

**DILLON COUNTY SCHOOL DISTRICT NO. 3**  
*LATTA, SOUTH CAROLINA*

**EXECUTIVE SUMMARY**

**FISCAL YEAR ENDED JUNE 30, 2020**

**DILLON COUNTY SCHOOL DISTRICT NO. 3  
EXECUTIVE SUMMARY  
FISCAL YEAR ENDED JUNE 30, 2020**

Dillon County School District No. 3 basic financial statements for the year ended June 30, 2020 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 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). 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 provides information on all of the District's assets and liabilities, at a government-wide level, 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, unearned grant revenues, outstanding debt, net pension liability, and net OPEB liability. 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, 2020 are as follows:

**ASSETS, LIABILITIES, AND NET POSITION**

		2020
<b>Assets</b>		
Cash and Investments	\$	1,503,848
Receivables		860,123
Capital Assets, Net of Depreciation		6,678,652
Food Inventories		21,513
<b>Total Assets</b>	<b>\$</b>	<b>9,064,136</b>
<b>Liabilities</b>		
Accounts Payable and Other Liabilities	\$	60,652
Accrued Payroll Liabilities		89,658
Unearned Grant Revenues		341,715
Compensated Absences Payable		101,080
Notes Payable		423,286
Debt Guarantee for Latta Schools Educational Foundation, Inc.		529,547
Net Pension Liability		15,707,192
Net OPEB Liability		13,510,775
<b>Total Liabilities</b>	<b>\$</b>	<b>30,763,905</b>
<b>Net Position</b>		
Net Investment in Capital Assests	\$	6,255,366
Unrestricted - Governmental Activities		(28,203,654)
Unrestricted - Food Service		248,519
<b>Total Net Position</b>	<b>\$</b>	<b>(21,699,769)</b>

**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, 2020 is as follows:

**REVENUES, EXPENSES, AND CHANGE IN NET POSITION**

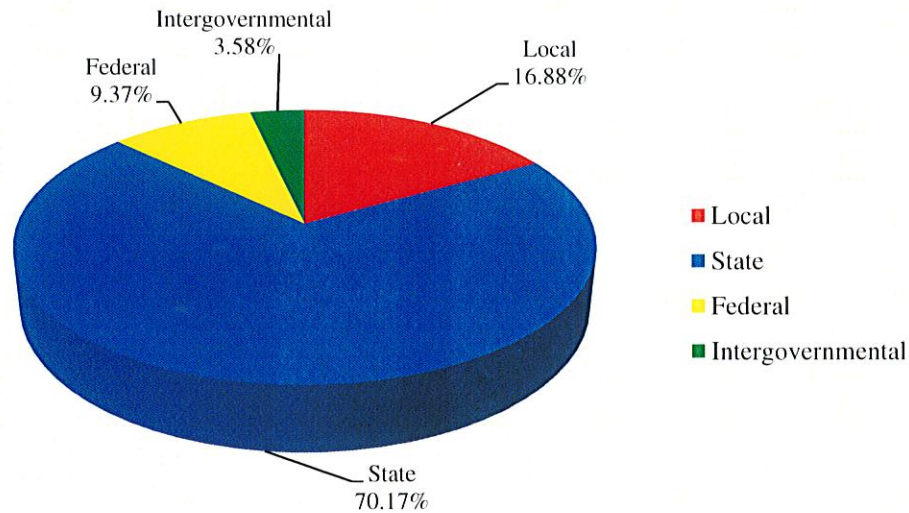
		2020
General Revenues		
Property Taxes	\$	2,114,384
Unrestricted State Aid		1,022,438
Interest		3,351
Total General Revenues	\$	3,140,173
 Program Revenues		
Charges for Services	\$	408,450
Operating Grants and Contributions		10,897,636
Capital Grants and Contributions		780,876
Total Program Revenues	\$	12,086,962
 Expenses		
Governmental Activities	\$	14,599,350
Food Service		886,831
Total Expenses	\$	15,486,181
 Change in Net Position	\$	(259,046)
 Net Position - Beginning of Year		(21,440,723)
Net Position - End of Year	\$	(21,699,769)

**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 four governmental funds, one of which is the District's General Fund. Total revenues for the combined governmental fund types are presented below:

