failure	5,723,524	5,723,524	-	4,745,432
3540	Early childhood programs (4k programs serving four-year-old children)	501,312	501,312	-	1,633,944
3541	Child development education program (CDEP)	69,737	69,737	-	-
3550	Teacher salary increase	8,449,530	346,865	8,102,665	-
3555	Teacher salary fringe	1,368,365	92,647	1,275,718	-
3556	Adult education	663,645	663,645	-	11,287
3557	Summer reading program	104,173	104,173	-	165,090
3558	Reading	160,859	160,859	-	203,053
3571	State priority schools	60,000	60,000	-	-
3577	Teacher supplies	845,900	845,900	-	-
3578	High schools that work/making middle grades work	67,691	67,691	-	-
3587	IDEA MOE tier 1	2,026,060	2,026,060	-	-
3592	Work-based learning	31,179	31,179	-	-
3594	EEDA supplemental programs	65,890	65,890	-	-
3595	EEDA - supplies and materials	76,946	76,946	-	86,366
3597	Aid to districts	818,828	818,828	-	701,067
		<u>\$ 28,195,597</u>	<u>\$ 18,817,214</u>	<u>\$ 9,378,383</u>	<u>\$ 8,180,643</u>

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for and payment of interest and principal on long-term general obligation debt. Sources of funds used for payments include tax proceeds and earnings on temporary investments.

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Horry County Schools**Comparative Balance Sheets - Debt Service Fund****As of June 30, 2018 and 2017**

	2018	2017
Assets		
Cash and cash equivalents	\$ 54,320,990	\$ 31,738,244
Property tax receivable, net	1,758,010	2,257,920
Due from other governmental units	106,054	72,274
Total assets	<u>\$ 56,185,054</u>	<u>\$ 34,068,438</u>
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>
Deferred inflows of resources		
Unavailable revenue - property taxes	1,633,239	2,142,598
Total deferred inflows of resources	<u>1,633,239</u>	<u>2,142,598</u>
Fund balances		
Restricted for debt service	54,551,815	31,925,840
Total fund balances	<u>54,551,815</u>	<u>31,925,840</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 56,185,054</u>	<u>\$ 34,068,438</u>

Horry County Schools***Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Debt Service Fund
For the years ended June 30, 2018 and 2017***

	2018	2017
Revenues		
Local sources	\$ 84,614,861	\$ 82,716,536
State sources	967,083	853,692
Total revenues	<u>85,581,944</u>	<u>83,570,228</u>
Expenditures		
Debt service	38,655,969	42,634,855
Total expenditures	<u>38,655,969</u>	<u>42,634,855</u>
Excess of revenues over expenditures	<u>46,925,975</u>	<u>40,935,373</u>
Other financing sources (uses)		
Interfund transfers from (to) other funds:		
Transfers out	(24,300,000)	(43,600,000)
Total other financial sources (uses)	<u>(24,300,000)</u>	<u>(43,600,000)</u>
Net change in fund balance	22,625,975	(2,664,627)
Fund balance, beginning of year	31,925,840	34,590,467
Fund balance, end of year	<u>\$ 54,551,815</u>	<u>\$ 31,925,840</u>

Horry County Schools**Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund**
For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 80,465,861	\$ 80,465,861	\$ 84,614,861	\$ 4,149,000
State sources	824,484	824,484	967,083	142,599
Total revenues	81,290,345	81,290,345	85,581,944	4,291,599
Expenditures				
Debt service	38,667,158	38,667,158	38,655,969	11,189
Total expenditures	38,667,158	38,667,158	38,655,969	11,189
Excess of revenues over expenditures	42,623,187	42,623,187	46,925,975	4,302,788
Other financing sources (uses)				
Interfund transfers from (to) other funds:				
Transfers out	(19,500,000)	(19,500,000)	(24,300,000)	(4,800,000)
Total other financial sources (uses)	(19,500,000)	(19,500,000)	(24,300,000)	(4,800,000)
Net change in fund balance	\$ 23,123,187	\$ 23,123,187	22,625,975	\$ (497,212)
Fund balance, beginning of year			31,925,840	
Fund balance, end of year			\$ 54,551,815	

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund****For the year ended June 30, 2018**

		Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
1000	Revenue from local sources			
1100	Taxes levied/assessed by the LEA			
1110	Ad valorem taxes - including delinquent	\$ 20,239,758	\$ 20,882,557	\$ 642,799
1140	Penalties & interest on taxes	181,530	179,360	(2,170)
1190	Other taxes (independent)	59,464,845	62,714,291	3,249,446
1200	Revenue from local governmental units other than LEAs			
1280	Revenue in lieu of taxes	460,471	503,581	43,110
1500	Earnings on investments			
1510	Interest on investments	119,257	335,072	215,815
	Total local sources	<u>80,465,861</u>	<u>84,614,861</u>	<u>4,149,000</u>
3000	Revenue from state sources			
3800	State revenue in lieu of taxes			
3820	Homestead Exemption	573,791	633,049	59,258
3830	Merchant's Inventory Tax	201,985	201,985	-
3840	Manufacturers Depreciation Reimbursement	20,361	20,266	(95)
3890	Other State Property Tax Revenues	28,347	111,783	83,436
	Total state sources	<u>824,484</u>	<u>967,083</u>	<u>142,599</u>
	Total revenue all sources	<u>81,290,345</u>	<u>85,581,944</u>	<u>4,291,599</u>
Expenditures				
500	Debt services			
610	Redemption of principal	17,815,000	17,815,000	-
620	Interest	20,831,602	20,831,600	2
690	Other objects	20,556	9,369	11,187
	Total debt services	<u>38,667,158</u>	<u>38,655,969</u>	<u>11,189</u>
	Total expenditures	<u>38,667,158</u>	<u>38,655,969</u>	<u>11,189</u>
Other financing uses				
	Interfund transfers to other funds			
424-710	Transfer to capital projects fund	(19,500,000)	(24,300,000)	(4,800,000)
	Total other financing uses	<u>(19,500,000)</u>	<u>(24,300,000)</u>	<u>(4,800,000)</u>
Excess of revenues over expenditures and other financing uses		<u>\$ 23,123,187</u>	22,625,975	<u>\$ (497,212)</u>
Fund balance, beginning of year			31,925,840	
Fund balance, end of year			<u>\$ 54,551,815</u>	

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for the receipt of proceeds from the sale of long-term general obligation bonds and other revenues for facilities acquisitions, construction and other capital outlay.

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Horry County Schools
Comparative Balance Sheets - Capital Projects Fund
As of June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	\$ 57,223,845	\$ 141,034,137
Accounts receivable	-	3,542
Total assets	<u>\$ 57,223,845</u>	<u>\$ 141,037,679</u>
Liabilities		
Accounts payable	\$ 9,555,285	\$ 16,744,742
Retainage payable	4,974,002	7,509,967
Total liabilities	<u>14,529,287</u>	<u>24,254,709</u>
Fund balances		
Restricted for capital projects	42,694,558	116,782,970
Total fund balances	<u>42,694,558</u>	<u>116,782,970</u>
Total liabilities and fund balances	<u>\$ 57,223,845</u>	<u>\$ 141,037,679</u>

Horry County Schools***Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance - Capital Projects Fund
For the years ended June 30, 2018 and 2017***

	2018	2017
Revenues		
Local sources	\$ 2,107,849	\$ 1,278,556
Intergovernmental revenue	621,531	1,564,188
State sources	375,000	-
Total revenues	<u>3,104,380</u>	<u>2,842,744</u>
Expenditures		
Instruction	960,985	279,699
Support services	10,508,396	5,606,676
Capital outlay	87,232,266	189,000,652
Total expenditures	<u>98,701,647</u>	<u>194,887,027</u>
Deficiency of revenues under expenditures	<u>(95,597,267)</u>	<u>(192,044,283)</u>
Other financing sources (uses)		
Sale of capital assets	5,000	-
Interfund transfers from (to) other funds:		
Transfer in	24,739,371	43,600,000
Transfer out	(3,235,516)	-
Total other financial sources (uses)	<u>21,508,855</u>	<u>43,600,000</u>
Net change in fund balance	(74,088,412)	(148,444,283)
Fund balance, beginning of year	<u>116,782,970</u>	<u>265,227,253</u>
Fund balance, end of year	<u><u>\$ 42,694,558</u></u>	<u><u>\$ 116,782,970</u></u>

Horry County Schools**Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund**
For the year ended June 30, 2018

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 326,679	\$ 1,935,146	\$ 2,107,849	\$ 172,703
Intergovernmental revenue	414,879	621,531	621,531	-
State sources	-	375,000	375,000	-
Total revenues	<u>741,558</u>	<u>2,931,677</u>	<u>3,104,380</u>	<u>172,703</u>
Expenditures				
Instruction	1,411,785	1,411,465	960,985	450,480
Support services	14,598,737	12,831,007	10,508,396	2,322,611
Capital outlay	114,697,596	113,230,130	87,232,266	25,997,864
Total expenditures	<u>130,708,118</u>	<u>127,472,602</u>	<u>98,701,647</u>	<u>28,770,955</u>
Deficiency of revenues under expenditures	<u>(129,966,560)</u>	<u>(124,540,925)</u>	<u>(95,597,267)</u>	<u>28,943,658</u>
Other financing sources (uses)				
Sale of capital assets	-	5,000	5,000	-
Transfer from general fund	-	439,371	439,371	-
Transfer from debt service fund	19,500,000	24,300,000	24,300,000	-
Transfer to food service fund	-	(3,235,516)	(3,235,516)	-
Total other financial sources (uses)	<u>19,500,000</u>	<u>21,508,855</u>	<u>21,508,855</u>	<u>-</u>
Net change in fund balance	<u><u>\$(110,466,560)</u></u>	<u><u>\$ (103,032,070)</u></u>	<u>(74,088,412)</u>	<u><u>\$ 28,943,658</u></u>
Fund balance, beginning of year			<u>116,782,970</u>	
Fund balance, end of year			<u><u>\$ 42,694,558</u></u>	

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Fund
For the year ended June 30, 2018**

		Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
1000	Revenue from local sources			
1500	Earnings on investments			
1510	Interest on investments	\$ 1,218,668	\$ 1,391,371	\$ 172,703
1900	Other revenue from local sources			
1990	Miscellaneous local revenue			
1993	Receipt of insurance proceeds	694,278	694,278	-
1999	Revenue from other local sources	22,200	22,200	-
	Total local sources	<u>1,935,146</u>	<u>2,107,849</u>	<u>172,703</u>
2000	Intergovernmental revenue			
2100	Payments from other governmental units	621,531	621,531	-
	Total intergovernmental revenue	<u>621,531</u>	<u>621,531</u>	<u>-</u>
3000	Revenue from state sources			
3900	Other state revenue			
3999	Revenue from other state sources	375,000	375,000	-
	Total intergovernmental revenue	<u>375,000</u>	<u>375,000</u>	<u>-</u>
	Total revenue all sources	<u>2,931,677</u>	<u>3,104,380</u>	<u>172,703</u>
Expenditures				
100	Instruction			
110	General instruction			
112	Primary programs			
400	Supplies and materials	111,465	338	111,127
113	Elementary programs			
300	Purchased services	200,000	67,077	132,923
400	Supplies and materials	900,000	893,570	6,430
500	Capital outlay	9,100,000	7,938,958	1,161,042
114	High school programs			
400	Supplies and materials	200,000	-	200,000
500	Capital outlay	750,000	609,752	140,248
	Total instruction	<u>11,261,465</u>	<u>9,509,695</u>	<u>1,751,770</u>
200	Support services			
210	Attendance and social work services			
213	Health services			
400	Supplies and materials	25,000	20,706	4,294
500	Capital outlay	10,000	8,410	1,590
220	Instructional staff services			
222	Library and media services			
400	Supplies and materials	40,000	34,954	5,046
500	Capital outlay	980,000	979,433	567
223	Supervision of special programs			
400	Supplies and materials	15,000	12,723	2,277
230	General administrative services			
233	School administration			
400	Supplies and materials	60,000	58,631	1,369
600	Other objects	500	116	384

Horry County Schools**Schedule of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Fund
For the year ended June 30, 2018**

		Budget	Actual	Variance Favorable (Unfavorable)
Expenditures, continued				
200	Support services, continued			
250	Finance and operations services			
252	Fiscal services			
400	Supplies and materials	40,000	39,988	12
253	Facilities acquisition and construction			
100	Salaries	1,525,200	1,174,729	350,471
200	Employee benefits	526,981	395,171	131,810
300	Purchased services	784,269	101,687	682,582
400	Supplies and materials	5,000,000	4,279,704	720,296
500	Capital outlay			
510	Land	12,032	9,043	2,989
520	Construction services	89,680,876	67,401,699	22,279,177
530	Improvements other than buildings	3,242,633	2,437,155	805,478
545	Technology, equipment and software	660,649	496,542	164,107
600	Other objects	2,500	2,231	269
254	Operation and maintenance of plant			
300	Purchased services	750,000	666,217	83,783
400	Supplies and materials	75,000	60,239	14,761
500	Capital outlay	5,000,000	4,258,747	741,253
255	Student transportation			
400	Supplies and materials	1,000	93	907
256	Food services			
300	Purchased services	150	119	31
400	Supplies and materials	49,072	49,071	1
257	Internal services			
100	Salaries	67,249	65,954	1,295
200	Employee benefits	17,847	17,779	68
258	Security			
400	Supplies and materials	73,756	9,519	64,237
500	Capital outlay	793,940	268,428	525,512
260	Central support services			
262	Planning			
100	Salaries	95,213	95,213	-
200	Employee benefits	32,270	32,048	222
266	Technology and data processing services			
300	Purchased services	750,000	607,660	142,340
400	Supplies and materials	2,750,000	2,653,299	96,701
500	Capital outlay	3,000,000	2,824,099	175,901
270	Support services pupil activity			
271	Pupil services activities			
400	Supplies and materials	150,000	130,545	19,455
	Total support services	116,211,137	89,191,952	27,019,185
	Total expenditures	127,472,602	98,701,647	28,770,955
Other financing sources (uses)				
5300	Sale of fixed assets	5,000	5,000	-
Interfund transfers, from (to) other funds				
5210	Transfer from general fund	439,371	439,371	-
5240	Transfer from debt service fund	24,300,000	24,300,000	-
425-710	Transfer to food service fund	(3,235,516)	(3,235,516)	-
	Total other financing sources (uses)	21,508,855	21,508,855	-
Excess/deficiency of revenues over expenditures		<u>\$ (103,032,070)</u>	<u>(74,088,412)</u>	<u>\$ 28,943,658</u>
Fund balance, beginning of year			116,782,970	
Fund balance, end of year			<u>\$ 42,694,558</u>	

