

DUCHESNE COUNTY SCHOOL DISTRICT

1010 East 200 North
Roosevelt, Utah 84066
(435) 738-1240

Financial Statements

Year Ended June 30, 2021



David Brotherson, Superintendent of Schools
Dee E. Miles, Business Administrator

Prepared by
Dee E. Miles, CPA

DUCHESNE COUNTY SCHOOL DISTRICT

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Year Ended June 30, 2021

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Aycock, Miles & Associates, CPAs, P.C.

Certified Public Accountants

58 East 100 North (83-13) • Roosevelt, Utah 84066 • Phone (435) 722-5153 • Fax (435) 722-5095

Independent Auditors' Report

Honorable Board of Education
To the Duchesne County School Board
Duchesne County, Utah

We have audited the accompanying financial statements of the governmental activities, each major fund, aggregate remaining fund information, and budgetary comparison information of Duchesne County School District, as of and for the year ended June 30, 2021, and the related notes to the financials, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, aggregate remaining fund information of the Duchesne County School District as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion with analysis and pension schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary & Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements, statistical tables, and continuing disclosure undertaking are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section and continuing disclosure undertaking have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Aycock, Miles & Associates, CPAs

Roosevelt, Utah
November 20, 2021

Management's Discussion and Analysis

The following discussion and analysis presents an overview of the financial performance of Duchesne County School District (District) for the year ended June 30, 2021. Readers should integrate the information presented here with the additional information furnished in the financial statements that follow this section.

Financial Highlights

- ❑ The District's General Fund receives revenue based on the number of pupils enrolled and other allocation formulas. State Legislative appropriations account for 74% of the funding and another 9% came from Federal restricted programs which increased significantly from Congressional funding for COVID related initiatives. The remaining 17% came from local sources. The local tax base value decreased 2.5% due to decreased value of residences and business property. The District's state revenue increased slightly to offset the decrease in local tax.
- ❑ The District's financial status as measured by total net assets in excess of liabilities was \$116.3 million as of the close of the fiscal year, which was a net increase of \$8.9 million from the prior year due to investments in new buildings and increases in reserves.
- ❑ The general fund balance increased \$2,293,023 due to increased reserves for future planned purchases. Undistributed reserves were maintained at 5% of the budget as allowed by statute. The capital projects fund balance increased \$2.1 million in reserves with only minor building project activity this year. The fund also has an additional reserve for catastrophic events of \$2 million.
- ❑ District enrollment decreased 187 students with 4,985 enrolled on October 1, 2020 due to students enrolling in other online schools with the pandemic. Birth rates in the County remain steady and the ongoing operation of existing oil and gas investments in the County is contributing to a relatively stable economy and student enrollment. State base funding per student increased 1.8%.
- ❑ A master plan for buildings was moving forward with remodel plans for Duchesne High in development.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The District's basic financial statements are comprised of three components: 1) District-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information.

District-wide financial statements. The statement of net position and the statement of activities are designed to provide a broad overview of the District's financial position as a whole, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets and liabilities of the District with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial condition of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items where the cash flows occur in future periods (e.g. uncollected taxes).

Fund financial statements. The District uses separate funds to segregate activities and ensure compliance with finance-related legal requirements. Governmental and fiduciary types of funds are used.

Governmental funds account for the functions reported as *governmental activities* in the District-wide financial statements. However, unlike District-wide financial statements, the focus is on near-term inflows, outflows, and fiscal year-end balances of spendable resources. Reconciliations are also provided from the narrower focused governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances to the *governmental activities* of the District-wide financial statements.

Notes to the basic financial statements. The notes provide additional information for a full understanding of the data provided in the District-wide and fund financial statements.

Other information. Individual fund statements and schedules immediately follow the notes.

District-wide Financial Analysis

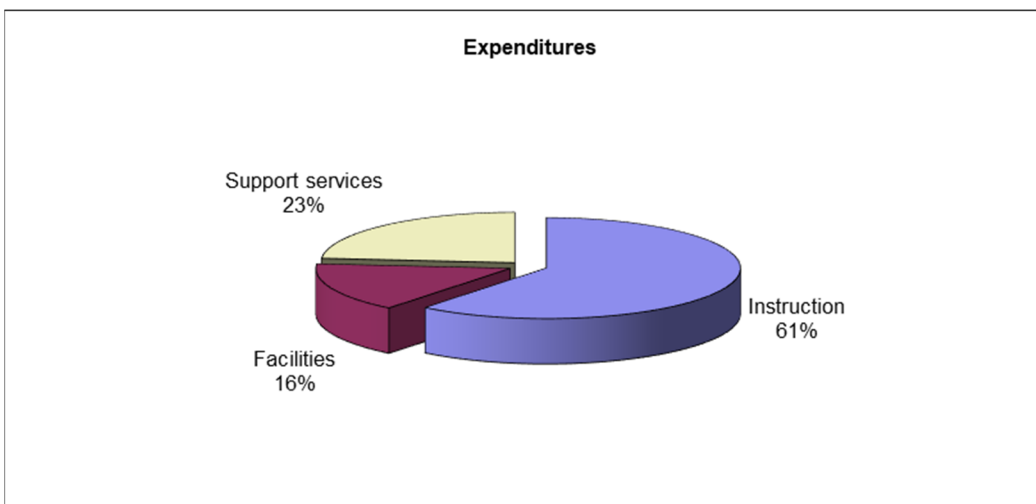
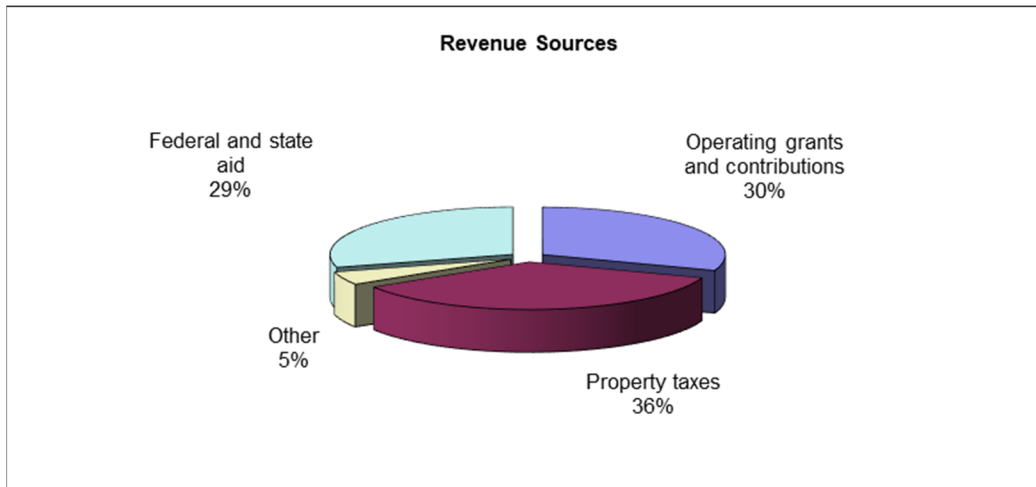
Net position. The District's assets are invested in land, buildings, and equipment less outstanding general obligation and revenue bonds used to acquire those assets. The net position of the District increased 8.4% with increased investment in buildings, debt reductions, depreciation of assets and decreased pension liability. The District is still on schedule with its master building plan and management of existing debt. These building assets are used to provide educational programs and are not considered available resources for future spending. Payments on the outstanding debt also come from other sources and not from the assets themselves. Assets subject to external restrictions on how they may be used represent 6% of net assets.

