

DILLON COUNTY SCHOOL DISTRICT NO. 3
LATTA, SOUTH CAROLINA

EXECUTIVE SUMMARY

FISCAL YEAR ENDED JUNE 30, 2009

HARPER,
POSTON &
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Certified Public Accountants



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DILLON COUNTY SCHOOL DISTRICT NO. 3
LATTA, SOUTH CAROLINA

EXECUTIVE SUMMARY

FISCAL YEAR ENDED JUNE 30, 2009

DILLON COUNTY SCHOOL DISTRICT NO. 3
EXECUTIVE SUMMARY
FISCAL YEAR ENDED JUNE 30, 2009

The Dillon County School District No. 3 basic financial statements for the year ended June 30, 2009 are prepared in accordance with generally accepted accounting principles as applicable to governmental entities. Based upon our audit, we have concluded that the District's financial statements are fairly presented in conformity with these generally accepted accounting principles and have rendered an unqualified opinion on its basic financial statements.

We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used, and evaluating the overall financial statement presentation.

The financial presentation for the District meets the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34 and related pronouncements. This financial statement presentation provides a comprehensive, entity-wide perspective of the District's net assets, revenues, expenses, and changes in net assets that replaces the fund perspective previously required.

Enclosed is selected financial information which is presented to provide a summary of the District's operations for the current fiscal year. This financial information reflects a summary of financial activity and encompasses significant transactions of the District.

**DILLON COUNTY SCHOOL DISTRICT NO. 3
STATEMENT OF NET ASSETS**

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets.

The District's assets consist primarily of cash and investments; amounts receivable from other governments; and capital assets. Liabilities mainly represent accounts payable, accrued expenses, unearned grant revenues, and bonds payable. Net assets, within accounting usage, is the difference between total assets and total liabilities. Theoretically, it represents the amount of cash left on hand in an entity if all assets were liquidated and converted to cash and all liabilities were paid in full.

Total assets, liabilities, and net assets as of June 30, 2009 are as follows:

ASSETS, LIABILITIES, AND NET ASSETS

		<u>2009</u>
Assets		
Cash and Investments	\$	2,951,880
Receivables		957,651
Capital Assets, Net of Depreciation		6,826,057
Other Assets		<u>5,277</u>
Total Assets	\$	<u>10,740,865</u>
Liabilities		
Accounts Payable	\$	61,841
Accrued Liabilities		90,725
Unearned Grant Revenues		81,847
Bonds and Compensated Absences		<u>365,632</u>
Total Liabilities	\$	<u>600,045</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$	6,522,240
Unrestricted		<u>3,618,580</u>
Total Net Assets	\$	<u><u>10,140,820</u></u>

**DILLON COUNTY SCHOOL DISTRICT NO. 3
STATEMENT OF ACTIVITIES**

The Statement of Activities provides information on the change in the District's net assets during the current fiscal year. Revenues, expenditures, and expenses, where appropriate, are categorized into general revenues, program revenues, and direct expenses.

The total change in net assets for the year ended June 30, 2009 is as follows:

REVENUES, EXPENSES, AND CHANGE IN NET ASSETS

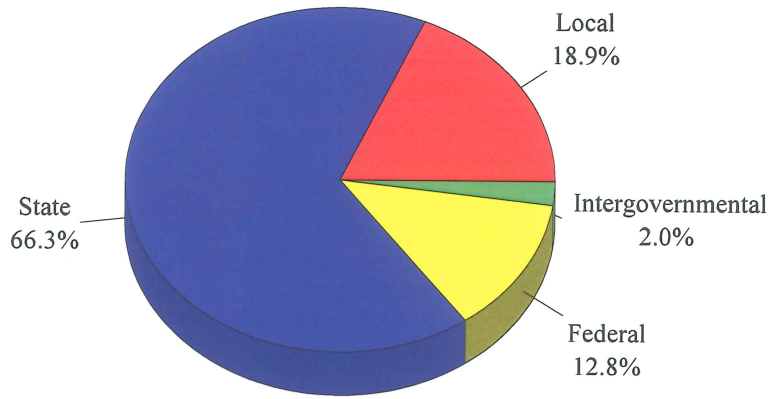
	<u>2009</u>
General Revenues	
Property Taxes	\$ 1,954,746
Unrestricted State Aid	879,873
Interest	<u>93,185</u>
Total General Revenues and Special Item	\$ <u>2,927,804</u>
Program Revenues	
Charges for Services	\$ 217,325
Operating Grants and Contributions	9,359,028
Capital Grants and Contributions	<u>208,810</u>
Total Program Revenues	\$ <u>9,785,163</u>
Expenses	
Governmental Activities	\$ 12,447,404
Business-Type Activities	<u>706,204</u>
Total Expenses	\$ <u>13,153,608</u>
Change in Net Assets	\$ <u><u>(440,641)</u></u>