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PROPRIETARY FUND TYPE

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

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Horry County Schools**Comparative Schedule of Net Position - Proprietary Fund - School Food Service****As of June 30, 2018 and 2017**

	2018	2017 (as restated)
Assets		
Current assets		
Cash and cash equivalents	\$ 7,367,256	\$ 6,353,318
Due from federal government	65,632	131,135
Inventories	381,421	312,707
Other receivables	80,964	44,587
Total current assets	<u>7,895,273</u>	<u>6,841,747</u>
Property and equipment, net	<u>4,820,202</u>	<u>1,805,947</u>
Total assets	<u>12,715,475</u>	<u>8,647,694</u>
Deferred outflows of resources		
Deferred outflows related to pensions	4,023,725	1,764,987
Deferred outflows related to OPEB	532,814	-
Total assets and deferred outflows of resources	<u>\$ 17,272,014</u>	<u>\$ 10,412,681</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 57,755	\$ 53,284
Accrued salaries	758,336	772,957
Accrued payroll related liabilities	411,785	405,392
Unearned revenue	187,169	189,156
Compensated absences payable	13,664	22,027
Total current liabilities	<u>1,428,709</u>	<u>1,442,816</u>
Non-current liabilities		
Compensated absences payable	24,137	25,540
Net pension liability	19,826,957	9,598,365
Net OPEB liability	14,488,691	15,028,724
Total non-current liabilities	<u>34,339,785</u>	<u>24,652,629</u>
Total liabilities	<u>35,768,494</u>	<u>26,095,445</u>
Deferred inflows of resources		
Deferred inflows related to pensions	1,252,838	(349,394)
Deferred inflows related to OPEB	1,369,849	-
Net position		
Investment in capital assets	4,820,202	1,805,947
Unrestricted	<u>(25,939,369)</u>	<u>(17,139,317)</u>
Total net position	<u>(21,119,167)</u>	<u>(15,333,370)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 17,272,014</u>	<u>\$ 10,412,681</u>

Horry County Schools**Comparative Schedule of Revenues, Expenses and Changes in Net Position - Proprietary Fund****- School Food Service****For the years ended June 30, 2018 and 2017**

	2018	2017 (as restated)
Operating revenues		
Meal sales	\$ 4,101,231	\$ 4,567,715
Other operating revenue	145,287	193,008
Total operating revenues	4,246,518	4,760,723
Operating Expenses		
Food Costs	8,395,154	8,349,651
Salaries	7,233,127	7,246,448
Employee Benefits	13,577,719	19,053,693
Purchased Services	93,576	92,789
Supplies and Materials	579,435	618,996
Other Objects	25,602	23,591
Intergovernmental	115,255	166,607
Depreciation	385,168	237,754
Total operating expenses	30,405,036	35,789,529
Operating loss	(26,158,518)	(31,028,806)
Non-operating revenues		
USDA reimbursements	15,956,527	14,716,800
USDA commodities	1,304,820	1,418,527
Other state aid	1,204	1,127
Total non-operating revenues	17,262,551	16,136,454
Loss before transfers	(8,895,967)	(14,892,352)
Transfers from (to) other funds		
Transfers in	3,922,522	713,671
Transfers out	(812,352)	(1,272,703)
Total transfers from (to) other funds	3,110,170	(559,032)
Change in net position	(5,785,797)	(15,451,384)
Net position, beginning	(15,333,370)	118,014
Net position - end of year	<u>\$ (21,119,167)</u>	<u>\$ (15,333,370)</u>

Horry County Schools**Schedule of Revenues, Expenses and Changes in Net Position - Proprietary Fund - School Food Service**
For the year ended June 30, 2018

		Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
1000	Revenue from local sources			
1500	Earnings on investments			
1510	Interest on investments	\$ 10,000	\$ 35,623	\$ 25,623
1600	Food services			
1610	Lunch sales to pupils	3,427,752	3,037,155	(390,597)
1620	Breakfast sales to pupils	18,550	6,160	(12,390)
1630	Special sales to pupils	1,011,036	569,272	(441,764)
1640	Lunch sales to adults	504,700	448,417	(56,283)
1650	Breakfast sales to adults	4,660	1,702	(2,958)
1660	Special sales to adults	67,600	38,525	(29,075)
1900	Other revenue from local sources			
1990	Miscellaneous local revenue			
1999	Revenue from other local sources	79,950	109,664	29,714
	Total revenue from local sources	5,124,248	4,246,518	(877,730)
3000	Revenue from state sources			
3100	Restricted state funding			
3140	School lunch			
3142	Program aid	16,845	1,204	(15,641)
	Total revenue from state sources	16,845	1,204	(15,641)
4000	Revenue from federal sources			
4800	USDA reimbursement			
4810	School lunch and after school snacks program	11,410,333	11,150,996	(259,337)
4830	School breakfast program	4,792,880	4,690,969	(101,911)
4880	Summer feeding programs (SFSP)	145,600.00	114,562	(31,038)
4900	Other federal sources			
4991	USDA commodities (food distribution program)	-	1,304,820	1,304,820
	Total revenue from federal sources	16,348,813	17,261,347	912,534
	Total revenues	21,489,906	21,509,069	19,163
Expenses				
250	Finance and operations services			
256	Food Services			
100	Salaries	7,568,280	7,207,763	360,517
140	Terminal leave	-	25,364	(25,364)
200	Employee benefits	3,983,529	13,577,719	(9,594,190)
300	Purchased services	142,550	93,576	48,974
400	Supplies and materials	9,295,643	8,974,589	321,054
500	Capital outlay	482,896	385,168	97,728
600	Other objects	32,000	25,602	6,398
	Total support services	21,504,898	30,289,781	(8,784,883)
400	Other Charges			
410	Intergovernmental expenditures			
416	LEA payments to public charter schools			
720	Transits	-	115,255	(115,255)
	Total intergovernmental expenditures	-	115,255	(115,255)
	Total expenses	21,504,898	30,405,036	(8,900,138)
Other financing sources (uses)				
Interfund transfers, from (to) other funds				
5210	Transfer from general fund	747,822	687,006	(60,816)
5250	Transfer from capital projects fund	-	3,235,516	3,235,516
432-791	Food service fund indirect costs	(732,830)	(812,352)	(79,522)
	Total other financing sources (uses)	14,992	3,110,170	3,095,178
	Decrease in net position	\$ -	(5,785,797)	\$ (5,785,797)
	Net position, beginning of year as originally stated		(304,646)	
	Restatement for GASB 75		(15,028,724)	
	Net position, beginning of year as restated		(15,333,370)	
	Net position, end of year		\$ (21,119,167)	

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

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FIDUCIARY FUND TYPES

Agency Funds

The Pupil Activity Fund is used to account for receipts and disbursements of monies from various student activity organizations. These organizations exist at the explicit approval, subject to revocation, of the School District's governing body. Since the Agency Fund is custodial, no fund balance exists.

The Federal Program Fund is used to account for unemployment benefits to claimants. To be a claimant, an individual must have been employed in the School District by a federal program, involved in this reserve fund.

Private Purpose Trust Funds

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

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

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Horry County Schools***Combining Statements of Fiduciary Assets, Liabilities and Net Position - Private Purpose Trust Funds******As of June 30, 2018***

	Education Endowment Fund	Scholarship Endowment Fund	Total
Assets			
Cash and cash equivalents	\$ 319	\$ 71,362	\$ 71,681
Investments	100,000	-	100,000
Total assets	<u>\$ 100,319</u>	<u>\$ 71,362</u>	<u>\$ 171,681</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net position			
Restricted net position	100,319	71,362	171,681
Total net position	<u>\$ 100,319</u>	<u>\$ 71,362</u>	<u>\$ 171,681</u>

Horry County Schools**Combining Statements of Changes in Fiduciary Net Position - Private Purpose Trust Funds****For the year ended June 30, 2018**

	Education Endowment Fund	Scholarship Endowment Fund	Total
Additions			
Revenue from local sources			
Earnings on investments	\$ 750	\$ 6,029	\$ 6,779
Other pupil activity income	-	7,674	7,674
Contributions and donations from private sources	-	44,198	44,198
Refund of prior year expenditures	-	1,750	1,750
Total additions	<u>750</u>	<u>59,651</u>	<u>60,401</u>
Deductions			
Scholarships Awarded	<u>500</u>	<u>52,299</u>	<u>52,799</u>
Total deductions	<u>500</u>	<u>52,299</u>	<u>52,799</u>
Change in net position	<u>250</u>	<u>7,352</u>	<u>7,602</u>
Total net position, beginning of year	<u>100,069</u>	<u>64,010</u>	<u>164,079</u>
Total net position, end of year	<u>\$ 100,319</u>	<u>\$ 71,362</u>	<u>\$ 171,681</u>

Horry County Schools**Statement of Changes in Fiduciary Assets, Liabilities, and Net Position - Private Purpose Trust Funds**
For the year ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash and cash equivalents	\$ 66,079	\$ 60,401	\$ 54,799	\$ 71,681
Investments	100,000	-	-	100,000
Total assets	<u>\$ 166,079</u>	<u>\$ 60,401</u>	<u>\$ 54,799</u>	<u>\$ 171,681</u>
Liabilities				
Accounts payable	\$ 2,000	\$ 52,799	\$ 54,799	\$ -
Total liabilities	<u>2,000</u>	<u>52,799</u>	<u>54,799</u>	<u>-</u>
Net position				
Restricted net position	164,079	60,401	52,799	171,681
Total net position	<u>\$ 164,079</u>	<u>\$ 60,401</u>	<u>\$ 52,799</u>	<u>\$ 171,681</u>

Horry County Schools***Comparative Schedule of Fiduciary Net Position - Education Endowment Fund - Private Purpose Trust Funds
As of June 30, 2018 and 2017***

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 319	\$ 69
Investments	<u>100,000</u>	<u>100,000</u>
Total assets	<u><u>100,319</u></u>	<u><u>100,069</u></u>
Liabilities		
Accounts payable	<u>-</u>	<u>-</u>
Total liabilities	<u><u>-</u></u>	<u><u>-</u></u>
Restricted net position		
Held in Trust for Individuals and Organizations	<u><u>\$ 100,319</u></u>	<u><u>\$ 100,069</u></u>

Horry County Schools**Comparative Schedule of Additions, Deductions and Changes in Fiduciary Net Position****- Education Endowment Fund - Private Purpose Trust Funds****For the years ended June 30, 2018 and 2017**

	2018	2017
Additions		
1000 Revenue from local sources		
1500 Earnings on investments		
1510 Interest on investments	\$ 750	\$ 375
1900 Other revenue from local sources		
1950 Refund of prior year expenditures	-	1,000
Total additions	<u>750</u>	<u>1,375</u>
Deductions		
200 Support Services		
270 Support services - pupil activity		
273 Trust and agency activities		
600 Other objects	500	2,000
Total deductions	<u>500</u>	<u>2,000</u>
Change in net position	<u>250</u>	<u>(625)</u>
Total net position, beginning of year	<u>100,069</u>	<u>100,694</u>
Total net position, end of year	<u><u>\$ 100,319</u></u>	<u><u>\$ 100,069</u></u>

Horry County Schools***Comparative Schedule of Fiduciary Net Position - Scholarship Endowment Fund - Private Purpose Trust Funds
As of June 30, 2018 and 2017***

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 71,362	\$ 66,010
Total assets	<u>71,362</u>	<u>66,010</u>
Liabilities		
Accounts payable	-	2,000
Total liabilities	<u>-</u>	<u>2,000</u>
Restricted net position		
Held in trust for individuals and organizations	<u>\$ 71,362</u>	<u>\$ 64,010</u>

Horry County Schools**Comparative Schedule of Additions, Deductions and Changes in Fiduciary Net Position****- Scholarship Endowment Fund - Private Purpose Trust Funds****For the years ended June 30, 2018 and 2017**

		<u>2018</u>	<u>2017</u>
Additions			
1000	Revenue from local sources		
1500	Earnings on investments		
1510	Interest on investments	\$ 6,029	\$ 896
1700	Pupil activities		
1790	Other pupil activity income	7,674	13,669
1900	Other revenue from local sources		
1920	Contributions and donations from private sources	44,198	41,736
1950	Refund of prior year's expenditures	1,750	-
	Total additions	<u>59,651</u>	<u>56,301</u>
Deductions			
200	Support Services		
270	Support services - pupil activity		
271	Pupil service activities		
300	Purchased services	453	-
400	Supplies and materials	996	101
600	Other objects	50,850	56,350
	Total deductions	<u>52,299</u>	<u>56,451</u>
	Change in net position	<u>7,352</u>	<u>(150)</u>
	Total net position, beginning of year	<u>64,010</u>	<u>64,160</u>
	Total net position, end of year	<u>\$ 71,362</u>	<u>\$ 64,010</u>

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Horry County Schools***Combining Statements of Fiduciary Assets and Liabilities - Agency Funds******As of June 30, 2018***

	Pupil Activity	Federal Program	Total
Assets			
Cash and cash equivalents	\$ 4,793,745	\$ 1,047,990	\$ 5,841,735
Other assets	134,375	-	134,375
Total assets	<u>\$ 4,928,120</u>	<u>\$ 1,047,990</u>	<u>\$ 5,976,110</u>
Liabilities			
Accounts payable	\$ 416,889	\$ -	\$ 416,889
Accrued liabilities	70,209	-	70,209
Due to other governments	-	1,047,990	1,047,990
Due to student organizations	4,441,022	-	4,441,022
Total liabilities	<u>\$ 4,928,120</u>	<u>\$ 1,047,990</u>	<u>\$ 5,976,110</u>

Horry County Schools***Combined Statement of Changes in Assets and Liabilities - Agency Funds
For the year ended June 30, 2018***

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash and cash equivalents	\$ 5,661,550	\$ 8,954,378	\$ 8,774,193	\$ 5,841,735
Other assets	78,187	134,375	78,187	134,375
Total assets	<u>\$ 5,739,737</u>	<u>\$ 9,088,753</u>	<u>\$ 8,852,380</u>	<u>\$ 5,976,110</u>
Liabilities				
Accounts payable	\$ 299,545	\$ 8,862,733	\$ 8,745,389	\$ 416,889
Accrued liabilities	40,127	70,209	40,127	70,209
Due to other governments	1,050,688	-	2,698	1,047,990
Due to student organizations	4,349,377	8,954,378	8,862,733	4,441,022
Total liabilities	<u>\$ 5,739,737</u>	<u>\$ 17,887,320</u>	<u>\$ 17,650,947</u>	<u>\$ 5,976,110</u>