Changes in net position. Net position increased \$8,993,774 mostly due to increases in reserves and investment in buildings. The District's total revenues increased 6.2% with State, and Federal revenue increases more than offsetting local tax decreases. Tax revenue decreased 3.6%. State revenues increased due to legislative appropriation increases, and a hold harmless for the decrease in enrollment. Federal funding increased 53% with extra funding to help students recover from the pandemic. Overall expenses were nearly the same as the prior year.

The District reports deferred outflows and inflows of resources related to participation in Utah Retirement Systems pension plans. Deferred outflows of \$4,766,851 were reported for contributions subsequent to the measurement date. Deferred inflows related to the difference between expected and actual experience of the pension plan and changes in assumptions were \$8,764,284.

Net Position	<u>2021</u>	<u>2020</u>	<u>Total Change</u>
Current and other assets	\$ 56,998,908	\$ 52,204,777	\$ 4,794,131
Capital assets	191,728,835	196,330,066	(4,601,231)
Total assets	<u>248,727,743</u>	<u>248,534,843</u>	192,900
Deferred outflows of resources	4,766,851	3,624,846	1,142,005
Total assets and deferred outflows	<u>253,494,594</u>	<u>252,159,689</u>	1,334,905
Current and other liabilities	6,096,763	5,545,236	551,527
Long-term liabilities outstanding	91,947,873	99,275,828	(7,327,955)
Net pension liability	<u>8,094,790</u>	<u>13,257,769</u>	<u>(5,162,979)</u>
Total liabilities	<u>106,139,426</u>	<u>118,078,833</u>	<u>(11,939,407)</u>
Deferred Inflows of resources	<u>31,103,436</u>	<u>26,822,898</u>	4,280,538
Net Position			
Invested in capital assets, net of related debt	113,595,946	109,042,671	4,553,275
Restricted	6,710,768	5,829,013	881,755
Unrestricted	<u>(4,054,982)</u>	<u>(7,613,726)</u>	3,558,744
Total net position	<u><u>\$ 116,251,732</u></u>	<u><u>\$ 107,257,958</u></u>	<u><u>\$ 8,993,774</u></u>

Changes in Net Position	<u>2021</u>	<u>2020</u>	<u>Total Change</u>
Revenues			
Program revenues			
Charges for services	\$ 764,310	\$ 1,258,919	\$ (494,609)
Operating grants and contributions	20,835,006	17,028,031	3,806,975
Capital grants and contributions	37,165	17,328	19,837
General revenues			
Property taxes	24,428,692	25,328,243	(899,551)
Federal and state aid	20,114,196	18,745,451	1,368,745
Earnings on investments	152,606	312,561	(159,955)
Miscellaneous	2,103,348	1,710,903	392,445
Total revenues	<u>68,435,323</u>	<u>64,401,436</u>	<u>4,033,887</u>
Expenses			
Instructional services	36,082,047	35,956,782	125,265
Supporting services:			
Students	1,784,650	1,384,859	399,791
Instructional staff	1,354,856	1,535,155	(180,299)
District administration	469,331	552,259	(82,928)
School administration	3,032,820	3,548,692	(515,872)
Business	1,622,755	1,861,534	(238,779)
Operation and maintenance of facilities	6,743,832	5,975,729	768,103
Transportation	2,914,397	2,910,594	3,803
School lunch services	2,841,720	2,699,100	142,620
Interest on long-term liabilities	2,595,141	2,823,126	(227,985)
Total Expenses	<u>59,441,549</u>	<u>59,247,830</u>	<u>193,719</u>
Increase (decrease) in net assets	8,993,774	5,153,606	3,840,168
Net position - beginning	<u>107,257,958</u>	<u>102,104,352</u>	<u>5,153,606</u>
Net position - ending	<u>\$ 116,251,732</u>	<u>\$ 107,257,958</u>	<u>\$ 8,993,774</u>



Financial Analysis of the District’s Funds

Governmental funds. The focus of the District’s governmental funds is to provide information regarding the inflow, outflow, and remaining balances of resources. Revenues provided to the District are intended to be used during the period for which they were generated. Fund balances of each fund must be spent within the purposes of the fund. The difference between assets and liabilities is reported as fund balance which is divided into nonspendable, restricted, and unrestricted. *Nonspendable* includes inventories that are not expected to be converted to cash. *Restricted* are subject to external constraints, laws, or creditors (as in the case of restricted programs, debt service, capital projects, and other governmental funds). The unrestricted balance is divided between committed, assigned, and unassigned portions. *Committed* balances reflect the District’s self-imposed limitations and amounts set aside to meet specific obligations. *Assigned* balances are intended to be used for specific purposes. *Unassigned* balances are all remaining fund resources.

Under Utah law, a budget may not include an unassigned fund balance. Any unassigned balance at the end of the fiscal year must be appropriated in the following fiscal year’s budget. Utah law allows an economic stabilization committed reserve of fund balance in the general fund of up to 5% of its budget.

At the completion of the year the combined governmental fund balance was \$28.0 million, \$4.4 million more than the prior year. Saving for building projects and decreased construction activity contributed to the increase. The general fund stabilization balance increased by \$.3 million placing the total at the statutory maximum.

General fund budgetary highlights. The Board of Education revised the budget during the year for changes in programs, funding, and needs. The final budget anticipates revenues and expenditures to be approximately equal with only minor variances between the budget and actual results. The difference between the original budget and the final amended budget included adjustments for State revenue allocation updates, capital expenditures and other minor categorical adjustments.

