

DILLON COUNTY SCHOOL DISTRICT NO. 3
LATTA, SOUTH CAROLINA

EXECUTIVE SUMMARY

FISCAL YEAR ENDED JUNE 30, 2011

DILLON COUNTY SCHOOL DISTRICT NO. 3
EXECUTIVE SUMMARY
FISCAL YEAR ENDED JUNE 30, 2011

The Dillon County School District No. 3 basic financial statements for the year ended June 30, 2011 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 requirement of Governmental Accounting Standards Board (GASB) Statement No. 34 and related pronouncements. This financial statement presentation provides a comprehensive, entity-wide presentation 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 any 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, 2011 are as follows:

ASSETS, LIABILITIES, AND NET ASSETS

		2011
Assets		
Cash and Investments	\$	3,822,036
Receivables		1,332,848
Capital Assets, Net of Depreciation		5,952,923
Other Assets		21,825
Total Assets	\$	11,129,632
Liabilities		
Accounts Payable	\$	41,837
Accrued Payroll Benefits and Other Liabilities		91,208
Unearned Grant Revenues		307,191
Bonds, Notes, and Compensated Absences		1,130,069
Total Liabilities	\$	1,570,305
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$	5,679,733
Restricted for Capital Projects		773,814
Unrestricted		3,105,780
Total Net Assets	\$	9,559,327

**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, 2011 is as follows:

REVENUES, EXPENSES, AND CHANGE IN NET ASSETS

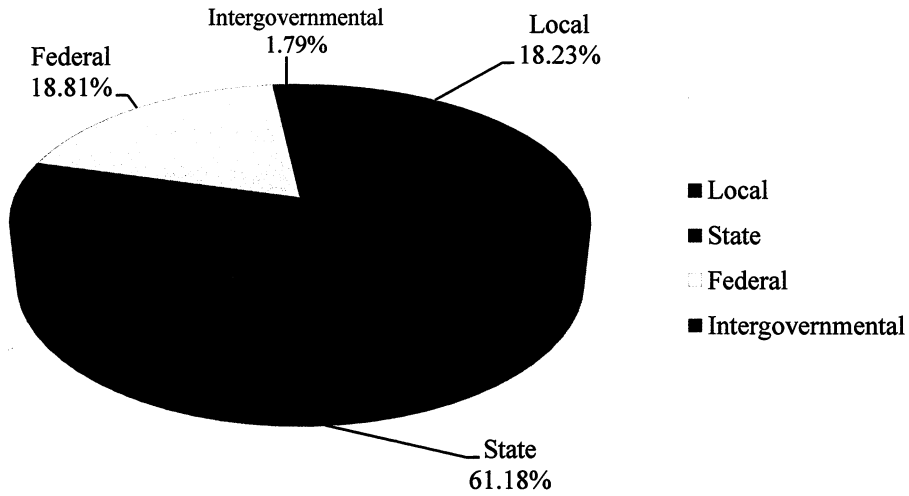
		2011
General Revenues		
Property Taxes	\$	1,696,066
Unrestricted State Aid		823,020
Interest		33,969
Miscellaneous		8,750
Total General Revenues	\$	2,561,805
 Program Revenues		
Charges for Services	\$	262,456
Operating Grants and Contributions		8,879,796
Capital Grants and Contributions		86,284
Total Program Revenues	\$	9,228,536
 Expenses		
Governmental Activities	\$	11,564,151
Business-Type Activities		753,974
Total Expenses	\$	12,318,125
Special Item - Contribution of Capital Assets to Foundation	\$	(505,150)
Change in Net Assets	\$	(1,032,934)

**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>2011</u>	
Local	\$	1,998,598
State		6,707,284
Federal		2,061,776
Intergovernmental		<u>195,846</u>
Total Governmental Funds Revenues	\$	<u><u>10,963,504</u></u>



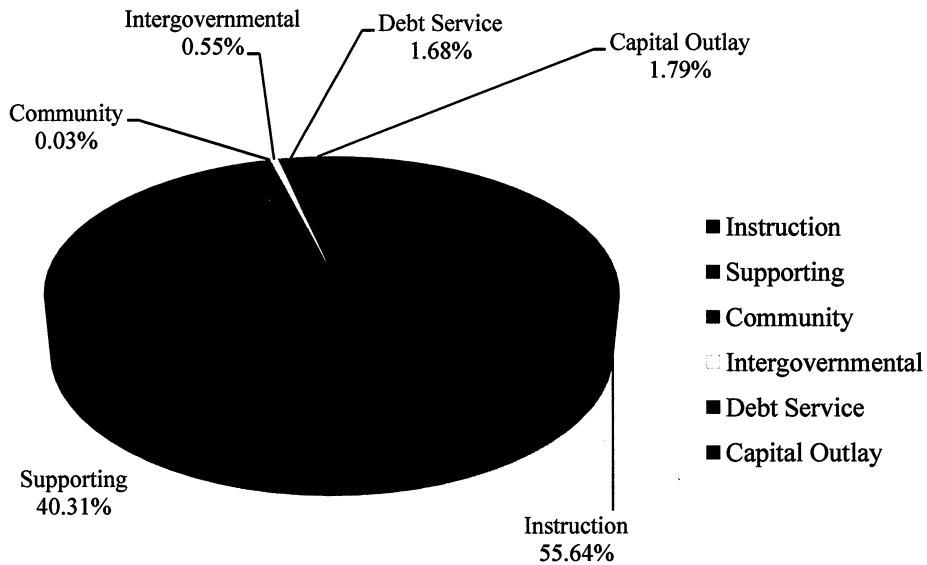
**DILLON COUNTY SCHOOL DISTRICT NO. 3
GOVERNMENTAL FUND TYPE EXPENDITURES**

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>2011</u>
Instruction	\$ 6,439,679
Supporting Services	4,664,858
Community Services	3,200
Intergovernmental	63,524
Debt Service	194,977
Capital Outlay	<u>206,609</u>
Total Governmental Funds Expenditures	\$ <u><u>11,572,847</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, 2011:

PROPRIETARY FUND OPERATIONS

	<u>2011</u>
Revenues and Other Items	
Sale of Meals	\$ 108,825
USDA	727,774
Other Miscellaneous Revenues	<u>4,449</u>
Total Revenues and Other Items	\$ <u>841,048</u>
Expenses and Other Items	
Food Costs	\$ 371,944
Salaries and Benefits	244,606
Other Operating Expenses	137,424
Transfers to General Fund	<u>42,737</u>
Total Expenses and Other Items	\$ <u>796,711</u>
Net Income (Loss)	\$ <u><u>44,337</u></u>