Horry County Schools***Comparative Balance Sheets - Pupil Activity Fund - Agency Fund******As of June 30, 2018 and 2017***

	2018	2017
Assets		
Cash and cash equivalents	\$ 4,793,745	\$ 4,610,862
Other assets	134,375	78,187
Total assets	<u>\$ 4,928,120</u>	<u>\$ 4,689,049</u>
Liabilities		
Accounts payable	\$ 416,889	\$ 299,545
Accrued liabilities	70,209	40,127
Due to student organizations	4,441,022	4,349,377
Total liabilities	<u>\$ 4,928,120</u>	<u>\$ 4,689,049</u>

Horry County Schools***Schedule of Changes in Assets and Liabilities - Pupil Activity Fund - Agency Fund******For the year ended June 30, 2018***

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash and cash equivalents	\$ 4,610,862	\$ 8,954,378	\$ 8,771,495	\$ 4,793,745
Other assets	78,187	134,375	78,187	134,375
Total assets	<u>\$ 4,689,049</u>	<u>\$ 9,088,753</u>	<u>\$ 8,849,682</u>	<u>\$ 4,928,120</u>
Liabilities				
Accounts payable	\$ 299,545	\$ 8,862,733	\$ 8,745,389	\$ 416,889
Accrued liabilities	40,127	70,209	40,127	70,209
Due to student organizations	4,349,377	8,954,378	8,862,733	4,441,022
Total liabilities	<u>\$ 4,689,049</u>	<u>\$ 17,887,320</u>	<u>\$ 17,648,249</u>	<u>\$ 4,928,120</u>

Horry County Schools**Schedule of Receipts, Disbursements and Changes in Amounts Due to Student Organizations - Pupil Activity Fund - Agency Fund**
For the year ended June 30, 2018

		<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Receipts				
1000	Revenue from local sources			
1500	Earnings on investments			
1510	Interest on investments	\$ 9,713	\$ 28,528	\$ 18,815
1700	Pupil activities			
1710	Admissions	925,000	906,006	(18,994)
1720	Bookstore sales	293,982	144,987	(148,995)
1730	Pupil organization membership dues and fees	50,000	44,049	(5,951)
1740	Student fees	2,220	1,298	(922)
1790	Other pupil activity income	7,374,573	7,239,354	(135,219)
1900	Other revenue from local sources			
1910	Rentals	100,000	76,948	(23,052)
1920	Contributions and donations from private sources	179,394	155,688	(23,706)
1950	Refund of prior year's expenditures	-	89	89
1990	Miscellaneous local revenue			
1999	Reveue from other local sources	181,883	148,874	(33,009)
2000	Intergovernmental revenue			
2100	Payments from other governmental units	-	330	330
	Total receipts	<u>9,116,765</u>	<u>8,746,151</u>	<u>(370,614)</u>
Disbursements				
100	Instruction			
190	Instructional pupil activity			
100	Salaries	45,584	44,584	1,000
200	Employee benefits	7,780	7,780	-
300	Purchased services	-	118	(118)
400	Supplies and materials	9,310	9,192	118
500	Capital outlay	-	378	(378)
600	Other objects	723	344	379
	Total instruction	<u>63,397</u>	<u>62,396</u>	<u>1,001</u>
200	Support services			
258	Security			
100	Salaries	-	31,516	(31,516)
200	Employee benefits	-	8,005	(8,005)
300	Purchased services	-	81,996	(81,996)
270	Support services - pupil activity			
271	Pupil service activities			
100	Salaries	258,000	226,141	31,859
200	Employee benefits	93,239	63,844	29,395
300	Purchased services	920,000	832,503	87,497
400	Supplies and materials	3,350,000	3,253,840	96,160
500	Capital outlay	90,000	87,497	2,503
600	Other objects	4,250,000	4,214,995	35,005
	Total support services	<u>8,961,239</u>	<u>8,800,337</u>	<u>160,902</u>
	Total disbursements	<u>9,024,636</u>	<u>8,862,733</u>	<u>161,903</u>
Other financing sources (uses)				
5210	Transfer from general fund	128,250	208,227	79,977
	Total other financing sources (uses)	<u>128,250</u>	<u>208,227</u>	<u>79,977</u>
Excess of disbursements and other financing uses over receipts		<u>\$ 220,379</u>	91,645	<u>\$ (128,734)</u>
Due to Student Organizations, beginning of year			4,349,377	
Due to Student Organizations, end of year			<u>\$ 4,441,022</u>	

Horry County Schools***Comparative Balance Sheets - Federal Program - Agency Fund******As of June 30, 2018 and 2017***

	2018	2017
<i>Assets</i>		
Cash and cash equivalents	\$ 1,047,990	\$ 1,050,688
Total assets	<u>\$ 1,047,990</u>	<u>\$ 1,050,688</u>
<i>Liabilities</i>		
Due to other governments	\$ 1,047,990	\$ 1,050,688
Total liabilities	<u>\$ 1,047,990</u>	<u>\$ 1,050,688</u>

Horry County Schools***Schedule of Changes in Assets and Liabilities - Federal Program - Agency Fund******For the year ended June 30, 2018***

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash and cash equivalents	\$ 1,050,688	\$ -	\$ 2,698	\$ 1,047,990
Total assets	<u>\$ 1,050,688</u>	<u>\$ -</u>	<u>\$ 2,698</u>	<u>\$ 1,047,990</u>
Liabilities				
Due to other governments	\$ 1,050,688	\$ -	\$ 2,698	\$ 1,047,990
Total liabilities	<u>\$ 1,050,688</u>	<u>\$ -</u>	<u>\$ 2,698</u>	<u>\$ 1,047,990</u>

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COMPONENT UNITS:

WACCAMAW PARK PUBLIC CHARTER SCHOOL, INC.

PALMETTO ACADEMY OF LEARNING AND SUCCESS

ACADEMY OF HOPE, INC.

PALMETTO ACADEMY FOR LEARNING MOTORSPORTS

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Horry County Schools**Combining Schedule of Net Position - Charter Schools****As of June 30, 2018**

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Assets					
Cash and cash equivalents	\$ 166,735	\$ 703,494	\$ 124,627	\$ 213,000	\$ 1,207,856
Restricted cash	-	-	2,586	-	2,586
Other receivables	-	70,322	-	-	70,322
Prepaid and other	6,664	66,098	8,899	1,729	83,390
Due from other governmental units	6,764	22,191	68,464	-	97,419
Non-current assets, net	1,585,417	6,270,369	148,417	83,381	8,087,584
Total assets	1,765,580	7,132,474	352,993	298,110	9,549,157
Deferred outflows of resources					
Deferred outflows related to pensions	721,085	429,464	761,342	-	1,911,891
Deferred outflows related to OPEB	39,320	65,586	41,235	-	146,141
Total deferred outflows of resources	760,405	495,050	802,577	-	2,058,032
Liabilities					
Accounts payable and other liabilities	295,044	127,218	137,374	23,642	583,278
Due to other governmental units	-	-	35,440	-	35,440
Revenue received in advance	-	18,911	15,500	60,000	94,411
Non-current liabilities:					
Due within one year	79,248	-	19,398	15,893	114,539
Due in more than one year	1,377,948	6,813,455	55,271	208,960	8,455,634
Net pension liability	1,770,313	1,859,009	1,779,543	-	5,408,865
Net OPEB liability	1,280,800	1,934,203	1,305,722	-	4,520,725
Total liabilities	4,803,353	10,752,796	3,348,248	308,495	19,212,892
Deferred inflows of resources					
Deferred inflows related to pensions	199,538	397,681	209,854	-	807,073
Deferred inflows related to OPEB	121,091	182,866	123,466	-	427,423
Total deferred inflows of resources	320,629	580,547	333,320	-	1,234,496
Net position					
Net investment in capital assets	128,221	(543,086)	73,748	83,381	(257,736)
Restricted	-	-	2,586	-	2,586
Unrestricted	(2,726,218)	(3,162,733)	(2,602,332)	(93,766)	(8,585,049)
Total net position	\$ (2,597,997)	\$ (3,705,819)	\$ (2,525,998)	\$ (10,385)	\$ (8,840,199)

Horry County Schools**Combining Statement of Activities - Charter Schools****For the year ended June 30, 2018**

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
FUNCTIONS/PROGRAMS					
Governmental activities:					
Instruction:					
Expenses	\$ (962,878)	\$ (1,535,611)	\$ (1,094,006)	\$ (808,037)	\$ (4,400,532)
Revenues:					
Operating grants and contributions	1,611,212	2,574,713	1,561,600	1,562,669	7,310,194
Support services:					
Expenses	(776,543)	(1,284,333)	(926,749)	(784,845)	(3,772,470)
Interest and other charges	(85,757)	(612,747)	(3,619)	(12,781)	(714,904)
Total government activities	(213,966)	(857,978)	(462,774)	(42,994)	(1,577,712)
General revenues					
Miscellaneous revenues	80,359	279,608	24,890	103,521	488,378
Total general revenues	80,359	279,608	24,890	103,521	488,378
Change in Net Position	(133,607)	(578,370)	(437,884)	60,527	(1,089,334)
Net Position - Beginning as Originally Stated	(1,135,155)	(1,186,656)	(733,005)	(70,912)	(3,125,728)
Restatement for GASB 75	(1,329,235)	(1,940,793)	(1,355,109)	-	(4,625,137)
Net Position - Beginning as Restated	(2,464,390)	(3,127,449)	(2,088,114)	(70,912)	(7,750,865)
Net Position - Ending	<u>\$ (2,597,997)</u>	<u>\$ (3,705,819)</u>	<u>\$ (2,525,998)</u>	<u>\$ (10,385)</u>	<u>\$ (8,840,199)</u>

Horry County Schools**Combining Balance Sheets - Charter Schools - Governmental Fund****As of June 30, 2018**

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Assets					
Cash and cash equivalents	\$ 166,735	\$ 703,494	\$ 124,627	\$ 213,000	\$ 1,207,856
Restricted cash	-	-	2,586	-	2,586
Other receivables	-	70,322	-	-	70,322
Prepaid and other	6,664	66,098	8,899	1,729	83,390
Due from other funds	6,764	29,831	76,520	60,000	173,115
Due from other governmental units	6,764	22,191	68,464	-	97,419
Total assets	<u>\$ 186,927</u>	<u>\$ 891,936</u>	<u>\$ 281,096</u>	<u>\$ 274,729</u>	<u>\$ 1,634,688</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable and accrued liabilities	295,044	127,218	28,118	8,389	458,769
Accrued payroll related liabilities	-	-	109,256	15,253	124,509
Due to other funds	6,764	29,831	76,520	60,000	173,115
Due to other governmental units	-	-	35,440	-	35,440
Unearned revenue	-	18,911	15,500	60,000	94,411
Total liabilities	<u>301,808</u>	<u>175,960</u>	<u>264,834</u>	<u>143,642</u>	<u>886,244</u>
Fund balances					
Nonspendable	6,664	66,098	8,899	1,729	83,390
Restricted	-	-	2,586	-	2,586
Unassigned	(121,545)	649,878	4,777	129,358	662,468
Total fund balances	<u>(114,881)</u>	<u>715,976</u>	<u>16,262</u>	<u>131,087</u>	<u>748,444</u>
Total liabilities and fund balances	<u>\$ 186,927</u>	<u>\$ 891,936</u>	<u>\$ 281,096</u>	<u>\$ 274,729</u>	<u>\$ 1,634,688</u>

Horry County Schools*Combining Balance Sheets - Charter Schools - Governmental Fund**As of June 30, 2018*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Total governmental fund balances	\$ (114,881)	\$ 715,976	\$ 16,262	\$ 131,087	\$ 748,444
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets net of accumulated depreciation.					
	1,585,417	6,270,369	148,417	83,381	8,087,584
Some liabilities are not due and payable in the current period and are therefore not reported in the funds.					
Long-Term Debt	-	-	-	(199,797)	(199,797)
Notes Payable	(1,457,196)	-	(70,008)	-	(1,527,204)
Capital Leases	-	(6,813,455)	(4,661)	-	(6,818,116)
Accrued Interest	-	-	-	(25,056)	(25,056)
Net pension asset (liability)	436,170	(111,547)	457,133	-	781,756
Net OPEB liability	(118,890)	(179,542)	(43,300)	-	(341,732)
Contributions to the pension plan in the current fiscal year	85,377	143,330	94,335	-	323,042
Contributions to the OPEB plan in the current fiscal year	37,119	62,262	(38,911)	-	60,470
Pension Obligation	(1,770,313)	(1,859,009)	(1,779,543)	-	(5,408,865)
OPEB Obligation	(1,280,800)	(1,934,203)	(1,305,722)	-	(4,520,725)
Net Position (Deficit) - Governmental Activities	<u>\$ (2,597,997)</u>	<u>\$ (3,705,819)</u>	<u>\$ (2,525,998)</u>	<u>\$ (10,385)</u>	<u>\$ (8,840,199)</u>

Horry County Schools*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Governmental Funds**For the year ended June 30, 2018*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Revenues					
Local Sources	\$ 80,359	\$ 279,608	\$ 24,890	\$ 103,521	\$ 488,378
Intergovernmental	1,611,212	2,574,713	1,561,600	1,562,669	7,310,194
Total Revenues	1,691,571	2,854,321	1,586,490	1,666,190	7,798,572
Expenditures					
Instruction	840,371	1,519,274	836,666	794,304	3,990,615
Support Services	610,084	924,805	761,997	759,217	3,056,103
Capital Outlay	2,834	11,285	43,297	15,641	73,057
Debt Service	172,488	630,392	19,978	49,606	872,464
Total Expenditures	1,625,777	3,085,756	1,661,938	1,618,768	7,992,239
Excess (Deficiency) of Revenues Over (Under) Expenditures	65,794	(231,435)	(75,448)	47,422	(193,667)
Net Change in Fund Balance	65,794	(231,435)	(75,448)	47,422	(193,667)
Fund Balance - Beginning	(180,675)	947,411	91,710	83,665	942,111
Fund Balance - Ending	<u>\$ (114,881)</u>	<u>\$ 715,976</u>	<u>\$ 16,262</u>	<u>\$ 131,087</u>	<u>\$ 748,444</u>
Net Change in Fund Balance - Governmental Funds	\$ 65,794	\$ (231,435)	\$ (75,448)	\$ 47,422	\$ (193,667)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:					
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the period.	(122,603)	(336,906)	4,566	(22,302)	(477,245)
Proceeds from the issuance of notes payable are treated as revenue in the governmental funds but the proceeds increase long-term liabilities in the Statement of Activities. These proceeds have been reduced by principal payments made against the outstanding debt.	-	17,645	-	-	17,645
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as it accrues, regardless of when it is due. Accrued interest increased by this amount during the year.	-	-	-	(1,418)	(1,418)
Payments on debt is treated as an expenditure in the governmental funds but the proceeds increase long-term liabilities in the Statement of Activities.	86,731	-	-	36,825	123,556
Principal payments made against outstanding capital leases are treated as expenditures in the governmental funds, but payments decrease long-term liabilities in the Statement of Activities.	-	-	18,567	-	18,567
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	85,377	143,330	94,335	-	323,042
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	37,119	62,262	38,991	-	138,372
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.					
School's portion of pension expense	(215,570)	(106,244)	(447,080)	-	(768,894)
School's portion of OPEB expense	(70,455)	(127,022)	(71,815)	-	(269,292)
Change in Net Position of Governmental Activities	<u>\$ (133,607)</u>	<u>\$ (578,370)</u>	<u>\$ (437,884)</u>	<u>\$ 60,527</u>	<u>\$ (1,089,334)</u>