Capital Asset and Debt Administration

Capital Assets. The capital outlay fund accounts for the acquisition of land, construction and remodeling of buildings, and procurement of equipment necessary for the operation of the District. The following projects were under way:

- Remodel of Duchesne High was in design phase with detailed drawing under way.

Capital assets as of June 30, 2021 (Net of accumulated depreciation)	2021	2020	Total Change
Land	\$ 5,242,150	\$ 4,499,157	\$ 742,993
Construction in progress	735,638	15,078	720,560
Buildings and improvements	182,291,849	188,291,208	(5,999,359)
Furniture and equipment	3,242,228	3,524,623	(282,395)
Total capital assets	<u>\$191,511,865</u>	<u>\$196,330,066</u>	<u>\$ (4,818,201)</u>

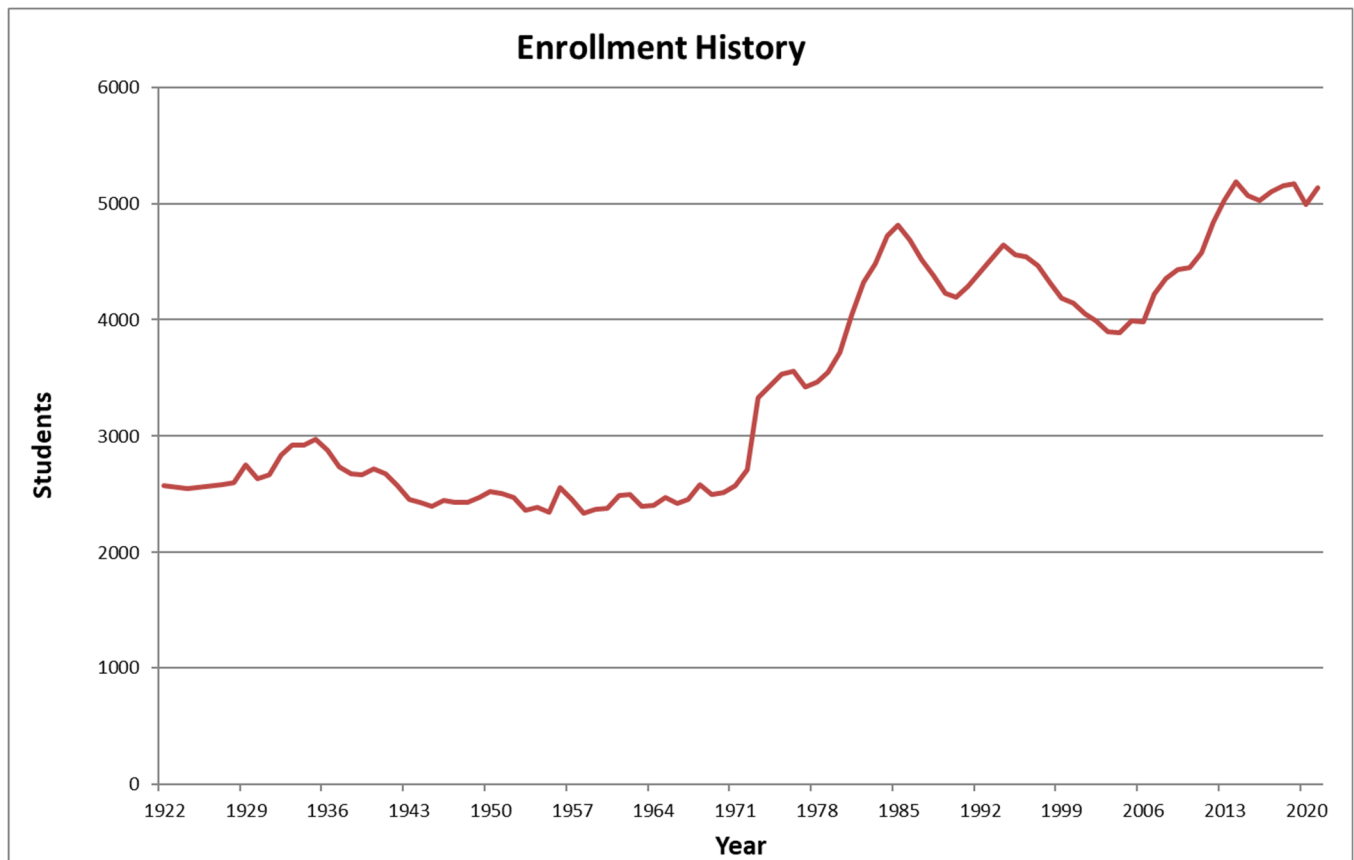
Debt Administration.

General obligation debt is limited by Utah Law to 4% of the market value of property. Current unused legal debt capacity is \$45 million or 36%.

Outstanding long-term debt as of June 30, 2021	2021	2020	Total Change
General obligation bonds	\$ 57,890,000	\$ 59,880,000	\$ (1,990,000)
Lease revenue bonds	24,282,077	27,475,103	(3,193,026)
Loans	2,941,794	4,372,406	(1,430,612)
Unamortized bond issuance premium	6,213,377	6,819,570	(606,193)
Total debt	<u>\$ 91,327,248</u>	<u>\$ 98,547,079</u>	<u>\$ (7,219,831)</u>

Student Enrollment

Enrollment declined approximately 2% per year from 1994 to 2004 with a total decline of 755 students. Aging population and the loss of jobs in a depressed economy contributed to the decline. In 2004 the high price of oil created a rebound in the local economy and spawned increased enrollment in all grades, and a younger population bringing increases in birth rates and student enrollment that has moved up through the grades. From 2004 to 2014 enrollments increased 3% per year with a total increase for that period of 33%. A decline in oil prices and the opening of a charter school slowed the rate of growth and resulted in a loss of 160 students from 2015 through 2016. During 2017 to 2019 enrollments grew slightly again. Fall of 2020 with the COVID-19 pandemic, brought decreased enrollments and more online enrollments. In 2021 the students returned to the District and live instruction.



Requests for Information

This financial report is designed to provide an overview of the District's finances. Any questions regarding this information or requests for additional information should be directed to the Business Administrator, Duchesne School District, 1010 East 200 North, Roosevelt, Utah, 84066 or by visiting dcsd.org.