**DILLON COUNTY SCHOOL DISTRICT NO. 3
GOVERNMENTAL FUND TYPE REVENUES**

The District segregates transactions related to certain functions or activities into separate funds in order to aid financial management and demonstrate legal compliance. Governmental fund types focus on near-term inflows and outflows of spendable resources. The District utilizes five governmental funds, one of which is the District's General Fund. Total revenues for the combined governmental fund types are presented below:

REVENUES

	<u>2009</u>	
Local	\$	2,245,282
State		7,880,944
Federal		1,521,524
Intergovernmental		<u>243,226</u>
Total Governmental Funds Revenues	\$	<u><u>11,890,976</u></u>



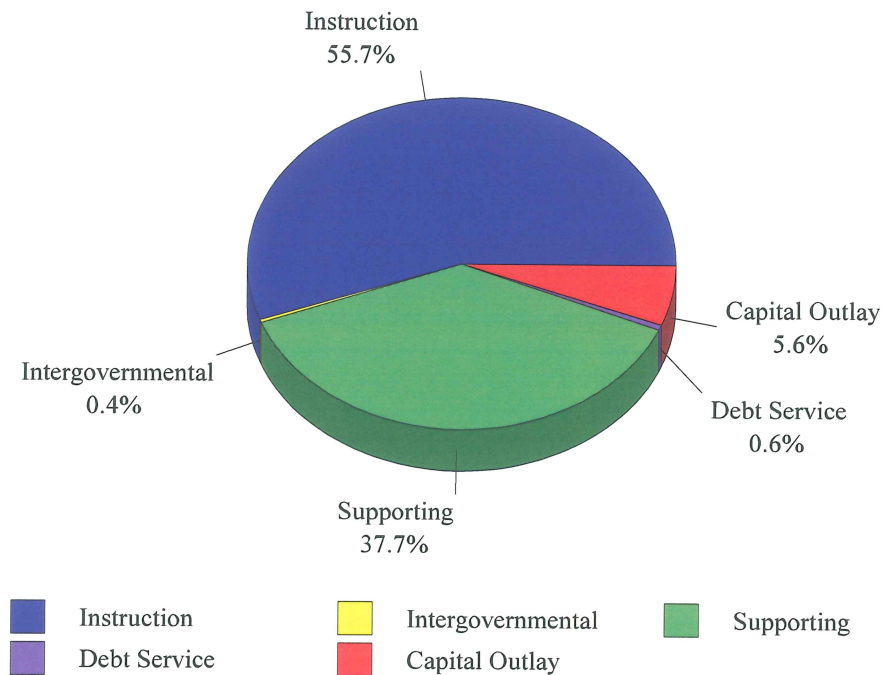
**DILLON COUNTY SCHOOL DISTRICT NO. 3
GOVERNMENTAL FUND TYPE EXPENDITURES**

The District maintains the following governmental fund types: General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund. Special Revenue Funds are further segregated into the following two funds: 1) Special Projects Fund, and 2) Education Improvement Act Fund.

The General Fund is the general operating fund of the District and is used to account for all operating expenditures that are not required to be paid or financed by another fund. Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Total departmental expenditures of the combined governmental fund types are presented below:

EXPENDITURES

		<u>2009</u>
Instruction	\$	7,011,120
Supporting Services		4,749,919
Intergovernmental Expenditures		46,465
Debt Service		81,476
Capital Outlay		<u>708,578</u>
Total Governmental Funds Expenditures	\$	<u><u>12,597,558</u></u>



**DILLON COUNTY SCHOOL DISTRICT NO. 3
PROPRIETARY FUNDS**

The Proprietary Fund, or Food Service Fund accounts for operations of the District's breakfast and lunch programs which provide balanced nutritional meals to the District's students, some of which are free and reduced meals funded by the United States Department of Agriculture. The intent is that the costs of providing goods or services are recovered through sales or reimbursements to external users. Following is an analysis of operations for the year ended June 30, 2009:

PROPRIETARY FUND OPERATIONS

		<u>2009</u>
Revenues and Other Items		.
Sale of Meals	\$	103,489
USDA		715,668
Other Miscellaneous Revenues		<u>2,075</u>
Total Revenues and Other Items	\$	<u>821,232</u>
Expenses and Other Items		
Food Costs	\$	341,500
Salaries and Benefits		233,457
Other Operating Expenses		131,247
Transfers to General Fund		<u>12,680</u>
Total Expenses and Other Items	\$	<u>718,884</u>
Net Income (Loss)	\$	<u><u>102,348</u></u>

