

DILLON COUNTY SCHOOL DISTRICT NO. 3
LATTA, SOUTH CAROLINA

EXECUTIVE SUMMARY

FISCAL YEAR ENDED JUNE 30, 2021

DILLON COUNTY SCHOOL DISTRICT NO. 3
EXECUTIVE SUMMARY
FISCAL YEAR ENDED JUNE 30, 2021

Dillon County School District No. 3 basic financial statements for the year ended June 30, 2021 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, 2021 are as follows:

ASSETS, LIABILITIES, AND NET POSITION

		2021
Assets		
Cash and Investments	\$	1,395,095
Receivables		1,043,553
Capital Assets, Net of Depreciation		6,784,334
Food Inventories		12,728
Total Assets	\$	9,235,710
Liabilities		
Accounts Payable and Other Liabilities	\$	177,109
Accrued Payroll Liabilities		84,340
Unearned Grant Revenues		7,364
Compensated Absences Payable		112,195
Notes Payable		379,006
Debt Guarantee for Latta Schools Educational Foundation, Inc.		361,667
Net Pension Liability		16,387,350
Net OPEB Liability		13,992,107
Total Liabilities	\$	31,501,138
Net Position		
Net Investment in Capital Assests	\$	6,405,328
Unrestricted - Governmental Activities		(28,959,279)
Unrestricted - Food Service		288,523
Total Net Position	\$	(22,265,428)

**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, 2021 is as follows:

REVENUES, EXPENSES, AND CHANGE IN NET POSITION

	2021
General Revenues	
Property Taxes	\$ 2,219,533
Unrestricted State Aid	1,139,506
Interest	970
Total General Revenues	\$ 3,360,009
Program Revenues	
Charges for Services	\$ 422,846
Operating Grants and Contributions	12,728,232
Capital Grants and Contributions	471,373
Total Program Revenues	\$ 13,622,451
Expenses	
Governmental Activities	\$ 16,736,453
Food Service	894,915
Total Expenses	\$ 17,631,368
Change in Net Position	\$ (648,908)
Net Position - Beginning of Year (As Restated)	(21,616,520)
Net Position - End of Year	\$ (22,265,428)

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

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 and expenditures for the combined governmental fund types are presented below:

REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

	2021
Revenues	
Local	\$ 2,720,536
State	10,411,561
Federal	2,497,028
Intergovernmental	433,084
Total Governmental Funds Revenues	\$ 16,062,209
Expenditures	
Instruction	\$ 8,791,070
Supporting Services	5,985,830
Community Services	510
Intergovernmental	290,582
Debt Service	50,629
Capital Outlay	545,114
Debt Service & Construction Payments for LSEF, Inc.	233,651
Total Governmental Funds Expenditures	\$ 15,897,386
Transfer From Food Service Fund	\$ 17,596
Net Change in Fund Balances	\$ 182,419
Fund Balances - Beginning of Year, as Restated	1,650,646
Fund Balances - End of Year	\$ 1,833,065

**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, 2021:

FOOD SERVICE FUND OPERATIONS

	2021
Revenues	
Proceeds from Sales of Meals	\$ 10,848
USDA Reimburements	905,069
Other State Aid	21,211
Other Miscellaneous Revenue	2,103
Total Proprietary Fund Revenues	\$ 939,231
Expenses	
Food Costs	\$ 501,997
Salaries and Employee Benefits	320,469
Utilities	2,780
Depreciation	13,284
Supplies and Materials	33,085
Other Operating Costs	23,300
Total Proprietary Fund Expenses	\$ 894,915
Transfers to General Fund	\$ (17,596)
Net Change in Net Position	\$ 26,720
Net Position - Beginning of Year	341,635
Net Position - End of Year	\$ 368,355

**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, 2021 as follows:

	<u>2021</u>
Total General Fund Expenditures	\$ 11,060,309
Less Expenditures for:	
Capital Outlay	(37,832)
Debt Service	(50,629)
Intergovernmental Expenditures	<u>(318,862)</u>
Total Operating Expenditures	\$ 10,652,986
SDE Multiplier	<u>8.33%</u>
One Month's Operating Expenditures	<u>\$ 887,394</u>
General Fund Unrestricted Fund Balance	<u>\$ 1,739,167</u>

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