DUCHESNE COUNTY SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets:	
Cash and investments	\$ 32,080,428
Receivables:	
Property taxes	23,219,309
Other governments	1,330,299
Local	97,110
Inventories and prepaid expenses	271,762
Net pension asset	216,970
Capital assets:	
Land and construction in progress	5,977,788
Buildings and other capital assets, net of depreciation	185,534,077
Total assets	248,727,743
 Deferred Outflows of Resources:	
Deferred outflows of resources relating to pensions	4,766,851
Total assets and deferred outflows	253,494,594
 Liabilities:	
Accounts payable	713,818
Accrued interest	279,155
Accrued salaries and benefits	4,492,252
Unearned revenue, State	611,538
Noncurrent liabilities:	
Due within one year	7,149,588
Due after one year	84,798,285
Net pension liability	8,094,790
Total liabilities	106,139,426
 Deferred Inflows of Resources:	
Property taxes levied for future year	22,339,152
Resources relating to pensions	8,764,284
Total deferred inflows	31,103,436
 Net Position:	
Net investment in capital assets	113,595,946
Restricted for:	
Programs	1,995,539
School lunch	650,616
Pass-Through Taxes	-
Trust Fund	1,136,522
Student Activities	1,145,592
Capital projects	1,740,845
Debt service	41,654
Unrestricted	(4,054,982)
Total net position	\$ 116,251,732

The notes to the financial statements are an integral part of this statement.

DUCHESNE COUNTY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2021

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Instructional services	\$ 36,082,047	\$ 628,113	\$ 13,120,145	\$ -	\$ (22,333,789)
Supporting services:					
Students	1,784,650	-	1,320,858	-	(463,792)
Instructional staff	1,354,856	-	428,404	-	(926,452)
District administration	469,331	-	511	-	(468,820)
School administration	3,032,820	-	272,798	-	(2,760,022)
Business	1,622,755	-	142,852	-	(1,479,903)
Operation and maintenance of facilities	6,743,832	-	441,037	37,165	(6,265,630)
Transportation	2,914,397	5,095	2,313,101	-	(596,201)
School lunch services	2,841,720	131,102	2,795,300	-	84,682
Interest on long-term liabilities	2,595,141	-	-	-	(2,595,141)
Total school district	<u>\$ 59,441,549</u>	<u>\$ 764,310</u>	<u>\$ 20,835,006</u>	<u>\$ 37,165</u>	<u>\$ (37,805,068)</u>
General revenues:					
Property taxes levied for:					
General purposes					
					13,337,449
Transportation					
					-
Recreation					
					-
Debt service					
					978,546
Capital outlay					
					10,112,697
Federal and state aid not restricted to specific purposes					
					20,114,196
Earnings on investments					
					152,606
Miscellaneous					
					2,103,348
Total general revenues					
					<u>46,798,842</u>
Change in net position					
					8,993,774
Net position - beginning					
					<u>107,257,958</u>
Net position - ending					
					<u>\$ 116,251,732</u>

The notes to the financial statements are an integral part of this statement.

DUCHESNE COUNTY SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2021

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General	Capital Projects		
Assets:				
Cash and investments	\$ 14,269,084	\$ 15,303,048	\$ 2,508,296	\$ 32,080,428
Accounts receivable:				
Property tax	12,390,991	9,080,691	1,747,627	23,219,309
Local	5,025	91,595	490	97,110
Due from lunch fund	-	-	-	-
State of Utah	133,612	-	72,014	205,626
Federal government	1,001,350	-	123,323	1,124,673
Inventories	-	20,000	251,762	271,762
Total assets	\$ 27,800,062	\$ 24,495,334	\$ 4,703,512	\$ 56,998,908
Liabilities:				
Accounts payable	\$ 673,960	\$ 11,663	\$ 28,195	\$ 713,818
Accrued payroll and benefits	4,492,252	-	-	4,492,252
Unearned revenue, State	611,538	-	-	611,538
Due to general fund	-	-	-	-
Total liabilities	5,777,750	11,663	28,195	5,817,608
Deferred Inflows of Resources:				
Unavailable property tax revenue	\$ 433,112	\$ 315,306	\$ 61,092	\$ 809,510
Property taxes levied for future year	11,919,936	8,737,036	1,682,180	22,339,152
Total deferred inflows of resources	12,353,048	9,052,342	1,743,272	23,148,662
Fund Balances:				
Nonspendable:				
Inventories	-	20,000	251,762	271,762
Restricted:				
Capital projects	-	13,411,329	-	13,411,329
Debt service	-	-	41,654	41,654
Nutrition services	-	-	356,515	356,515
Schools	-	-	136,464	136,464
Extra-curricular	-	-	-	-
Committed:				
Economic stabilization	2,450,000	-	-	2,450,000
Self insurance	375,000	2,000,000	-	2,375,000
Employee benefit obligations	929,994	-	-	929,994
Assigned:				
Students	-	-	2,145,650	2,145,650
Programs	1,995,539	-	-	1,995,539
Unassigned:	3,918,731	-	-	3,918,731
Total fund balances	9,669,264	15,431,329	2,932,045	28,032,638
Total liabilities, deferred inflows of resources, and fund balances	\$ 27,800,062	\$ 24,495,334	\$ 4,703,512	\$ 56,998,908

The notes to the financial statements are an integral part of this statement.

DUCHESNE COUNTY SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021

Total net position reported for governmental activities in the statement of net position are different because:

Total fund balance for governmental funds	\$	28,032,638
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$	5,242,150
Construction in progress		735,638
Buildings and improvements, net of \$60,133,017 accumulated depreciation		182,291,849
Furniture and equipment, net of \$8,783,705 accumulated depreciation		3,242,228
		191,511,865
The net pension asset is not an available resource and therefore is not reported in the governmental funds.		216,970
Some of the District's property taxes will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.		809,510
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at year end are:		
Net pension liability		(8,094,790)
Deferred outflows of resources related to pensions		4,766,851
Deferred inflows of resources related to pensions		(8,764,284)
Debt payable		(85,113,871)
Unamortized bond issuance premiums		(6,213,377)
Accrued interest		(279,155)
Compensated absences payable		(620,625)
		(104,319,251)
Total net assets of governmental activities	\$	116,251,732

The notes to the financial statements are an integral part of this statement.