Horry County Schools**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund****For the year ended June 30, 2018**

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Revenues:					
Revenue from Local Sources:					
1500 Earnings from Investments:					
1510 Interest on Investments	\$ 58	\$ 487	\$ -	\$ -	\$ 545
1520 Dividends on investments	-	-	-	294	294
1700 Student Activities:					
1730 Pupil Organization Membership Dues and Fees	-	5,377	170	-	5,547
1740 Student Fees	10,808	1,582	909	-	13,299
1790 Other	42,534	79,833	14,586	11,934	148,887
1900 Other Revenue from Local Sources:					
1910 Rentals	-	85,396	4,400	-	89,796
1920 Contributions & Donations from Private Sources	13,030	1,634	1,403	51,444	67,511
1999 Revenue from Other Local Sources	7,949	39,933	2,499	-	50,381
Total Revenue from Local Sources	74,379	214,242	23,967	63,672	376,260
Revenues from State Sources:					
3300 Education Finance Act:					
3310 Full-Time Programs					
3311 Kindergarten	113,639	203,407	78,468	-	395,514
3312 Primary	299,206	651,803	224,357	-	1,175,366
3313 Elementary	463,886	1,009,732	328,917	-	1,802,535
3314 High School	-	-	-	13,141	13,141
3316 Speech Handicapped (Part-time)	118,089	120,622	69,961	-	308,672
3320 Part-Time Programs					
3322 Educable Mentally Handicapped	-	-	11,046	35,124	46,170
3323 Learning Disabilities	114,993	53,023	177,627	430,921	776,564
3324 Hearing Handicapped	-	16,316	-	-	16,316
3327 Vocational	-	-	-	633,055	633,055
3330 Miscellaneous EFA Pograms					
3331 Autism	37,852	16,316	4,895	31,000	90,063
3332 High Achieving	10,570	63,898	6,295	352	81,115
3334 Limited English Proficiency	15,414	11,427	1,359	444	28,644
3351 Academic Assistance	54,289	71,659	53,080	46,652	225,680
3352 Pupils in Poverty	174,584	206,073	135,363	123,974	639,994
Total Revenue from State Sources	1,402,522	2,424,276	1,091,368	1,314,663	6,232,829
Total Revenue from All Sources	1,476,901	2,638,518	1,115,335	1,378,335	6,609,089

Horry County Schools*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund**For the year ended June 30, 2018*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures					
100 Instruction:					
110 General Instruction:					
111 Kindergarten Programs:					
100 Salaries	54,369	77,032	53,843	-	185,244
200 Employee Benefits	14,909	21,016	32,410	-	68,335
400 Supplies and Materials	4,039	1,444	-	-	5,483
112 Primary Programs:					
100 Salaries	163,466	165,349	167,717	-	496,532
200 Employee Benefits	44,539	56,157	71,819	-	172,515
400 Supplies and Materials	-	550	26	-	576
113 Elementary Programs:					
100 Salaries	168,126	554,121	111,364	-	833,611
200 Employee Benefits	117,630	301,016	59,315	-	477,961
300 Purchased Services	92	1,250	-	-	1,342
400 Supplies and Materials	2,054	13,555	6,480	-	22,089
114 High School Programs:					
100 Salaries	5,750	-	-	409,755	415,505
200 Employee Benefits	-	-	-	98,387	98,387
300 Purchased Services	-	-	-	4,918	4,918
400 Supplies and Materials	-	-	-	7,630	7,630
115 Career and Technology Education Programs:					
400 Supplies and Materials	-	-	-	44,502	44,502
120 Exceptional Programs:					
126 Speech Handicapped:					
300 Purchased Services	-	15,505	4,893	-	20,398
127 Learning Disabilities:					
100 Salaries	40,323	15,630	23,521	36,047	115,521
200 Employee Benefits	27,229	10,879	8,124	12,890	59,122
300 Purchased Services	6,848	-	-	-	6,848
400 Supplies and Materials	-	130	-	-	130
140 Special Programs:					
141 Gifted and Talented Academic:					
100 Salaries	-	32,306	-	-	32,306
200 Employee Benefits	-	8,687	-	-	8,687
149 Other Special Programs:					
100 Salaries	1,523	-	-	-	1,523

Horry County Schools*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund**For the year ended June 30, 2018*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures, continued					
100 Instruction, continued:					
170 Summer School Programs:					
175 Instructional Programs Beyond Regular School Day:					
100 Salaries	6,432	-	1,580	-	8,012
200 Employee Benefits	478	-	-	-	478
190 Instructional Pupil Activity					
100 Salaries	-	-	3,595	-	3,595
200 Employee Benefits	-	-	133	-	133
300 Purchased Services	-	53	-	-	53
400 Supplies and Materials	-	11,889	6,734	-	18,623
600 Pupil Activity	-	83,573	-	-	83,573
Total Instruction	657,807	1,370,142	551,554	614,129	3,193,632
200 Support Services:					
210 Pupil Services:					
212 Guidance Services:					
100 Salaries	-	-	52,701	20,800	73,501
200 Employee Benefits	-	-	20,964	2,621	23,585
213 Health Services:					
100 Salaries	-	-	-	38,000	38,000
200 Employee Benefits	-	-	-	9,029	9,029
400 Supplies and Materials	-	66	31	1,722	1,819
214 Psychological Services:					
100 Salaries	-	-	-	16,239	16,239
200 Employee Benefits	-	-	-	7,221	7,221
300 Purchased Services	850	-	-	-	850
215 Exceptional Program Services:					
100 Salaries	-	-	-	6,030	6,030
200 Employee Benefits	-	-	-	1,890	1,890
300 Purchased Services	-	17,400	-	-	17,400
220 Instructional Staff Services:					
221 Improvement of Instruction Curriculum Development					
100 Salaries	-	-	202	13,867	14,069
200 Employee Benefits	-	-	3,241	1,987	5,228
300 Purchased Services	-	-	230	-	230
224 Improvement of Instruction - In-Service and Staff Training:					
300 Purchased Services	842	-	607	6,592	8,041

Horry County Schools*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund**For the year ended June 30, 2018*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures, continued					
200 Support Services, continued:					
230 General Administrative Services:					
231 Board of Education:					
300 Purchased Services	-	-	-	924	924
318 Audit Services	21,790	20,850	20,700	20,650	83,990
319 Legal Services	-	1,500	-	-	1,500
400 Supplies and Materials	909	-	-	117	1,026
600 Other Objects	-	30,089	2,548	9,815	42,452
233 School Administration:					
100 Salaries	168,910	205,848	109,281	210,659	694,698
200 Employee Benefits	67,165	87,758	39,645	34,811	229,379
300 Purchased Services	11,169	16,280	6,061	255	33,765
400 Supplies and Materials	6,422	34,638	3,956	5,917	50,933
500 Capital Outlay	2,315	6,287	-	-	8,602
250 Finance and Operations Services:					
252 Fiscal Services:					
200 Employee Benefits	19,279	-	-	-	19,279
300 Purchased Services	12,193	52,783	42,347	19,694	127,017
600 Other Objects	-	1,350	1,495	8,955	11,800
254 Operation and Maintenance of Plant:					
100 Salaries	1,412	14,306	20,857	25,000	61,575
200 Employee Benefits	145	3,805	2,877	7,187	14,014
300 Purchased Services	110,232	97,322	117,672	124,113	449,339
321 Public Utilities	-	-	2,189	486	2,675
400 Supplies and Materials	9,999	41,635	13,657	4,208	69,499
470 Energy	48,672	107,938	30,810	35,105	222,525
500 Capital Outlay	519	-	43,297	-	43,816
600 Other Objects	5,068	-	-	-	5,068
255 Student Transportation (State Mandated):					
100 Salaries	-	2,100	25,250	-	27,350
200 Employee Benefits	-	185	2,326	-	2,511
300 Purchased Services	-	979	12,842	1,375	15,196
400 Supplies and Materials	-	521	12,636	-	13,157

Horry County Schools*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - General Fund**For the year ended June 30, 2018*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures, continued					
200 Support Services, continued:					
256 Food Services:					
100 Salaries	1,717	-	-	-	1,717
200 Employee Benefits	468	-	-	-	468
400 Supplies and Materials	3,986	-	474	-	4,460
258 Security:					
300 Purchased Services	11,551	2,797	-	3,750	18,098
500 Capital Outlay	-	2,731	-	-	2,731
260 Central Support Services:					
263 Information Services:					
300 Purchased Services	315	874	2,676	11,470	15,335
400 Supplies and Materials	-	1,515	-	-	1,515
266 Technology and Data Processing Services:					
300 Purchased Services	848	-	-	12,117	12,965
270 Support Services Pupil Activity:					
271 Pupil Services Activities:					
300 Purchased Services	4,363	1,631	120	-	6,114
400 Supplies and Materials	5,864	6,525	178	3,373	15,940
600 Other Objects	28,196	1,344	6,687	8,260	44,487
Total - Support Services	545,199	761,057	598,557	674,239	2,579,052
500 Debt Service:					
610 Redemption of Principal	86,731	-	16,359	36,825	139,915
620 Interest	85,757	612,383	3,619	12,781	714,540
Total Debt Service	172,488	612,383	19,978	49,606	854,455
Total Expenditures	1,375,494	2,743,582	1,170,089	1,337,974	6,627,139
Other Financing Sources (Uses)					
5220 Transfer from Special Revenue Fund	-	-	-	7,061	7,061
421-710 Transfer to Special Revenue Fund	(35,613)	(126,371)	(20,694)	-	(182,678)
Total Other Financing Sources (Uses)	(35,613)	(126,371)	(20,694)	7,061	(175,617)
Changes in Fund Balance	65,794	(231,435)	(75,448)	47,422	(193,667)
Fund Balance (Deficit) - July 1, 2017	(180,675)	947,411	91,710	83,665	942,111
Fund Balance (Deficit) - June 30, 2018	<u>\$ (114,881)</u>	<u>\$ 715,976</u>	<u>\$ 16,262</u>	<u>\$ 131,087</u>	<u>\$ 748,444</u>

Horry County Schools

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Special Projects Fund
For the year ended June 30, 2018

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Revenues:					
Revenue from Local Sources:					
1600 Food Services:					
1610 Lunch Sales to Pupils	\$ 5,980	\$ 65,366	\$ 923	\$ 39,849	\$ 112,118
Total Local Sources	<u>5,980</u>	<u>65,366</u>	<u>923</u>	<u>39,849</u>	<u>112,118</u>
Revenues from State Sources:					
3100 Restricted State Funding:					
3120 General Education					
3127 Student Health and Fitness - PE Teachers	2,145	4,188	1,751	-	8,084
3130 Special Programs					
3134 CDEP Expansion	-	-	2,157	-	2,157
Total State Sources	<u>2,145</u>	<u>4,188</u>	<u>3,908</u>	<u>-</u>	<u>10,241</u>
Revenues from Federal Sources:					
4200 Occupational Education:					
4210 Perkins Aid, Title I - Career and Technical Education					
Basic Grants to State	-	-	-	9,288	9,288
4300 Elementary & Secondary Education Act of 1965 (ESEA):					
4310 Title 1, Basic State Grant Programs	82,054	-	105,483	110,388	297,925
4325 Mathematics and Science Partnerships Program, Title II	3,668	-	-	-	3,668
4342 Title II Teacher Advancement Program (TAP)	-	-	-	572	572
4351 Improving Teacher Quality	-	-	4,037	-	4,037
4500 Programs for Children with Disabilities:					
4510 Individuals with Disabilities Act (IDEA)	29,747	22,191	30,632	57,855	140,425
4800 USDA Reimbursement:					
4810 School Lunch and After School Snacks Program	12,284	-	66,631	-	78,915
4830 School Breakfast Program	5,517	-	31,348	-	36,865
Total Federal Sources	<u>133,270</u>	<u>22,191</u>	<u>238,131</u>	<u>178,103</u>	<u>571,695</u>
Total Revenue - All Sources	<u>141,395</u>	<u>91,745</u>	<u>242,962</u>	<u>217,952</u>	<u>694,054</u>

Horry County Schools*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Special Projects Fund**For the year ended June 30, 2018*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures					
100 Instruction:					
110 General Instruction:					
111 Kindergarten Programs:					
400 Supplies and Materials	12,421	-	-	-	12,421
112 Primary Programs:					
100 Salaries	-	-	48,618	-	48,618
200 Employee Benefits	-	-	10,961	-	10,961
113 Elementary Programs:					
100 Salaries	57,145	4,188	22,136	-	83,469
200 Employee Benefits	14,594	-	5,237	-	19,831
400 Supplies and Materials	-	-	17,402	-	17,402
114 High School Programs:					
100 Salaries	-	-	-	40,075	40,075
200 Employee Benefits	-	-	-	5,377	5,377
400 Supplies and Materials	-	-	-	10,878	10,878
115 Career and Technology Education Programs:					
100 Salaries	-	-	-	1,923	1,923
200 Employee Benefits	-	-	-	383	383
500 Capital Outlay	-	-	-	9,288	9,288
120 Exceptional Programs:					
126 Speech Handicapped:					
300 Purchased Services	-	-	3,462	-	3,462
127 Learning Disabilities:					
100 Salaries	29,747	22,191	29,279	45,000	126,217
200 Employee Benefits	-	-	771	8,265	9,036
400 Supplies and Materials	-	-	-	4,590	4,590
500 Capital Outlay	-	-	-	3,466	3,466
140 Special Programs:					
147 Full Day 4K:					
100 Salaries	-	-	2,157	-	2,157
Total - Instruction	113,907	26,379	140,023	129,245	409,554