**REVENUES**

	<u>2020</u>
Local	\$ 2,431,503
State	10,106,983
Federal	1,349,825
Intergovernmental	<u>514,943</u>
Total Governmental Funds Revenues	<u><u>\$ 14,403,254</u></u>



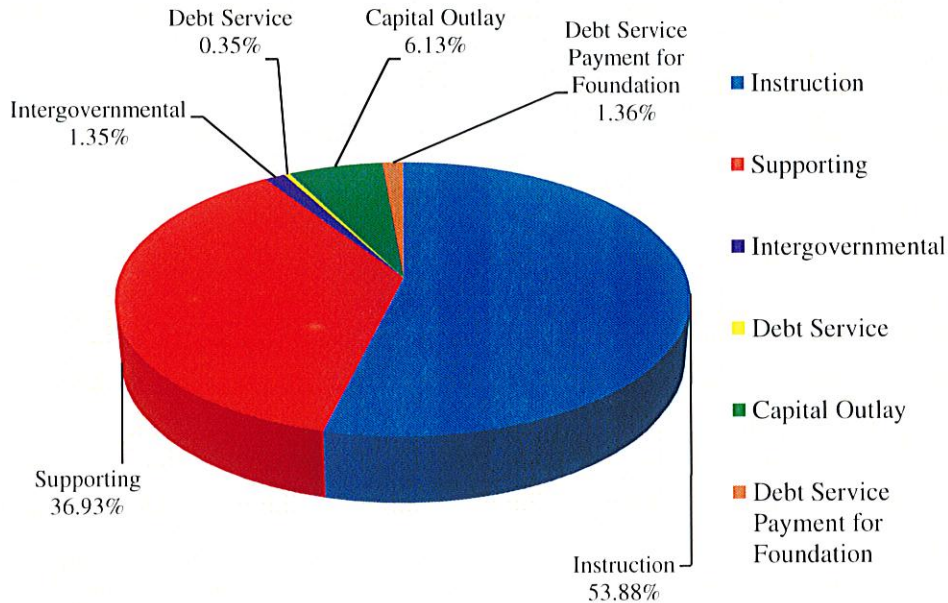
**DILLON COUNTY SCHOOL DISTRICT NO. 3  
GOVERNMENTAL FUND TYPE EXPENDITURES**

The District maintains the following governmental fund types: General Fund, Special Revenue Funds, 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>2020</u>
Instruction	\$ 7,707,403
Supporting Services	5,283,016
Intergovernmental	193,244
Debt Service	50,629
Capital Outlay	876,836
Debt Service Payment for Latta Schools Educational Foundation, Inc.	<u>194,285</u>
Total Governmental Funds Expenditures	\$ <u><u>14,305,413</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, 2020:

**FOOD SERVICE FUND OPERATIONS**

	2020
Revenues and Other Items	
Sale of Meals	\$ 92,981
USDA	720,799
Other Miscellaneous Revenues	3,750
Total Revenues and Other Items	\$ 817,530
 Expenses and Other Items	
Food Costs	\$ 444,481
Salaries and Benefits	337,411
Other Operating Expenses	89,995
Depreciation	14,944
Transfers to General Fund	27,546
Total Expenses and Other Items	\$ 914,377
Net Income (Loss)	\$ (96,847)

**DILLON COUNTY SCHOOL DISTRICT NO. 3  
FUND BALANCE AND FISCAL STABILITY**

The State Department of Education has adopted a statewide program for evaluating fiscal practices and budgetary conditions of local school districts to ensure fiscal integrity. Under state guidelines, a local school district must maintain an unrestricted fund balance in the General Fund of at least one month of General Fund operating expenditures.

The District met state requirements for the year ended June 30, 2020 as follows:

	<u>2020</u>
Total General Fund Expenditures	\$ 10,882,779
Less Expenditures for:	
Capital Outlay	(27,242)
Debt Service	(50,629)
Intergovernmental Expenditures	<u>(237,910)</u>
Total Operating Expenditures	\$ 10,566,998
SDE Multiplier	<u>8.33%</u>
One Month's Operating Expenditures	<u>\$ 880,231</u>
General Fund Unrestricted Fund Balance	<u><u>\$ 1,567,397</u></u>

**ANALYSIS OF GENERAL FUND BALANCE  
(Five Year Comparison)**