DUCHESNE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	<u>Major Funds</u>		<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital Projects</u>		
Revenues:				
Property taxes	\$ 13,161,280	\$ 9,659,850	\$ 1,911,917	\$ 24,733,047
Earnings on investments	63,493	73,036	16,077	152,606
School lunch sales	-	-	131,102	131,102
Other local sources	233,828	1,110,090	1,664,638	3,008,556
State sources	33,591,025	37,165	513,750	34,141,940
Federal sources	4,562,877	-	2,281,550	6,844,427
Total revenues	<u>51,612,503</u>	<u>10,880,141</u>	<u>6,519,034</u>	<u>69,011,678</u>
Expenditures:				
Current:				
Instructional services	30,752,978	-	1,916,893	32,669,871
Supporting services:				
Students	1,835,596	-	-	1,835,596
Instructional staff	1,444,264	-	-	1,444,264
District administration	342,493	-	-	342,493
School administration	3,140,689	-	-	3,140,689
Business	1,698,466	-	-	1,698,466
Operation and maintenance of facilities	6,287,062	11,663	-	6,298,725
Transportation	2,753,528	-	-	2,753,528
School lunch services	-	-	2,757,881	2,757,881
Capital outlay	1,064,404	742,993	-	1,807,397
Debt service:				
Principal retirement	-	4,813,638	1,800,000	6,613,638
Interest and fiscal charges	-	3,221,772	500	3,222,272
Bond issuance and service costs	-	-	-	-
Total expenditures	<u>49,319,480</u>	<u>8,790,066</u>	<u>6,475,274</u>	<u>64,584,820</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,293,023</u>	<u>2,090,075</u>	<u>43,760</u>	<u>4,426,858</u>
Other financing sources (uses):				
Transfers	-	-	-	-
Bond & Loan Proceeds	-	-	-	-
Sale of capital assets	-	36,183	-	36,183
Total other financing sources (uses)	<u>-</u>	<u>36,183</u>	<u>-</u>	<u>36,183</u>
Net change in fund balances	2,293,023	2,126,258	43,760	4,463,041
Fund balances - beginning	<u>7,376,241</u>	<u>13,305,071</u>	<u>2,888,285</u>	<u>23,569,597</u>
Fund balances - ending	<u>\$ 9,669,264</u>	<u>\$ 15,431,329</u>	<u>\$ 2,932,045</u>	<u>\$ 28,032,638</u>

The notes to the financial statements are an integral part of this statement.

DUCHESNE COUNTY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Government Funds to the Statement of Activities
Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-total governmental funds \$ 4,463,041

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 1,807,397	
Gain on disposal of capital assets	142,630	
Proceeds from sales of capital assets	(36,183)	
Depreciation expense	(6,732,045)	(4,818,201)

The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due.

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

General obligation bond proceeds	-	
Repayment of bond principal	6,613,638	
Amortization of bond premium	606,193	
Interest expense - bonds and loans	20,938	7,240,769

Delinquent property taxes are reported as deferred revenue in the governmental funds. However, they are reported as revenues in the statement of activities. (304,355)

In the statement of activities, certain operating expenses -- compensated absences (vacation), and special termination benefits (early retirement) -- are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, vacation payable increased by \$13,653 and early retirement payable decreased by (\$121,777). 108,124

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Pension expense		2,304,396
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Change in net assets of governmental activities \$ 8,993,774

DUCHESNE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 13,617,000	\$ 13,516,000	\$ 13,161,280	\$ (354,720)
Earnings on investments	150,000	50,000	63,493	13,493
Other local sources	255,000	155,000	233,828	78,828
State sources	30,128,000	33,005,000	33,591,025	586,025
Federal sources	2,581,000	4,689,000	4,562,877	(126,123)
Total revenues	<u>46,731,000</u>	<u>51,415,000</u>	<u>51,612,503</u>	<u>197,503</u>
Expenditures:				
Current:				
Instructional services	28,080,000	33,700,000	30,895,457	2,804,543
Supporting services:				
Students	1,286,000	1,795,000	1,835,596	(40,596)
Instructional staff	1,367,000	1,381,000	1,444,264	(63,264)
District administration	374,000	331,000	342,493	(11,493)
School administration	2,985,000	3,092,000	3,140,689	(48,689)
Business	1,527,000	1,529,000	1,703,566	(174,566)
Operation and maintenance of facilities	7,680,000	7,762,000	7,177,417	584,583
Transportation	3,627,000	3,297,000	2,779,998	517,002
Total expenditures	<u>46,926,000</u>	<u>52,887,000</u>	<u>49,319,480</u>	<u>3,567,520</u>
Excess of revenues over expenditures	<u>(195,000)</u>	<u>(1,472,000)</u>	<u>2,293,023</u>	<u>3,765,023</u>
Other financing sources (uses):				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Net change in fund balances	<u>(195,000)</u>	<u>(1,472,000)</u>	<u>2,293,023</u>	<u>3,765,023</u>
Fund balances - beginning	<u>7,376,241</u>	<u>7,376,241</u>	<u>7,376,241</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 7,181,241</u></u>	<u><u>\$ 5,904,241</u></u>	<u><u>\$ 9,669,264</u></u>	<u><u>\$ 3,765,023</u></u>

The notes to the financial statements are an integral part of this statement.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2021

1. Summary of Significant Accounting Policies

The financial statements of Duchesne County School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The following is a summary of the significant accounting policies of the District.

The Reporting Entity – The District was established in 1915 as an independent political entity under the Constitution and laws of the State of Utah and provides elementary and secondary education in Duchesne County, Utah. The Board of Education, comprised of five elected officials, has primary governing authority for the District. Each Board Member is elected from the precinct in which they reside and serves for four years. The Board establishes policies, approves budgets, appoints administrators, and has authority to levy taxes and issue debt instruments. The District is not a component unit of any other government.

These financial statements present the activities of the District and its component units, the *Duchesne County School District Foundation* and the *Municipal Building Authority*, for which the District is considered to be financially accountable. Although a legally separate entity, a blended component unit is, in substance, a part of the District's operations.

Blended Component Units. The Duchesne County School District Foundation, established under Internal Revenue Service regulations as a nonprofit 501(c)(3) organization, raises tax-deductible donations for educational and charitable purposes, and is presented as a special revenue fund of the District. The Municipal Building Authority facilitates the issuance of financing for building projects.

Government-Wide and Fund Financial Statements – The *government-wide financial statements* (i.e. the statement of net position) reports on all of the non-fiduciary activities of the District and its component unit.

The statement of activities compares the expenses of the District, categorized by function or activity, to program revenues by function. Program revenues include fees paid by recipients of goods or services provided by a function, and grants that are restricted to a particular function. Taxes and other revenues not identified with a specific function are presented as general revenues.

Fund financial statements are provided for governmental funds. Each fund has a different purpose and is accounted for separately. The emphasis of the fund statements is on the major governmental funds with each reported in a separate column. Remaining governmental funds are aggregated and reported as non-major funds.