Horry County Schools

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Special Projects Fund
For the year ended June 30, 2018

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures, continued					
200 Support Services:					
210 Pupil Services:					
215 Exceptional Program Services:					
100 Salaries	-	-	-	13,444	13,444
200 Employee Benefits	-	-	-	4,659	4,659
220 Instructional Staff Services:					
221 Improvement of Instruction Curriculum Development:					
100 Salaries	-	-	-	15,208	15,208
200 Employee Benefits	-	-	-	3,858	3,858
224 Improvement of Instruction - In-Service and Staff Training:					
300 Purchased Services	3,668	180	3,000	514	7,362
230 General Administrative Services:					
233 School Administration:					
100 Salaries	-	-	-	9,788	9,788
200 Employee Benefits	-	-	-	1,329	1,329
300 Purchased Services	-	-	110	58	168
400 Supplies and Materials	39	-	-	-	39
250 Finance and Operations Services:					
254 Operation and Maintenance of Plant:					
100 Salaries	-	-	1,037	-	1,037
256 Food Service:					
100 Salaries	24,010	26,254	35,505	-	85,769
200 Employee Benefits	2,436	7,104	12,903	-	22,443
300 Purchased Services	525	-	-	-	525
400 Supplies and Materials	32,423	137,923	71,078	32,788	274,212
500 Capital Outlay	-	2,267	-	-	2,267
Total - Support Services	63,101	173,728	123,633	81,646	442,108
500 Debt Service:					
610 Redemption of Principal	-	17,645	-	-	17,645
620 Interest	-	364	-	-	364
Total - Debt Service	-	18,009	-	-	18,009
Total Expenditures	177,008	218,116	263,656	210,891	869,671
Other Financing Sources (Uses)					
5210 Transfer from General Fund	35,613	126,371	20,694	-	182,678
420-710 Transfer to General Fund	-	-	-	(7,061)	(7,061)
Total Other Financing Sources (Uses)	35,613	126,371	20,694	(7,061)	175,617
Excess/(Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balance, July 1, 2017	-	-	-	-	-
Fund Balance, June 30, 2018	\$ -	\$ -	\$ -	\$ -	\$ -

Horry County Schools

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Education Improvement Act
For the year ended June 30, 2018

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Revenues:					
Revenues from State Sources:					
3500 Education Improvement Act:					
3507 Aid to Districts - Technology	\$ 2,943	\$ -	\$ -	\$ 2,257	\$ 5,200
3511 Professional Development	1,444	2,792	1,041	1,107	6,384
3518 Formative Assessment	777	1,503	594	596	3,470
3526 Refurbishment of K-8 Science Kits	706	1,365	-	-	2,071
3532 National Board Certification (NBC) Salary Supplement	9,503	9,503	-	-	19,006
3535 Reading Coaches	-	-	63,079	-	63,079
3538 Students at Risk of School Failure	21,229	28,021	20,756	18,242	88,248
3541 Child Development Education Program	-	-	85,774	-	85,774
3550 Teacher Salary Increase	23,540	54,151	20,800	33,093	131,584
3555 School Employer Contributions	6,287	14,464	5,556	8,839	35,146
3558 Reading	702	1,357	536	538	3,133
3577 Teacher Supplies	3,300	5,775	3,850	2,750	15,675
3578 High Schools That Work/Making Middle Grades Work	-	-	9,577	-	9,577
3581 Student Health and Fitness - Nurses	-	-	14,604	-	14,604
3595 EEDA - Supplies and Materials - Career Awareness	193	-	-	448	641
3597 Aid to Districts	2,651	5,127	2,026	2,033	11,837
Total State Sources	73,275	124,058	228,193	69,903	495,429
Total Revenue - All Sources	73,275	124,058	228,193	69,903	495,429

Horry County Schools*Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Education Improvement Act**For the year ended June 30, 2018*

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures:					
100 Instruction:					
110 General Instruction:					
111 Kindergarten Programs:					
100 Salaries	-	5,127	-	-	5,127
400 Supplies and Materials	777	-	-	-	777
112 Primary Programs:					
100 Salaries	-	83,528	-	-	83,528
113 Elementary Programs:					
100 Salaries	46,606	8,988	49,315	-	104,909
200 Employee Benefits	13,953	16,467	5,556	-	35,976
400 Supplies and Materials	4,670	8,643	4,444	-	17,757
114 High School Programs:					
100 Salaries	-	-	-	51,873	51,873
200 Employee Benefits	-	-	-	8,839	8,839
300 Purchased Services	-	-	-	222	222
400 Supplies and Materials	-	-	-	2,750	2,750
115 Career and Technology Education Programs:					
500 Capital Outlay	-	-	-	2,887	2,887
120 Exceptional Programs:					
127 Learning Disabilities:					
300 Purchased Services	2,651	-	-	-	2,651
140 Special Programs:					
147 Full Day 4K:					
100 Salaries	-	-	57,484	-	57,484
200 Employee Benefits	-	-	28,290	-	28,290
Total - Instruction	68,657	122,753	145,089	66,571	403,070

Horry County Schools

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Charter Schools - Education Improvement Act
For the year ended June 30, 2018

	Waccamaw Park Public Charter School, Inc.	Palmetto Academy of Learning and Success	Academy of Hope, Inc.	Palmetto Academy for Learning Motorsports	Component Units Totals
Expenditures, continued:					
200 Support Services:					
210 Pupil Services:					
212 Guidance Services:					
300 Purchased Services	-	-	-	181	181
213 Health Services:					
100 Salaries	-	-	13,500	-	13,500
200 Employee Benefits	-	-	1,104	-	1,104
220 Instructional Staff Services:					
221 Improvement of Instruction Curriculum and Development:					
100 Salaries	-	-	49,238	-	49,238
200 Employee Benefits	-	-	13,841	-	13,841
224 Improvement of Instruction - In-Service and Staff Training:					
300 Purchased Services	1,444	1,005	4,471	1,107	8,027
230 General Administrative Services:					
233 School Administration:					
300 Purchased Services	-	300	950	51	1,301
400 Supplies and Materials	193	-	-	323	516
260 Central Support Services:					
266 Technology and Data Processing Services:					
300 Purchased Services	2,944	-	-	1,403	4,347
270 Central Support Services:					
271 Pupil Service Activities					
300 Purchased Services	-	-	-	267	267
400 Supplies and Materials	37	-	-	-	37
Total - Support Services	<u>4,618</u>	<u>1,305</u>	<u>83,104</u>	<u>3,332</u>	<u>92,359</u>
Total Expenditures	<u>73,275</u>	<u>124,058</u>	<u>228,193</u>	<u>69,903</u>	<u>495,429</u>
Excess/(Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balance, July 1, 2017	-	-	-	-	-
Fund Balance, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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Horry County Schools

Detailed Schedule of Due to State Department of Education

As of June 30, 2018

Program	Revenue/ Subfund Code	Description	Total Due	Status of Amount Due to Grantors
Industry Certifications/Credentials	3528 / 2328	Unspent allocation	\$ 86,101	Repaid 9/21/18
National Board Salary Supplement	3532 / 2332	Unspent allocation	6,186	Repaid 9/30/18
Reading Coaches	3535 / 2335	Unspent allocation	17,097	Repaid 9/6/18
EEDA Supplies and Materials	3595 / 2395	Unspent allocation	64,897	Repaid 10/3/18
EEDA Career Specialists	3118 / 2928	Unspent allocation	160,244	Repaid 10/5/18
Student Health & Fitness - Nurses	3136 / 2936	Unspent allocation	27,191	Repaid 9/27/18
			<u>\$ 361,716</u>	

Horry County Schools**Location Reconciliation Schedule****For the year ended June 30, 2018**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
0001	Aynor High	High School	School	\$ 10,295,714
0002	North Myrtle Beach High	High School	School	19,988,209
0004	Conway High	High School	School	15,730,186
0006	Green Sea Floyds High	Middle-High School	School	9,268,198
0008	Loris High	High School	School	10,336,832
0010	Myrtle Beach High	High School	School	14,389,083
0011	Socastee High	High School	School	16,433,764
0013	Whittemore Park Middle	Middle School	School	9,404,652
0014	Aynor Elementary	Elementary School	School	9,276,989
0016	Myrtle Beach Middle	Middle School	School	20,539,148
0017	Conway Middle	Middle School	School	6,525,218
0021	Daisy Elementary	Elementary School	School	7,451,420
0023	Green Sea Floyds Elementary	Elementary School	School	6,612,848
0025	Homewood Elementary	Elementary School	School	6,964,227
0027	Loris Middle	Middle School	School	8,289,862
0028	Kingston Elementary	Elementary School	School	5,876,005
0029	Lakewood Elementary	Elementary School	School	9,206,644
0030	St. James Elementary	Elementary School	School	7,148,561
0032	Loris Elementary	Elementary School	School	8,837,353
0033	Midland Elementary	Elementary School	School	11,830,580
0034	Myrtle Beach Elementary	Elementary School	School	7,093,932
0035	Myrtle Beach Primary	Primary School	School	10,726,134
0036	Conway Elementary	Elementary School	School	7,077,288
0037	North Myrtle Beach Middle	Middle School	School	14,255,526
0039	Pee Dee Elementary	Elementary School	School	8,600,848
0042	Waccamaw Elementary	Elementary School	School	8,954,945
0045	South Conway Elementary	Elementary School	School	8,684,117
0046	Forestbrook Elementary	Elementary School	School	9,786,926
0047	St James Middle	Middle School	School	11,541,871
0049	Carolina Forest Elementary	Elementary School	School	11,017,443
0050	Seaside Elementary School	Elementary School	School	6,245,151
0051	Forestbrook Middle	Middle School	School	8,333,246
0052	Carolina Forest High	High School	School	20,559,402
0053	Myrtle Beach Intermediate	Elementary School	School	7,212,366
0054	Socastee Elementary	Elementary School	School	15,004,700
0056	Palmetto Bays Elementary	Elementary School	School	6,933,532
0057	Aynor Middle School	Middle School	School	7,674,709
0058	St. James High School	High School	School	16,345,165
0060	Ocean Bay Elementary School	Elementary School	School	7,525,233
0061	Ocean Bay Middle School	Middle School	School	5,669,909
0062	Black Water Middle School	Middle School	School	7,666,830
0063	Burgess Elementary School	Elementary School	School	6,898,695
0064	Early College High School	High School	School	4,158,554
0065	River Oaks Elementary School	Elementary School	School	9,668,209
0066	Ocean Drive Elementary	Elementary School	School	8,623,459
0067	Waterway Elementary	Elementary School	School	7,032,894
0068	Riverside Elementary	Elementary School	School	7,224,783
0069	Socastee Middle	Elementary School	School	22,411,364

Horry County Schools**Location Reconciliation Schedule****For the year ended June 30, 2018**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
0070	Ten Oaks Middle	Middle School	School	14,435,266
0071	St. James Intermediate	Middle School	School	13,901,371
0074	Myrtle Beach Elementary (Renovation)	Middle School	School	7,497,326
0096	Acad Arts Sci And Tech	High School	School	6,928,572
0098	Academy of Tech & Academics	High School	School	7,408,030
0172	Conway Education Center	Various	School	230,875
0173	Myrtle Beach Education Center	Various	School	113,528
0174	Saint Andrews	Various	School	143,462
0175	Chabad Academy	Various	Central	14,110
0176	Conway Alternative School	Various	School	4,048,907
0177	Loris Alternative School	Various	School	1,125
0178	CCU Scholars Academy	High School	School	2,064,245
0179	Bridgewater Academy	Charter School	Central	1,612,688
0180	Playcard Environmental	Various	School	147,630
0181	PALS	Charter School	Central	2,582,351
0182	Therapeutic Learning Center	Various	School	1,180,568
0183	Palmetto Acad for Learning MS	Charter School	Central	1,622,671
0184	Academy of Hope	Charter School	Central	1,525,270
0185	Saint Micheals	Various	School	21,356
0186	Holy Trinity Catholic School	Various	School	50,397
0188	Risen Christ Lutheran Church	Various	School	15,910
0189	Seacoast Youth Academy	Various	School	166,189
0190	Waccamaw Youth Center	Various	Central	25,631
0192	Sea Haven, Inc.	Various	Central	8,509
1100	Office Of Superintendent	Various	Central	467,531
1200	Board Of Education	Various	Central	646,455
1300	Policy & Legal	Various	Central	484,789
2100	Academics	Various	Central	5,220,839
3100	Support Services	Various	Central	5,685,849
4100	Fiscal Services	Various	Central	3,414,389
4600	Human Resources	Various	Central	2,709,446
4900	Debt Service	Various	Central	38,655,969
5100	Facilities Management	Various	Central	7,832,708
8100	Information & Accountability Services	Various	Central	4,967,680
9100	Instructional Support Services	Various	Central	4,868,037
Total expenditures for all funds				\$ 628,032,403

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

General Fund	\$ 393,887,773
Special Projects Fund	38,646,534
Education Improvement Act Fund	18,817,214
Debt Service	38,655,969
Capital Projects Fund	98,701,647
Proprietary Fund	30,405,036
Agency Funds	8,865,431
Trust and Other Private Purpose Funds	52,799
Total expenditures for all funds	\$ 628,032,403

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STATISTICAL SECTION

(Unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	182-186
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the School District's ability to generate its property taxes.	187-190
Debt Capacity	
These schedules present information to help the reader assess the affordability of the School District's current levels of understanding debt and the School District's ability to issue additional debt in the future.	191-195
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place and to help make comparisons over time and with other Districts.	196-198
Operating Information	
These schedules contain information about the School District's operations and resources to help the reader understand how the School District's financial information relates to the services the School District provides and the activities it performs.	199-202

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

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Table 1

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 126,186	\$ 165,674	\$ 195,460	\$ 233,111	\$ 268,586	\$ 286,007	\$ 308,891	\$ 140,200	\$ 315,403	\$ 404,743
Restricted	94,786	101,572	102,769	89,869	82,185	83,606	87,927	302,736	176,491	115,091
Unrestricted	63,460	60,803	72,512	82,353	86,608	90,920	(335,482) *	(328,140) *	(340,033) *	(786,720)
Total governmental activities net position	\$ 284,432	\$ 328,049	\$ 370,741	\$ 405,333	\$ 437,379	\$ 460,533	\$ 61,336	\$ 114,796	\$ 151,861 **	\$ (266,886)
Business-type activities										
Net investment in capital assets	\$ 2,711	\$ 2,525	\$ 2,341	\$ 2,347	\$ 2,286	\$ 2,310	\$ 2,162	\$ 2,038	\$ 1,806	\$ 4,820
Unrestricted	2,457	3,228	3,684	4,162	4,302	4,251	(2,009) *	(1,920) *	(2,111) *	(25,939)
Total business-type activities net position	\$ 5,168	\$ 5,753	\$ 6,025	\$ 6,509	\$ 6,588	\$ 6,561	\$ 153	\$ 118	\$ (305) **	\$ (21,119)
Total primary government net position	\$ 289,600	\$ 333,802	\$ 376,766	\$ 411,842	\$ 443,967	\$ 467,094	\$ 61,489	\$ 114,914	\$ 151,556 **	\$ (288,005)
Component units										
Net investment in capital assets	\$ 172	\$ 181	\$ 413	\$ 505	\$ 411	\$ 465	\$ 604	\$ 507	\$ 97	\$ (258)
Restricted	-	-	-	-	-	8	9	7	5	3
Unrestricted	409	435	268	552	641	533	(2,391) *	(2,858) *	(3,228) *	(8,585)
Total component units net position (deficit)	\$ 581	\$ 616	\$ 681	\$ 1,057	\$ 1,052	\$ 1,006	\$ (1,778)	\$ (2,344)	\$ (3,126)	\$ (8,840)

* The change in unrestricted net position beginning in 2015 is due to the implementation of GASB Statement No. 68.

