

DILLON COUNTY SCHOOL DISTRICT NO. 3
LATTA, SOUTH CAROLINA

EXECUTIVE SUMMARY

FISCAL YEAR ENDED JUNE 30, 2014

DILLON COUNTY SCHOOL DISTRICT NO. 3
EXECUTIVE SUMMARY
FISCAL YEAR ENDED JUNE 30, 2014

The Dillon County School District No. 3 basic financial statements for the year ended June 30, 2014 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 unmodified 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 position, revenues, expenses, and changes in net position 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 POSITION**

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

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 position, 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 position as of June 30, 2014 are as follows:

ASSETS, LIABILITIES, AND NET POSITION

		2014
Assets		
Cash and Investments	\$	2,498,940
Receivables		1,040,350
Capital Assets, Net of Depreciation		5,158,587
Food Inventories		12,170
Total Assets	\$	8,710,047
Liabilities		
Accounts Payable and Other Liabilities	\$	192,353
Accrued Payroll Liabilities		66,398
Unearned Grant Revenues		46,096
Bonds and Compensated Absences		632,283
Total Liabilities	\$	937,130
Net Position		
Net Investment in Capital Assets	\$	5,158,587
Unrestricted		2,614,330
Total Net Position	\$	7,772,917

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

The Statement of Activities provides information on the change in the District's net position 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 position for the year ended June 30, 2014 is as follows:

REVENUES, EXPENSES, AND CHANGE IN NET POSITION

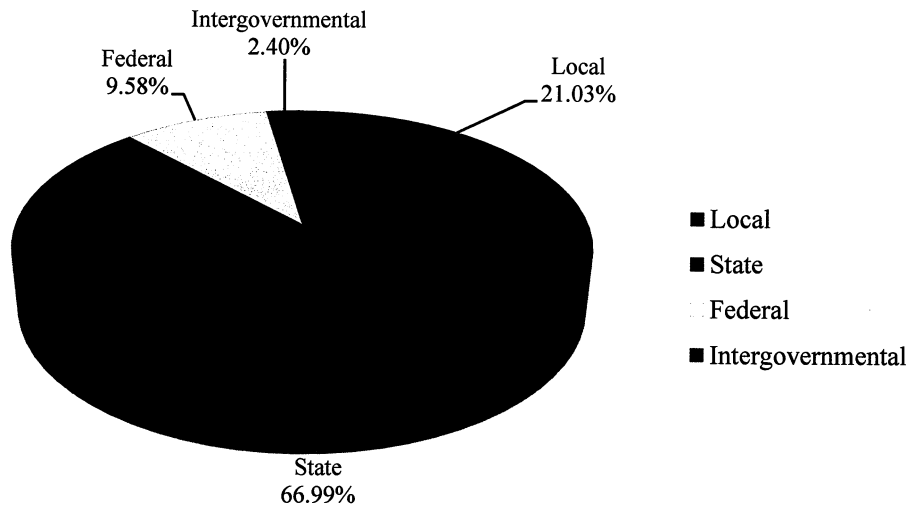
		2014
General Revenues		
Property Taxes	\$	1,947,679
Unrestricted State Aid		824,175
Interest		957
Miscellaneous		35,042
Total General Revenues	\$	2,807,853
Program Revenues		
Charges for Services	\$	387,333
Operating Grants and Contributions		8,829,448
Capital Grants and Contributions		50,168
Total Program Revenues	\$	9,266,949
Expenses		
Governmental Activities	\$	11,271,556
Business-Type Activities (Food Service)		708,576
Total Expenses	\$	11,980,132
Special Items		
Construction Costs of Performing Arts Center	\$	(526,876)
Reimbursements from Latta Schools Foundation		800,000
Net Special Items	\$	273,124
Change in Net Position	\$	367,794

**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>2014</u>
Local	\$ 2,371,027
State	7,553,407
Federal	1,079,897
Intergovernmental	<u>271,070</u>
Total Governmental Funds Revenues	\$ <u><u>11,275,401</u></u>



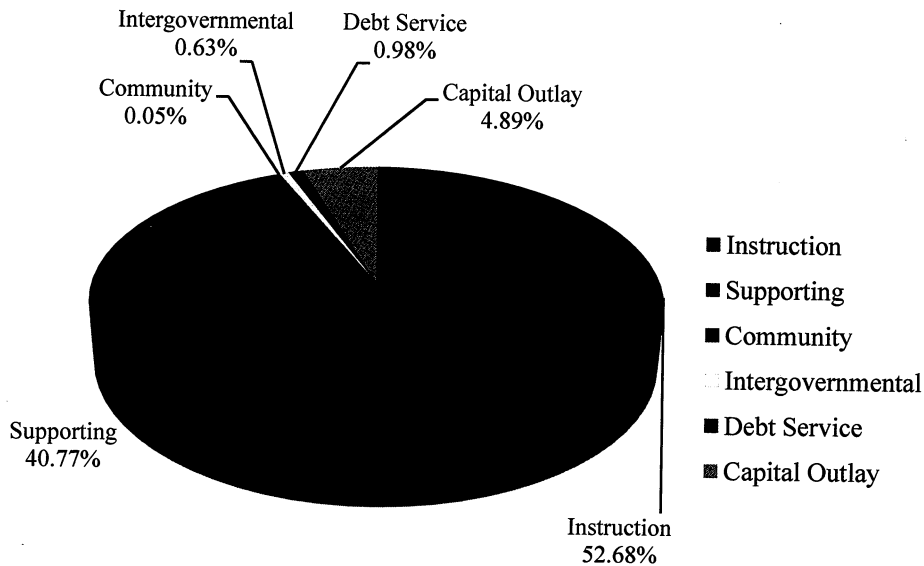
DILLON COUNTY SCHOOL DISTRICT NO. 3 GOVERNMENTAL FUND TYPE EXPENDITURES

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

	2014
Instruction	\$ 6,122,186
Supporting Services	4,737,475
Community Services	6,000
Intergovernmental	72,835
Debt Service	113,501
Capital Outlay	568,308
Total Governmental Funds Expenditures	\$ 11,620,305



**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, 2014:

PROPRIETARY FUND OPERATIONS

	<u>2014</u>
Revenues and Other Items	
Sale of Meals	\$ 87,604
USDA	713,382
Other Miscellaneous Revenues	<u>3,779</u>
Total Revenues and Other Items	\$ <u>804,765</u>
Expenses and Other Items	
Food Costs	\$ 320,899
Salaries and Benefits	247,176
Other Operating Expenses	140,501
Transfers to General Fund	<u>30,522</u>
Total Expenses and Other Items	\$ <u>739,098</u>
Net Income (Loss)	\$ <u><u>65,667</u></u>