The District reports major governmental funds as follows:

- ❑ The *general fund* is the District's primary operating fund. It accounts for all financial resources not required to be in another fund.
- ❑ The *capital projects fund* accounts for the accumulated resources and payments to acquire building sites, construct and remodel facilities, and procurement of equipment and supplies.

Basis of Accounting – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred regardless of when related cash flows take place. Property taxes are recognized as revenues when levied. Grant revenues are recognized when eligibility requirements are satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when both measurable and available. The District considers revenues to be available if collectable within thirty days after year-end with the exception of property taxes which are accrued when levied. Expenditures are recorded when a liability is incurred except for early retirement, and compensated absences, which are recognized to the extent they have matured. When both restricted and unrestricted resources are available for use, restricted resources are used first. Unrestricted resources are also used: committed first, followed by assigned, and then unassigned.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2021

Budgetary Data - Budgets are prepared on the modified accrual basis of accounting. Annual appropriations lapse at the end of each fiscal year with the exception of restricted programs indicated as an assigned fund balance. The following procedures are used to establish budgets:

- ❑ A proposed budget for the fiscal year commencing July 1 is submitted to the Board of Education during a public hearing in June.
- ❑ The budget is legally adopted by the Board prior to June 30.
- ❑ A final budget, including any interim adjustments approved by the Board, is adopted the following June just prior to year-end.
- ❑ Expenditures may not legally exceed budgeted appropriations at the fund level.

Inter-fund Balances – Most internal fund activity has been eliminated from the government-wide statement of activities. There were no inter-fund payables or receivables to be eliminated from the financial statements.

Inventories and Prepaid Expenses – Inventories are valued using a weighted moving average cost, or fair value if donated. An equal reservation of fund balance as nonspendable is reported to indicate they are not “expendable resources.”

Capital Assets – Assets are capitalized and depreciated using the straight-line method according to the schedule below. Assets are reported at cost or estimated historical cost in the government-wide financial statements. Land and construction in progress are not depreciated.

Asset Class	Useful Life (Years)	Capitalization Threshold
Land	N/A	\$ 5,000
Buildings	45	100,000
Remodeling, Improvements, Systems	20	100,000
Athletic, Instructional, & Musical Equipment	10	5,000
Kitchen Custodial & Grounds Equipment	15	5,000
Computers, Copiers	5	5,000
Furniture	20	5,000
Vehicles (Cars, Trucks, Buses)	10	5,000

Deferred Outflows/Inflows of Resources — In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. These items are reported in the government-wide statement of net position. Accordingly, the item, *deferred outflows of resources related to pensions*, is reported and includes a) changes of assumptions in the measurement of the net pension liability (asset), b) net difference between projected and actual earnings on pension plan investments, c) changes in proportion and differences between contributions and proportionate share of contributions, and d) District contributions subsequent to the measurement date.

The financial statements will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time. Accordingly, under the modified accrual basis of accounting the item, *unavailable property tax revenue*, is reported in the governmental funds balance sheet and consists of uncollected, delinquent property taxes. The item, *property taxes levied for future year*, is reported in both the statement of net position and the governmental funds balance sheet and accounts for a property tax lien that is effective in January but the taxes levied will be collected for the following school year. *Deferred inflows of resources related to pensions* is reported on the statement of net position and includes a) differences between expected and actual experience, b) changes of assumptions in the measurement of the net pension liability (asset), and c) net difference between projected and actual earnings on pension plan investments, and d) changes in proportion and differences between District contributions and proportionate share of contributions.

Net Position/Fund Balances—The residual of all other elements presented in a statement of net position is *net position* and the residual of all other elements presented in a balance sheet on the governmental fund financial statements is *fund balance*. Net position is divided into three components: net investment in capital assets (capital assets net of related debt less unspent bond proceeds), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon it by external parties or are imposed by constitutional provisions or enabling legislation.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2021

Fund Balance Classification – The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the District is bound to honor them. The classifications are as follows:

- ❑ *Nonspendable* are in the form of inventories instead of cash.
- ❑ *Restricted* have external constraints imposed by creditors, grantors, laws, or other government entities.
- ❑ *Committed* can only be used for purposes established by the Board of Education or contractual obligations.
 - The District has committed an “undistributed reserve” for economic stabilization to cover potential budget cuts or other significant events and to maintain liquidity as per Utah Code 53A-19-103. The commitment can only be used by resolution of the Board of Education and cannot be used in the settlement of contract salaries.
 - The self-insurance balance in the capital fund has been committed to repair any major building failures.
 - Employee benefit obligations include commitments for accrued vacation and early retirement incentives.
- ❑ *Assigned* amounts include remaining balances of other governmental funds and programs.
- ❑ Residual balances become *unassigned*.

Fund balance flow assumptions – Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Deposits and Investments

Resources from all funds are pooled for deposit and investment purposes. A separate accounting is maintained for each fund. Deposits and investments are stated at fair value, and are managed according to the Utah Money Management Act.

Deposits and investments at year-end appear in the financial statements as summarized below:

Cash	\$ 2,029,604
Investments	30,050,824
Total cash and investments	\$ 32,080,428
Cash and investments - governmental funds, balance sheet	\$ 32,080,428
Total cash and investments	\$ 32,080,428

We comply with the State Money Management Act (Utah Code Title 51, Chapter 7) (the Act) and related Rules of the Money Management Council (the Council) in handling our depository and investing transactions. Our funds are deposited in qualified depositories as defined by the Act. The Act also authorizes us to invest in the Utah Public Treasurers’ Investment Fund (PTIF), certificates of deposit, US Treasury obligations, US agency issues, first-tier commercial paper, banker’s acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the State of Utah.

The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. We consider the rules of the Council to be necessary and enough for adequate protection of our uninsured bank deposits.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2021

Deposits

A sweep account is used to invest cash float in the bank accounts. The carrying amount of bank deposits at year-end was \$2,029,604 and the bank balance was \$3,202,874 of which \$1,000,000 was covered by federal depository insurance, \$0 was collateralized, and \$2,202,874 was exposed to custodial credit risk as uninsured and uncollateralized.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government’s deposits may not be returned to it. We do not have a formal deposit policy for custodial credit risk. The uninsured amount of our bank deposits was uncollateralized nor is it required by state law.

Investments

The Money Management Act defines the types of securities and the conditions for making investments. Only qualified depositories and certified dealers may conduct transactions.