** The change in unrestricted net position in 2018 is due to the implementation of GASB Statement No. 75.

Table 2

Horry County Schools

Changes in Net Position

Last Ten Fiscal Years - Accrual Basis (Dollars in thousands)

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental activities										
Instructional services	\$ 234,511	\$ 236,394	\$ 236,524	\$ 251,284	\$ 256,028	\$ 267,754	\$ 273,224	\$ 276,465	\$ 299,279	\$ 321,479
Supporting services	130,780	127,351	128,715	133,424	140,253	152,291	155,900	157,822	168,860	185,218
Community services	1,087	1,218	961	943	956	1,000	1,285	1,344	1,491	1,963
Interest and other charges	21,042	19,980	17,516	14,182	13,646	15,908	13,707	9,406	14,272	17,446
Pupil activities	133	341	457	529	656	646	716	-	242	-
Total governmental activities expenses	387,553	385,284	384,173	400,362	411,539	437,599	444,832	445,037	484,144	526,106
Business-type activities:										
Food service	18,831	19,092	20,088	20,857	21,315	21,189	21,376	21,026	20,761	30,405
Total business-type activities expenses	18,831	19,092	20,088	20,857	21,315	21,189	21,376	21,026	20,761	30,405
Total primary government expenses	\$ 406,384	\$ 404,376	\$ 404,261	\$ 421,219	\$ 432,854	\$ 458,788	\$ 466,208	\$ 466,063	\$ 504,905	\$ 556,511
Program revenues:										
Governmental activities										
Charges for services:										
Instruction	\$ 86	\$ 94	\$ 117	\$ 114	\$ 116	\$ 43	\$ 36	\$ 611	\$ 827	\$ 562
Supporting services	3,696	3,530	3,567	3,627	3,547	3,862	3,389	-	-	-
Community services	-	-	-	-	-	-	-	151	75	73
Operating grants and contributions	123,701	112,481	121,586	132,408	137,520	147,407	156,393	171,374	186,359	202,062
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	127,483	116,105	125,270	136,149	141,183	151,312	159,818	172,136	187,261	202,697
Business-type activities										
Charges for services	5,933	5,357	5,259	5,272	5,068	5,033	4,824	4,381	4,568	4,101
Operating grants and contributions	12,425	14,023	15,056	15,726	16,044	15,559	16,422	16,455	16,136	17,263
Total business-type activities program revenues	18,358	19,380	20,315	20,998	21,112	20,592	21,246	20,836	20,704	21,364
Total primary government program revenues	\$ 145,841	\$ 135,485	\$ 145,585	\$ 157,147	\$ 162,295	\$ 171,904	\$ 181,064	\$ 192,972	\$ 207,965	\$ 224,061

Table 2

Horry County Schools

Changes in Net Position

Last Ten Fiscal Years - Accrual Basis (Dollars in thousands)

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (expense) revenue										
Governmental activities net (expense) revenue	\$ (260,070)	\$ (269,179)	\$ (258,903)	\$ (264,213)	\$ (270,356)	\$ (286,287)	\$ (285,014)	\$ (272,901)	\$ (296,883)	\$ (323,409)
Business-type activities net (expense) revenue	(473)	288	227	141	(203)	(597)	(130)	(190)	(57)	(9,041)
Total primary government (net expense)	(260,543)	(268,891)	(258,676)	(264,072)	(270,559)	(286,884)	(285,144)	(273,091)	(296,940)	(332,450)
General revenues and other:										
Governmental activities:										
Property taxes	\$ 237,110	\$ 265,424	\$ 254,328	\$ 251,240	\$ 253,568	\$ 259,884	\$ 262,613	\$ 272,056	\$ 278,248	\$ 277,205
State aid	45,150	46,155	46,367	47,045	48,496	49,642	51,292	52,369	52,829	54,063
Other	5,557	1,504	941	860	614	481	680	1,122	2,312	3,625
Transfers	(2,039)	(287)	(41)	(340)	(276)	(566)	(485)	813	559	(3,110)
Total general revenues and other	285,778	312,796	301,595	298,805	302,402	309,441	314,100	326,360	333,948	331,783
Change in net position, governmental activities	\$ 25,708	\$ 43,617	\$ 42,692	\$ 34,592	\$ 32,046	\$ 23,154	\$ 29,086	\$ 53,459	\$ 37,065	\$ 8,374
Business-type activities:										
Other	\$ 111	\$ 11	\$ 3	\$ 3	\$ 6	\$ 3	\$ 9	\$ 235	\$ 193	\$ 145
Transfers	2,039	287	41	340	276	566	485	(79)	(559)	3,110
Total general revenues and other	2,150	298	44	343	282	569	494	156	(366)	3,255
Change in net position, business-type activities	\$ 1,677	\$ 586	\$ 271	\$ 484	\$ 79	\$ (28)	\$ 364	\$ (34)	\$ (423)	\$ (5,786)
Primary government:										
Property taxes	\$ 237,110	\$ 265,424	\$ 254,328	\$ 251,240	\$ 253,568	\$ 259,884	\$ 262,613	\$ 272,056	\$ 278,248	\$ 277,205
State aid	45,150	46,155	46,367	47,045	48,496	49,642	51,292	52,369	52,829	54,063
Other	5,668	1,515	944	863	620	484	689	1,357	2,505	3,770
Transfers	-	-	-	-	-	-	-	734	-	-
Total general revenues and other	287,928	313,094	301,639	299,148	302,684	310,010	314,594	326,516	333,582	335,038
Change in net position, primary government	\$ 27,385	\$ 44,203	\$ 42,963	\$ 35,076	\$ 32,125	\$ 23,126	\$ 29,450	\$ 53,425	\$ 36,642	\$ 2,588
Total Component Units										
Total Expenses	\$ 1,280	\$ 1,340	\$ 2,620	\$ 4,068	\$ 5,194	\$ 6,912	\$ 7,076	\$ 8,054	\$ 8,673	\$ 8,888
Program Revenues:										
Charges for Services	70	73	55	54	58	-	-	-	-	-
Operating Grants and Contributions	15	13	2,548	4,067	5,126	6,473	7,015	6,987	7,466	7,310
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total program revenues	85	86	2,603	4,121	5,184	6,473	7,015	6,987	7,466	7,310
Net (expense) revenue	(1,195)	(1,254)	(17)	53	(10)	(439)	(61)	(1,067)	(1,207)	(1,578)
General revenues - state aid/grants (unrestricted)	1,298	1,289	77	294	126	394	442	501	425	489
Change in net position - component units	\$ 103	\$ 35	\$ 60	\$ 347	\$ 116	\$ (45)	\$ 381	\$ (566)	\$ (782)	\$ (1,089)

Source: Horry County Schools' Audit Reports

Table 3

Horry County Schools

Fund Balances, Governmental Funds

Last Ten Years - Modified Accrual Basis (Dollars in thousands)

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved	\$ 2,158	\$ 2,181	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved	53,610	49,529	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total general fund	55,768	51,710	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General fund**										
Non-spendable:										
Inventories	N/A	N/A	475	614	534	580	570	518	641	696
Prepaid Expenditures	N/A	N/A	1,941	2,154	5,491	1,946	1,896	1,987	2,454	2,877
Committed:										
10-15% Reserve	N/A	N/A	-	-	-	-	-	-	-	-
Assigned:										
Carryover School Budgets	N/A	N/A	433	502	420	552	495	497	525	567
Subsequent Year Expenditures	N/A	N/A	2,473	2,726	2,925	4,698	14,134	11,345	17,683	21,236
Encumbered Operating Expenditures	N/A	N/A	54	59	59	-	-	-	-	-
Unassigned	N/A	N/A	56,676	64,112	65,377	75,919	71,806	77,600	80,511	85,113
Total general fund	-	-	62,052	70,167	74,806	83,695	88,901	91,947	101,814	110,489
All other governmental funds										
Reserved	94,785	101,572	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total all other governmental funds	94,785	101,572	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All other governmental funds**										
Non-spendable	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 761,532	\$ 404	\$ 20
Restricted:										
Special Projects	N/A	N/A	1,496	-	-	-	-	677	1,385	1,682
Debt Service	N/A	N/A	48,212	32,355	27,229	25,080	24,318	34,590	31,926	54,552
Capital Projects	N/A	N/A	53,060	57,514	54,957	56,408	61,496	265,227	116,783	42,695
Total all other governmental funds	N/A	N/A	\$ 102,768	\$ 89,869	\$ 82,186	\$ 81,488	\$ 85,814	\$ 1,062,026	\$ 150,498	\$ 98,949

Notes: Modified accrual basis of accounting.

** The 2011 - 2015 fund balances for the General Fund and all other Governmental Funds are reported based on the requirements under GASBS 54.

The fund balances for years ended 2008-2010 are not reported under GASBS 54.

The District implemented GASB Statement 54 beginning July 1, 2010. As a result, this table presents new fund balance terminology information beginning with the fiscal year end June 30, 2011.

Table 4

Horry County Schools
Changes in Fund Balances, Governmental Funds
Last Ten Years - Modified Accrual Basis

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Local sources	\$ 241,909,038	\$ 271,599,226	\$ 260,378,440	\$ 257,295,873	\$ 261,628,826	\$ 269,272,250	\$ 268,240,809	\$ 279,013,531	\$ 288,560,731	\$ 294,870,019
Intergovernmental	20,745	66,970	101,110.00	284,647	225,530	98,407.00	36,536	1,651,625	1,688,098	737,500
State sources	141,094,942	120,888,530	126,255,717	146,966,230	158,030,653	169,692,055	178,626,061	187,206,318	200,571,651	225,123,941
Federal sources	25,922,814	35,353,050	39,757,221	29,463,176	24,212,242	23,696,383	25,912,165	26,800,598	29,830,964	28,208,037
Total revenue	408,947,539	427,907,776	426,492,488	434,009,926	444,097,251	462,759,095	472,815,571	494,672,072	520,651,444	548,939,497
Expenditures:										
Current:										
Instructional services	220,283,094	222,148,334	219,841,958	232,174,633	236,650,368	240,683,778	245,518,875	252,922,172	265,897,095	280,526,941
Support services	122,837,788	119,883,821	119,687,739	123,756,733	130,039,982	136,916,619	139,944,831	144,215,511	150,309,788	164,457,225
Community services	1,028,109	1,144,979	891,076	871,428	883,415	885,554	1,138,889	1,219,662	1,315,048	1,747,261
Pupil activities	-	-	456,962	528,974	656,605	646,784	715,943	-	242,068	-
Intergovernmental	2,511,608	1,951,639	3,365,840	4,659,258	5,625,885	7,137,197	7,874,729	8,221,998	7,924,685	11,422,585
Capital outlay	49,538,316	23,922,155	28,923,022	40,660,605	37,343,051	31,972,154	31,870,449	73,318,123	193,778,519	91,899,156
Debt Service:										
Principal	16,895,000	34,590,000	22,210,000	18,250,000	19,390,000	19,935,000	20,845,000	21,860,000	22,945,000	17,815,000
Interest and Legal Fees	21,678,643	21,153,094	19,976,914	17,768,555	16,419,252	16,064,806	15,708,756	14,162,896	19,689,855	20,840,969
Total expenditures	434,772,558	424,794,022	415,353,511	438,670,186	447,008,558	454,241,892	463,617,472	515,920,362	662,102,058	588,709,137
Excess (deficiency) of revenues over expenditures	(25,825,019)	3,113,754	11,138,977	(4,660,260)	(2,911,307)	8,517,203	9,198,099	(21,248,290)	(141,450,614)	(39,769,640)
Other financing sources (uses):										
Premium on bonds sold	3,080,032	6,492,467	9,867,454	7,559,556	1,399,317	-	23,080,290	41,113,039	-	-
General obligation bonds issued	15,100,000	-	-	-	-	-	-	197,780,000	-	-
Proceeds of refunding debt	-	43,330,000	54,965,000	59,455,000	14,745,000	-	143,780,000	-	-	-
Payment to refunded debt escrow agent	-	(49,646,378)	(64,662,177)	(66,817,219)	(16,026,573)	-	(166,352,383)	-	-	-
Sale of capital assets	11,832	66,980	269,318	18,874	25,376	240,239	150,850	29,883	-	5,000
Other financing sources	-	-	-	-	-	-	160,926	-	-	-
Transfers in	6,147,921	8,726,301	63,987,288	54,215,836	46,983,030	47,761,342	48,187,711	44,351,867	54,986,957	35,834,349
Transfers out	(8,319,839)	(9,354,198)	(64,028,004)	(54,555,763)	(47,258,901)	(48,327,433)	(48,672,830)	(43,538,901)	(54,427,925)	(38,944,519)
Total other financing sources (uses)	16,019,946	(384,828)	398,879	(123,716)	(132,751)	(325,852)	334,564	239,735,888	559,032	(3,105,170)
Change in fund balances	\$ (9,805,073)	\$ 2,728,926	\$ 11,537,856	\$ (4,783,976)	\$ (3,044,058)	\$ 8,191,351	\$ 9,532,663	\$ 218,487,598	\$ (140,891,582)	\$ (42,874,810)
Debt service as a percentage of non capital expenditures	10.0%	13.9%	10.9%	9.0%	8.7%	8.5%	8.5%	7.8%	8.9%	7.6%