Investments are primarily through the Utah Public Treasurers’ Investment Fund (PTIF). The PTIF is an external local government investment pool managed by the Utah State Treasurer. The PTIF is authorized and makes investments in accordance with the Act. The Council provides regulatory oversight for the PTIF. Participant accounts with the PTIF are not insured or otherwise guaranteed by the state. Participants in the PTIF share proportionally in the income, costs, gains, and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio, which consists of debt securities held by the state or in the state’s name by the state’s custodial banks, including investment-grade corporate bonds and notes, 94.0%; money market mutual funds, 3.4%; first-tier commercial paper, 2.5%; and certificates of deposit, 0.1%. The portfolio has a weighted average maturity of 48 days. The majority of the PTIF’s corporate bonds and notes are variable-rate securities, which reset every three months to the prevailing market interest rates. The PTIF is not rated. The PTIF has no debt securities with more than 5% of its total investments in a single issuer. The reported value of the pool is the same as the fair value of the pool shares.

As of June 30 the District had the following investments maturities and corresponding quality ratings:

Investment Type	Quality Rating	Fair Value	Investment Maturities (in years)			
			Less than 1	1-5	6-10	More than 10
State of Utah						
Public Treasurer's Investment Fund (PTIF)	Unrated	\$ 30,050,824	\$ 30,050,824	-	-	-
		-	-	-	-	-
		-	-	-	-	-
Total Investments		\$ 30,050,824	\$ 30,050,824	\$ -	\$ -	\$ -

Interest rate risk – The risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Money Management Act requires the remaining term to maturity of an investment may not exceed the availability of the funds to be invested.

Credit risk – The risk that an issuer will not fulfill its obligations. The Act limits investments in commercial paper to a first-tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody’s Investors Service or by Standard & Poor’s.

Custodial credit risk – In the event of the failure of a counter party, this is the risk that the District would not be able to recover the value of an investment or collateral securities in the possession of an outside party. Our policy for managing this risk is to comply with the Act and related rules.

Concentration of credit risk – The risk of loss due to the magnitude of investments in a single issuer. The Act does not place any investment limitations on securities issued by the U.S. government and its agencies.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2021

3. Fair Value Measurements

In 2016, the District adopted Government Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*.

The new standard provides guidance for determining a fair value measurement for financial reporting purposes. The standard also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The District's financial statements are not affected by this new standard.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of the end of the fiscal year:

- Public Treasurers' Investment Fund of \$30,050,824 held in the PTIF are valued at the District's position in the PTIF multiplied by the published fair value factor (Level 2 inputs).
- Certificates of deposit of \$322,117 was valued at the original amount deposited at the financial institutions plus interest earned on the certificate through the end of the fiscal year (Level 1 inputs).

4. Property Taxes

The Duchesne County Treasurer collects property taxes for the District according to Utah statutes. A tax lien attaches to property as of January 1. Taxes are levied on September 1 and are payable on November 30. Motor vehicles are subject to an "age-based" fee due each year at registration, which is recognized as property tax revenue by the District when collected.

At year-end the District reported deferred inflows of resources in the fund financial statements of \$23,148,662. A major portion of this accrual, \$22,339,152, represents taxes levied on January 1 that are not due and collectable until November, does not meet the revenue recognition criteria, and is also reported as deferred inflows of resources in the District-wide financial statements in the current reporting period. The remainder represents delinquent taxes that are reported as revenue.

5. Capital Assets

Plans are under way to replace the older portion of Duchesne High School with \$735,638 expended on planning and design. The project will be financed with Capital Fund revenues and lease revenue bonds.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2021

Capital asset activity for the year ended June 30, 2021 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 4,499,157	\$ 742,993	\$ -	\$ 5,242,150
Construction in progress	15,078	720,560	-	735,638
Total capital assets, not being depreciated	4,514,235	1,463,553	-	5,977,788
Capital assets, being depreciated:				
Buildings and improvements	242,424,866	-	-	242,424,866
Furniture and equipment	11,774,272	343,844	(92,183)	12,025,933
Total capital assets, being depreciated	254,199,138	343,844	(92,183)	254,450,799
Accumulated depreciation for:				
Buildings and improvements	(54,133,658)	(5,999,359)	-	(60,133,017)
Furniture and equipment	(8,249,649)	(626,239)	92,183	(8,783,705)
Total accumulated depreciation	(62,383,307)	(6,625,598)	92,183	(68,916,722)
Total capital assets, being depreciated, net	191,815,831	(6,281,754)	-	185,534,077
Governmental activities capital assets, net	<u>\$ 196,330,066</u>	<u>\$ (4,818,201)</u>	<u>\$ -</u>	<u>\$ 191,511,865</u>

Depreciation expense for the year ended June 30, 2021 was allocated to functions of the District as follows:

Governmental activities:	
Instructional services	\$ 5,024,869
Supporting services:	
District administration	136,333
School administration	214,216
Business	18,320
Operation and maintenance of facilities	555,178
Transportation	278,504
School lunch services	398,178
Total depreciation expense, governmental activities	<u>\$ 6,625,598</u>

6. Retirement Plans

General Information About the Pension Plan

Plan Description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System);
 - Public Employees Contributory Retirement System (Contributory System);
- are multiple employer, cost sharing, retirement systems.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2021

- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer cost sharing public employee retirement system;

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

Summary of Retirement Benefits by System

Benefits provided: URS provides retirement, disability, and death benefits.

Retirement benefits are as follows:

System	Final Average Salary	Years of service required and/ or age eligible for benefit	Benefit percent per year of service	COLA **
Noncontributory	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory	Highest 5 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2% per year July 1975 to present	Up to 4%
Tier 2	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* Actuarial reductions are applied.

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2021

	<u>Employee Paid</u>	<u>Paid by employer for employee</u>	<u>Employer Contribution Rate</u>	<u>Employer rate for 401(k) plan</u>
Contributory System				
12 State School Div - Tier 1	1.00	5.00	17.70	n/a
112 State School Div – Tier 2			19.13	0.89
Noncontributory System				
16 State School Div – Tier 1			22.19	1.50
Tier 2 DC Only				
212 State and School			10.02	10.00

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

Employer and employee contributions for the fiscal year were:	<u>Employer</u>	<u>Employee</u>
Noncontributory System	\$ 3,153,336	N/A
Contributory System	13,111	4,444
Tier 2 Public Employees System	1,761,834	-
Tier 2 DC Only System	<u>120,219</u>	<u>N/A</u>
Total Contributions	<u>\$ 5,048,500</u>	<u>\$ 4,444</u>

Contributions reported are the URS Board-approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30 we reported the following net pension asset and net pension liability:

	<u>Measurement Date: December 31, 2020</u>				
	<u>Net</u>	<u>Net</u>		<u>Proportionate Share</u>	
	<u>Pension</u>	<u>Pension</u>	<u>Proportionate</u>	<u>December 31, 2019</u>	<u>Change</u>
	<u>Asset</u>	<u>Liability</u>	<u>Share</u>		
Noncontributory System	\$ -	\$ 8,016,371	0.6013232%	0.5887845%	0.0125387%
Contributory System	216,970	-	0.9122582%	0.8165023%	0.0957559%
Tier 2 Public Employees System	-	78,419	0.5452274%	0.5351658%	0.0100616%
Total	<u>\$ 216,970</u>	<u>\$ 8,094,790</u>			

The net pension asset and liability were measured as of December 31, 2020 and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year. For the fiscal year we recognized pension expense of \$2,740,293.