Source: Horry County Schools' Audit Reports

Table 5

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

Fiscal Year Ended June 30,	Real Property		Personal Property		Total		Total Direct Rate **	Ratio of Total Assessed to Total Estimated Actual Value
	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated		
	Value	Value	Value	Value	Value	Value		
2009	\$ 1,663,986	\$ 29,383,533	\$ 306,600	\$ 5,414,103	\$ 1,970,586	\$ 34,797,636	143.3	5.66%
2010	1,703,167	30,216,061	303,012	5,375,767	2,006,179	35,591,828	139.3	5.64%
2011	1,753,786	31,504,581	275,204	4,943,697	2,028,990	36,448,278	132.2	5.57%
2012	1,766,947	31,844,873	277,771	5,006,139	2,044,718	36,851,012	130.2	5.55%
2013	1,764,836	31,878,821	289,034	5,220,918	2,053,870	37,099,739	130.2	5.54%
2014	1,780,231	32,189,061	304,251	5,501,283	2,084,482	37,690,344	130.2	5.53%
2015	1,710,319	30,622,912	386,683	6,923,480	2,097,002	37,546,392	133.1	5.59%
2016	1,746,474	31,610,130	361,462	6,542,245	2,107,936	38,152,375	133.1	5.53%
2017	1,794,535	32,602,762	381,119	6,924,096	2,175,654	39,526,858	133.1	5.50%
2018	1,854,839	33,961,085	374,627	6,859,215	2,229,466	40,820,300	133.1	5.46%

Source(s): Horry County Government

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

Table 6

Horry County Schools
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Jurisdiction	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>Direct Rates:</i>										
Horry County Schools										
General Fund	115.3	119.3	118.2	120.2	120.2	120.2	123.1	123.1	123.1	123.1
Debt Service	28.0	20.0	14.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Total	<u>143.3</u>	<u>139.3</u>	<u>132.2</u>	<u>130.2</u>	<u>130.2</u>	<u>130.2</u>	<u>133.1</u>	<u>133.1</u>	<u>133.1</u>	<u>133.1</u>
<i>Overlapping Rates:</i>										
Horry County	47.3	47.3	44.9	45.2	45.2	45.2	45.2	52.4	52.4	52.4
Town of Atlantic Beach	94.5	94.5	94.5	84.5	84.5	84.5	84.5	84.5	84.5	84.5
Town of Aynor	72.2	72.2	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8
Town of Briarcliffe Acres	55.6	55.6	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8
City of Conway	86.6	86.6	79.3	79.3	79.3	79.3	82.4	82.4	82.4	82.4
City of Loris	105.0	105.0	103.7	103.7	103.7	103.2	111.7	115.0	115.0	118.5
City of Myrtle Beach	64.4	64.4	66.1	66.1	66.1	66.1	74.5	74.5	77.5	77.5
City of North Myrtle Beach	32.2	32.2	32.0	38.0	38.0	38.0	39.3	39.3	41.3	41.3
Town of Surfside Beach	44.0	44.0	40.0	40.0	40.0	40.0	46.2	46.2	46.2	46.2

Source: Horry County Auditor

Table 7

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

Taxpayer	Fiscal Year Ended June 30, 2018 (b)			Fiscal Year Ended June 30, 2009 (a)		
	Taxable Assessed Value	Rank	Percent of Assessed Value to Total Assessed Value	Taxable Assessed Value	Rank	Percent of Assessed Value to Total Assessed Value
Burroughs & Chapin Inc	\$ 19,116,080	1	0.91%	\$ -		
Horry Electric Coop. Inc.	18,671,960	2	0.88%	16,590,635	2	0.84%
Lawyers Title Insurance Corp.	5,260,390	3	0.25%	6,420,732	5	0.33%
Bluegreen Vacations Unlimited, Inc.	5,212,970	4	0.25%	3,897,614	8	0.20%
South Carolina Electric & Gas	4,522,120	5	0.21%			
Marriott Ownership Resorts Inc.	4,068,990	6	0.19%			
Time Warner Cable Southeast LI	4,003,410	7	0.19%			
AVX Corporation	3,608,263	8	0.17%			
Ocean Lakes Family Campground	3,564,080	9	0.17%			
Wal-Mart Real Estate Business Trust	3,290,530	10	0.16%			
Myrtle Beach Farms/Burroughs & Chapin				26,877,387	1	1.36%
Horry Telephone Coop.				8,333,480	3	0.42%
Verizon				6,676,820	4	0.34%
Broadway at the Beach				4,542,776	6	0.23%
Anderson Ocean Club Dev., LLC				4,218,986	7	0.21%
Time Warner Ent. - Advance/Newhouse				3,570,240	9	0.18%
Dunes Village Properties, LLC				3,557,718	10	0.18%
Totals	<u>\$ 71,318,793</u>		<u>3.38%</u>	<u>\$ 84,686,388</u>		<u>4.29%</u>

Source: (a) 2009 Horry County Schools' CAFR

Table 8

Horry County Schools
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied For the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 224,010	\$ 213,578	95.34%	\$ 8,722	\$ 222,300	99.24%
2010	218,910	205,037	93.66%	9,911	214,948	98.19%
2011	210,897	201,815	95.69%	3,376	205,191	97.29%
2012	203,283	197,292	97.05%	4,537	201,829	99.28%
2013	205,857	198,715	96.53%	4,567	203,282	98.75%
2014	210,364	207,083	98.44%	2,646	209,729	99.70%
2015	209,106	205,538	98.29%	509	206,047	98.54%
2016	211,371	207,122	97.99%	2,163	209,285	99.01%
2017	217,694	213,523	98.08%	1,823	215,346	98.92%
2018	220,535	216,613	98.22%	-	216,613	98.22%

Source(s): Horry County Schools' audited financial statements and Horry County Treasurer

Horry County Schools
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years (Amounts expressed in thousands)

Fiscal Year	Total Outstanding	Less Debt Service	Net General Bonded Debt	Estimated Actual Value	Population	Ratio Bonded Debt to Estimated Actual Value	Bonded Debt Per Capita in Actual Dollars
2009	\$ 459,914	\$ 42,680	\$ 417,234	\$ 34,797,636	257	1.32%	\$ 1,790
2010	424,455	73,876	350,579	35,591,828	264	1.19%	1,608
2011	401,208	44,130	357,078	36,448,278	269	1.10%	1,491
2012	379,873	27,574	352,299	36,851,012	276	1.03%	1,376
2013	357,575	27,036	330,539	37,099,739	282	0.96%	1,268
2014	346,986	20,466	326,520	37,690,344	290	0.92%	1,197
2015	330,620	19,612	311,008	37,546,392	299	0.88%	1,106
2016	543,301	34,462	508,839	38,152,375	309	1.42%	1,758
2017	512,157	34,068	478,089	39,526,858	322	1.30%	1,591
2018	486,314	56,185	430,129	40,820,300	333	1.19%	1,460

Source(s): Horry County Government

Table 9

Horry County Schools
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (Amounts expressed in thousands)

Fiscal Year	General Obligation Bonds	Personal Income	Population	Ratio of O/S Debt to Personal Income	Bonded Debt per Capita In Actual Dollars
2009	\$ 459,914	\$ 7,678,701	257	5.99%	\$ 1,790
2010	424,455	7,550,055	264	5.62%	1,608
2011	401,208	7,849,294	269	5.11%	1,491
2012	379,873	8,417,316	276	4.51%	1,376
2013	357,575	8,753,093	282	4.09%	1,268
2014	346,986	9,260,979	290	3.75%	1,197
2015	330,620	9,810,655	299	3.37%	1,106
2016	543,301	10,457,110	309	5.20%	1,758
2017	512,157	Unavailable	322	Unavailable	1,591
2018	486,314	Unavailable	333	Unavailable	1,460

Note: Detail regarding the District's outstanding debt can be found in the notes to the financial statements

Source(s): Personal Income - County Population x Per Capita Personal Income (in thousands)
Population - Coastal Carolina University (2006-2009). Beginning 2010, US Census Bureau

Horry County Schools***Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total Governmental Expenditures******Last Ten Fiscal Years***

Fiscal Year	Principal	Interest and Fiscal Charges	Total	Total Governmental Expenditures	Ratio of Debt Service to Total Expenditures
2009	\$ 16,895,000	\$ 21,678,643	\$ 38,573,643	\$ 434,772,558	8.87%
2010	34,590,000	20,970,609	55,560,609	424,794,022	13.08%
2011	22,210,000	19,769,181	41,979,181	415,353,511	10.11%
2012	18,250,000	17,541,361	35,791,361	438,670,186	8.16%
2013	19,390,000	16,269,040	35,659,040	447,008,558	7.98%
2014	19,935,000	16,064,806	35,999,806	454,241,892	7.93%
2015	20,845,000	15,708,756	36,553,756	463,617,472	7.88%
2016	21,860,000	14,162,896	36,022,896	515,920,362	6.98%
2017	22,945,000	19,689,855	42,634,855	662,102,058	6.44%
2018	17,815,000	20,840,969	38,655,969	588,709,137	6.57%

Note: Total governmental expenditures represent total expenditures, excluding other financing sources (uses), for all governmental fund types: General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund.

Source(s): Horry County Schools' Auditor Reports.

Horry County Schools
Computation of Direct and Overlapping Debt
June 30, 2018 (Dollars in thousands)

Government	Total General Debt Outstanding	Percentage Applicable to School District*	School District's Share of Debt
Entity:			
Horry County Schools	\$ 426,745	100%	\$ 426,745
Direct Debt	426,745		426,745
Horry County Government	174,052	100%	174,052
City of Myrtle Beach	182,200	100%	182,200
City of Conway	5,760	100%	5,760
City of North Myrtle Beach	2,667	100%	2,667
City of Loris	363	100%	363
Town of Surfside Beach	231	100%	231
Total Overlapping Debt	365,273		365,273
Total Direct and Overlapping Debt	\$ 792,018		\$ 792,018

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

Debt outstanding includes capital leases for all entities.

Debt outstanding includes the net of unamortized premiums, discounts, and bond issuance costs.

Source(s): Finance Department of each entity

*Overlapping governments are those that coincide with the geographic boundaries of the County. The overlapping portion is calculated to be 100% since Horry County Schools is the only school district located within the geographic boundaries. This percentage represents the portion of burden the outstanding debt of those overlapping governments place on residents and businesses in Horry County. This process recognizes that when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

Table 11

Horry County Schools
Computation of Legal Debt Margin
Last Ten Fiscal Years - (Dollars in thousands)

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 158,990	\$ 160,862	\$ 164,213	\$ 166,459	\$ 166,313	\$ 164,364	\$ 167,760	\$ 168,635	\$ 168,615	\$ 178,357
Total net debt applicable to limit	42,265	20,200	13,435	9,160	5,620	4,355	3,035	125,000	125,000	125,000
Legal debt margin	<u>\$ 116,725</u>	<u>\$ 140,662</u>	<u>\$ 150,778</u>	<u>\$ 157,299</u>	<u>\$ 160,693</u>	<u>\$ 160,009</u>	<u>\$ 164,725</u>	<u>\$ 43,635</u>	<u>\$ 43,615</u>	<u>\$ 53,357</u>
Total net debt applicable to limit as a percentage of debt limit	26.58%	12.56%	8.18%	5.50%	3.38%	2.65%	1.81%	74.12%	74.13%	70.08%
<u>Legal debt margin calculation for fiscal year 2018</u>										
Assessed value	\$ 2,229,466									
Debt limit (8% of assessed value)	178,357									
Debt applicable to limit	(125,000)									
Legal debt margin	<u>\$ 53,357</u>									

Source(s): Horry County Schools' audit reports and Horry County Auditor and Assessor

Table 12

Horry County Schools*Demographic and Economic Statistics**Last Ten Calendar Years*

Fiscal Year Ended June 30,	Population (1)	Per Capita Income County (2)	Personal Income (3)	County Unemployment Rate (4)	School Enrollment (5)
2009	257,380	\$ 29,834	\$ 7,678,675	11.2%	37,392
2010	263,868	28,613	7,550,055	10.3%	37,421
2011	269,291	29,148	7,849,294	10.5%	37,927
2012	276,340	30,460	8,417,316	10.1%	38,464
2013	282,285	31,008	8,753,093	8.3%	39,321
2014	289,650	31,973	9,260,979	6.6%	40,256
2015	298,832	32,830	9,810,655	6.7%	41,195
2016	309,199	33,820	10,457,110	5.6%	42,174
2017	322,342	N/A	N/A	4.3%	42,912
2018	333,268	N/A	N/A	3.8%	43,706

Source(s):

- (1) Coastal Carolina University (2006 to 2009). Beginning 2010, U.S. Census Bureau
- (2) Bureau of Economic Analysis
- (3) County Population x Per Capita Personal Income (in thousands)
- (4) South Carolina Department of Employment and Workforce
- (5) Horry County Schools' 135-Day Average Daily Membership (based on fiscal year)

Table 13

Horry County Schools

Principal Employers

Current Year and Nine Years Prior

Employer	Fiscal Year Ended June 30, 2018			Fiscal Year Ended June 30, 2009		
	Approximate Numbers of Employees	Rank	Percentage of Total Employment	Approximate Numbers of Employees	Rank	Percentage of Total Employment
Horry County School District	5,861	1	3.83%	4,400	1	2.88%
Horry County Government	2,168	2	1.42%	2,019	3	1.32%
Wal-Mart	2,157	3	1.41%	2,100	2	1.37%
Grand Strand Regional Medical Center	1,546	4	1.01%	1,280	4	0.84%
Coastal Carolina University	1,423	5	0.93%	984	8	0.64%
Conway Medical Center	1,202	6	0.79%	1,100	5	0.72%
City of Myrtle Beach	1,006	7	0.66%	1,076	7	0.70%
McLeod Health (Loris & Seacoast)	943	8	0.62%			
Food Lion	846	9	0.55%			
Kingston Resorts	686	10	0.45%			
Burroughs and Chapin				700	10	0.46%
AVX Corporation				1,100	6	0.72%
Blue Cross Blue Shield				825	9	0.54%
Totals	<u>17,838</u>		<u>11.66%</u>	<u>15,584</u>		<u>10.19%</u>

Note: The total employment is as of June of that year.

Source: Horry County Government

Table 14

Horry County Schools**Employee Staffing Levels and Staffing Ratios for Regular Teachers****Last Ten Fiscal Years**

Budgeted Positions	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Teachers (1)	2,658	2,577	2,514	2,537	2,690	2,667	2,726	2,829	2,888	2,959
Classified Instructional Aides	762	756	730	733	730	774	769	783	793	811
Principals and Assistant Principals	137	128	130	133	137	137	137	144	146	153
Supervisors and Directors	37	34	32	32	33	33	39	40	39	42
Coordinators and Learning Specialists	112	106	99	101	114	114	115	116	115	112
Counselors and Guidance	100	87	87	87	88	89	99	108	112	118
Librarians and Media Specialists	54	48	47	47	48	48	48	49	49	52
Nurses	67	61	59	57	59	60	59	60	67	70
Psychologists	32	30	29	29	31	31	31	31	31	33
Special Education Therapists	69	67	66	66	66	66	65	65	65	65
Technology	23	23	24	23	23	23	25	20	25	25
Transportation	386	386	384	401	411	423	429	452	465	465
Cafeteria	345	342	349	351	355	355	341	331	330	325
Custodians	195	208	214	223	238	241	247	277	279	301
Clerical	274	271	266	268	270	271	270	281	282	289
Maintenance	75	73	72	74	75	72	77	48	48	53
Miscellaneous (2)	95	93	91	95	99	107	114	139	155	156
Totals	5,421	5,290	5,193	5,257	5,467	5,511	5,591	5,773	5,887	6,026

Budgeted Staffing Ratios										
Child Development	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1	20 to 1
Kindergarten	25 to 1	25 to 1	25 to 1	25 to 1	25 to 1	25 to 1	25.5 to 1	25.5 to 1	25.5 to 1	25.5 to 1
Primary - Grade 1	21 to 1	21 to 1	21 to 1	21 to 1	21 to 1	21 to 1	21.5 to 1	21.5 to 1	21.5 to 1	21.5 to 1
Primary - Grades 2-3	21 to 1	21 to 1	21 to 1	21 to 1	21 to 1	21 to 1	21.5 to 1	21.5 to 1	21.5 to 1	21.5 to 1
Elementary - Grades 4-5	22 to 1	24 to 1	24 to 1	24 to 1	24 to 1	24 to 1	24.5 to 1	24.5 to 1	24.5 to 1	24.5 to 1
Middle - Grade 6	19 to 1	19 to 1	19 to 1	19 to 1	19.8 to 1	20 to 1	20.2 to 1	20.2 to 1	20.2 to 1	20.2 to 1
Middle - Grades 7-8	19 to 1	19 to 1	19 to 1	19 to 1	19.8 to 1	20 to 1	20.2 to 1	20.2 to 1	20.2 to 1	20.2 to 1
High - Grades 9-12 (Smallest Schools)	20 to 1	15 to 1	15 to 1	15 to 1	15.75 to 1	16 to 1	16.13 to 1	16.13 to 1	16.13 to 1	16.13 to 1
High - Grades 9-12 (Largest Schools)	23 to 1	18.75 to 1	18.75 to 1	18.75 to 1	19.5 to 1	19.88 to 1	19.88 to 1	19.88 to 1	19.88 to 1	19.88 to 1

Note: (1) The number of regular classroom teachers employed varies with student enrollment.

(2) Miscellaneous staff includes accountants, administrative assistants, athletic directors, trainers, auditorium managers, childcare and First Steps managers, interpreters, and interventionists.

Source(s): Horry County School District's budget document

Table 15

Horry County Schools
Operating Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Enrollment	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced - Price Meals
2009	37,392	\$ 387,553	\$ 10,365	2.71%	2,658	14.07	59.19%
2010	37,421	385,285	10,296	-0.66%	2,577	14.52	62.33%
2011	37,927	384,173	10,129	-1.62%	2,514	15.09	63.91%
2012	38,464	400,361	10,409	2.76%	2,557	15.04	64.47%
2013	39,321	411,539	10,466	0.55%	2,690	14.62	64.11%
2014	40,256	437,600	10,870	3.86%	2,688	14.98	63.01%
2015	41,195	444,832	10,798	-0.66%	2,747	15.00	61.14%
2016	42,174	445,036	10,552	-2.28%	2,849	14.80	59.73%
2017	42,912	484,144	11,282	6.92%	2,918	14.71	58.84%
2018	43,706	530,352	12,135	7.55%	2,992	14.61	48.99%

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

Note: Enrollment reflects grades CD through 12.
 Percentage of Students Receiving Free or Reduced-Price Meals in 2018 is for NON-CEP Schools only

Source(s): Financial records of Horry County, SC Dept of Education

Table 16

Horry County Schools
Capital Asset Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Buildings:										
Primary Schools										
Number	2	2	2	2	2	1	1	1	1	1
Square feet	224,185	224,185	224,185	224,185	224,185	113,650	113,650	113,650	113,650	113,650
Capacity	1,994	1,994	1,994	1,994	1,994	850	850	826	826	762
Enrollment	1,600	1,600	1,712	1,726	1,760	910	884	830	825	798
Elementary Schools										
Number	22	22	22	22	23	25	25	25	25	26
Square feet	2,187,848	2,187,848	2,220,648	2,220,707	2,323,790	2,533,500	2,533,500	2,533,500	2,533,500	2,675,947
Capacity	18,249	18,249	18,249	18,249	18,249	20,347	20,347	20,290	20,646	19,494
Enrollment	15,571	15,571	14,747	15,863	16,234	18,621	19,130	19,301	19,392	19,124
Intermediate Schools										
Number	2	2	2	2	2	1	1	1	1	2
Square feet	177,465	177,465	177,465	177,465	177,465	78,290	78,290	78,290	78,290	249,208
Capacity	1,968	1,968	1,968	1,968	1,968	735	735	735	735	1,947
Enrollment	1,207	1,207	1,812	1,375	1,327	648	692	720	726	1,620
Middle Schools										
Number	10	10	10	10	10	10	10	10	10	113
Square feet	1,382,274	1,382,274	1,382,274	1,393,714	1,393,714	1,393,714	1,393,714	1,393,714	1,393,714	1,911,817
Capacity	10,436	10,436	10,436	10,436	10,436	8,912	8,912	8,610	9,216	11,051
Enrollment	7,961	7,961	8,850	8,427	9,107	9,115	9,127	9,338	9,348	9,192
High Schools										
Number	9	9	9	9	9	9	9	10	10	10
Square feet	2,254,304	2,254,304	2,254,304	2,254,304	2,254,304	2,254,304	2,254,304	2,313,304	2,313,304	2,313,304
Capacity	14,702	14,702	14,702	14,702	14,702	14,457	14,457	15,075	15,075	13,862
Enrollment	11,292	10,806	10,806	11,274	10,893	12,196	12,632	12,999	12,803	12,972
Other										
Buildings	8	10	9	10	10	14	14	12	48	70
Square Feet	520,559	653,002	609,149	689,002	727,002	786,002	786,002	679,825	711,813	653,286
Capacity	1,752	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Horry County School District's records

Table 17

Horry County Schools*Student Enrollment**Last Ten Fiscal Years*

Fiscal Year Ended June 30,	Child Development	Kindergarten	Elementary Grades 1-8	High School Grades 9-12	Total
2009	1,379	2,795	22,444	10,774	37,392
2010	1,247	2,864	22,555	10,755	37,421
2011	1,217	2,964	22,940	10,806	37,927
2012	1,304	2,954	23,403	10,803	38,464
2013	1,120	3,349	23,959	10,893	39,321
2014	1,120	3,386	24,543	11,207	40,256
2015	1,100	3,135	25,233	11,727	41,195
2016	1,120	2,957	25,935	12,162	42,174
2017	1,114	3,072	26,234	12,492	42,912
2018	1,060	3,160	26,842	12,644	43,706

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

Table 18

Horry County Schools*Teacher Base Salaries**Last Ten Fiscal Years*

Fiscal Year Ended June 30,	Minimum Salary (a)	Maximum Salary (a)	Average Contracted Salary (a)	Statewide Average Salary (b)
2009	\$ 34,270	\$ 75,181	\$ 50,964	\$ 47,421
2010	34,270	75,181	51,044	47,421
2011	34,270	75,181	51,044	47,642
2012	34,612	75,934	52,584	47,428
2013	35,306	77,452	52,584	48,375
2014	35,306	77,452	53,636	48,430
2015	35,306	77,452	53,636	48,561
2016	35,306	77,452	53,636	48,769
2017	36,011	79,000	54,709	50,050
2018	36,371	79,790	55,256	50,182

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

(b) SC Revenue and Fiscal Affairs Office

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SINGLE AUDIT SECTION

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Horry County Schools
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2018

LEA Subfund Fund Code	Fed. Grantor/Pass-Through Grantor/Program of Cluster Title	Federal CFDA Number	Pass - Through Grantor's Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture					
Passed through S.C. Department of Education					
<i>Child Nutrition Cluster</i>					
600	School Breakfast - cash assistance	10.553	N/A	\$ -	\$ 4,690,969
600	School Lunch - cash assistance	10.555	N/A	-	11,150,996
600	School Lunch - non-cash assistance (commodities)	10.555	N/A	-	1,304,820
600	Summer Food Service Program for Children	10.559	N/A	-	114,562
	Total Child Nutrition Cluster			-	17,261,347
	Total U.S. Department of Agriculture			-	17,261,347
U.S. Department of Education					
Passed through S.C. Department of Education					
<i>Title I</i>					
201	Title I Grants to LEAs	84.010	H63010100118	297,925	11,553,096
201	Title I Mini Grant	84.010	H63010100117	-	45,887
201	Title I Carryover from Prior Year	84.010	H63010100117	-	2,349,008
221	Title I N&D	84.010A	H63010100118	-	162,009
222	Title I N&D - Prior Year	84.010A	H63010100117	-	44,963
237	Title I Focus	84.010A	H63010100117	-	307,538
	Total Title I			297,925	14,462,501
<i>IDEA Cluster</i>					
203	IDEA	84.027	H63010100918	140,425	5,847,247
204	IDEA - Prior Year Carryover	84.027A	H63010100917	-	4,149,949
204	IDEA - Prior Year Carryover	84.027A	H63010100916	-	7,196
205	Preschool Grants, IDEA	84.173	H63010100818	-	342,554
206	Preschool Grants, IDEA - Prior Year Carryover	84.173A	H63010100817	-	32,248
	Total IDEA Cluster			140,425	10,379,194
<i>Other Programs</i>					
207	CATE Federal Perkins	84.048	H63010107118	9,288	656,768
208	CATE Federal Carryover	84.048A	H63010107117	-	40,151
212	Extended School Year	84.027A	H6304510E	-	48,304
225	Math and Science Partnership Year 3	84.366B	H63010008217	3,668	21,547
230	Math and Science Partnership Year 2 - Prior Year	84.366B	H63010008217	-	16,486
241	Title II Improving Teacher Quality - Prior Year	84.367A	H63010006817	-	324,967
243	Adult Education - Current Year	84.002A	H63010101018	-	332,011
243	Adult Education - Prior Year	84.002A	H63010101017	-	15,909
243	Adult Education - Prior Year	84.002A	H63010101016	-	15,490
264	Title III - English Language Acquisition	84.365A	H63010006718	-	481
265	Title III - English Language Acquisition - Prior Year	84.365A	H63010006717	-	217,846
267	Title II Improving Teacher Quality	84.367A	H63010006818	4,609	758,693
267	Title II Mini Grant	84.367A	H63010006817	-	3,203
603	Private Placement	84.027A	H6304510D	-	139,433
	Total Other Programs			17,565	2,591,289
	Total of U.S. Department of Education			455,915	27,432,984
U.S. Department of Defense					
Direct Program					
100	ROTC	12.357	N/A	-	625,848
	Total U.S. Department of Defense			-	625,848
U.S. Department of Homeland Security					
Direct Program					
100	FEMA - Flood Damage	97.036	N/A	-	149,205
	Total U.S. Department of Homeland Security			-	149,205
	Total expenditures of federal awards			\$ 455,915	\$ 45,469,384

Horry County Schools

Notes to Schedule of Expenditures of Federal Awards

June 30, 2018

I. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the School District under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School District.

II. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting as applicable to governmental funds, except for the expenditure of programs under CFDA Numbers 10.553, 10.555, and 10.559, which are reported under the full accrual basis of accounting as applicable to enterprise funds. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School district has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance With
*Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Horry County Schools (the School District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance, described as 2018-1 in the accompanying schedule of findings and responses, that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Charleston, South Carolina
November 30, 2018

**Independent Auditor's Report on Compliance for Each Major Federal Program; Report
on Internal Control Over Compliance**

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

Report on Compliance for Each Major Federal Program

We have audited Horry County Schools' (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2018. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Charleston, South Carolina
November 30, 2018

Horry County Schools

Schedule of Findings and Questioned Costs

June 30, 2018

I. Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

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

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster

- (e.) Dollar threshold used to distinguish between type A and type B Programs: \$1,364,082
- (f.) Auditee qualified as low risk auditee? Yes

Horry County Schools

Schedule of Findings and Questioned Costs

June 30, 2018

II. Financial Statement Findings - Compliance

Item 2018-1: Cash Collateral

Condition: As of June 30, 2018, the School District held cash deposits with one financial institution in excess of Federal Deposit Insurance corporation (FDIC) insurance limits and collateral provided by the financial institution by \$10,584,539. As of June 30, 2018, sufficient collateral was not maintained to protect these deposits.

Criteria: The School District is required by State Law to obtain sufficient collateral for all of its deposits through arrangements with its financial institutions.

Cause: The financial institution inadvertently used an incorrect number to determine how much collateral it needed to provide to secure the School District's deposits.

Effect: By not maintaining sufficient collateral, the School District is at risk of losing deposits in excess of FDIC insurance limits in the event of insolvency or liquidation of the financial institution or for any other cause.

Recommendation: We recommend that the School District implement procedures to ensure that all of its deposits in excess of the FDIC insurance limits held at each financial institution are properly secured by the market values of deposit insurance, surety bonds, investment securities or letters of credit so that it can prevent the risk of losing such deposits in the event of insolvency or liquidation of the financial institution or for any other cause.

Views of Responsible Officials and Planned Corrective Actions: The School District recognizes the importance of all deposits being secured. The balances in deposit accounts fluctuate daily, and we expect the financial institutions to fully collateralize the funds held in excess of FDIC limits. The relationship with our banking partners has been successful for many years, and in most cases our expectations have been met. As a result of the finding, we are asking our banking partners to provide more frequent collateral reports, and we will be personally contacting them at random periods to check on balances and the respective collateral.

III. Findings and Questioned Costs for Federal Awards

None noted