At June 30 we reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 951,352	\$ 35,908
Changes of assumptions	855,349	2,853
Net difference between projected and actual earnings on pension plan investments	-	8,725,523
Changes in proportion and differences between District contributions and proportionate share of contributions	431,018	-
Contributions subsequent to the measurement date	<u>2,529,132</u>	<u>-</u>
Total	<u>\$ 4,766,851</u>	<u>\$ 8,764,284</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2021

\$2,529,132 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2021	\$ (1,793,302)
2022	(576,495)
2023	(2,891,370)
2024	(1,419,354)
2025	26,413
Thereafter	127,543

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, we recognized pension expense of \$ 2,027,967. At June 30 we reported deferred outflows and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 879,166	\$ -
Changes in assumptions	756,159	-
Net difference between projected and actual earnings on pension plan investments	-	8,069,047
Changes in proportion and differences between contributions and proportionate share of contributions	312,694	-
Contributions subsequent to the measurement date	1,569,657	-
Total	<u>\$ 3,517,676</u>	<u>\$ 8,069,047</u>

\$ 1,569,657 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (1,618,034)
2022	(477,093)
2023	(2,687,419)
2024	(1,338,482)
2025	-
Thereafter	-

Contributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, we recognized pension expense of (\$ 55,094). At June 30 we reported deferred outflows and deferred inflows of resources relating to pensions from the following sources:

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2021

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	427,257
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	6,292	-
Total	<u>\$ 6,292</u>	<u>\$ 427,257</u>

\$ 6,292 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (135,808)
2022	(76,047)
2023	(150,384)
2024	(65,018)
2025	-
Thereafter	-

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, we recognized pension expense of \$ 767,420. At June 30 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 72,186	\$ 35,908
Changes in assumptions	99,190	2,853
Net difference between projected and actual earnings on pension plan investments	-	229,219
Changes in proportion and differences between District contributions and proportionate share of contributions	118,324	-
Contributions subsequent to the measurement date	953,183	-
Total	<u>\$ 1,242,883</u>	<u>\$ 267,980</u>

\$ 953,183 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2021

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (39,461)
2022	(23,355)
2023	(53,567)
2024	(15,854)
2025	26,413
Thereafter	127,543

Actuarial Assumptions: The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: Inflation 2.50 percent; Salary increases 3.25 – 9.75 percent, average, including inflation; Investment rate of return 6.95 percent, net of pension plan investment expense, including inflation. Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Allocation	Real Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Equity securities	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	1.14%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0.00%	0.00%
Total	100%		4.84%
Inflation			2.50%
Expected arithmetic nominal return			7.34%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, and a real return of 4.45% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2021

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

<u>System</u>	<u>1% Decrease (5.95%)</u>	<u>Discount Rate (6.95%)</u>	<u>1% Increase (7.95%)</u>
Noncontributory System	\$ 25,698,672	\$ 8,016,371	\$ (6,768,448)
Contributory System	329,362	(216,970)	(685,273)
Tier 2 Public Employees System	1,319,555	78,419	(871,018)
Total	<u>\$ 27,347,589</u>	<u>\$ 7,877,820</u>	<u>\$ (8,324,739)</u>

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report. The District participates in the following Defined Contribution Savings Plans with Utah Retirement Systems: 401 (k) Plan, 457(b) Plan, Roth IRA Plan, and Traditional IRA Plan. Contributions to the Defined Contribution Savings Plans for the fiscal year were as follows:

Fiscal Year	<u>401(k)</u>		<u>457</u>	<u>IRA & Roth</u>
	District Contributions	Employee Contributions	Employee Contributions	Employee Contributions
2021	\$ 412,185	\$ 390,359	\$ 2,250	\$ 73,298
2020	367,199	384,647	3,128	58,829
2019	361,642	339,514	3,532	41,542

OPEB & Termination Benefits – The Governmental Accounting Standards Board (GASB) Statement No. 45 requires the entire liability for Other Post-Employment Benefits (post-retirement health care benefits) to be accrued. The District does not offer any OPEB plans and has no liability under GASB Statement No. 45.

The District does offer voluntary termination benefits which are governed by GASB Statement No. 47 and are recognized to the extent they become payable in the current year. The District offers an early retirement incentive, for up to four years or until Medicare eligibility, to employees with at least ten years of employment. The incentive is half the savings of hiring a replacement employee and allows retirees to purchase health care coverage prior to becoming eligible for Medicare at 132% of the employee rate. The discounted present value method was used to value the expected future benefit payments with a 5% discount rate and 7% health care inflation trend.

	Outstanding termination benefits payable as of June 30, 2021		Total
	2021	2020	Change
Early retirement incentive	\$ 273,455	\$ 366,750	\$ (93,295)
Retiree health plan	19,349	47,831	(28,482)
Total early retirement benefits payable	<u>\$ 292,804</u>	<u>\$ 414,581</u>	<u>\$ (121,777)</u>

7. Risk Management

The District carries insurance coverage for general, automotive, personal injury, errors and omissions, and malpractice liability up to \$10 million per occurrence through policies issued by Utah State Risk Management Fund, a public entity risk pool. The District also insures its buildings and vehicles through the same entity. Unemployment compensation is handled on a cost of benefits reimbursement basis with the State of Utah. Worker's compensation insurance is pooled with other districts in the state through the Utah School Boards Risk Management Mutual Insurance Association.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2021

8. Long-Term Liabilities

LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2021 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 59,880,000	\$ -	\$ (1,990,000)	\$ 57,890,000	\$ 3,315,000
Lease revenue bonds	27,475,103	-	(3,193,026)	24,282,077	1,935,027
Loans	4,372,406	-	(1,430,612)	2,941,794	1,444,610
Unamortized bond premiums	6,819,570	-	(606,193)	6,213,377	-
Total debt payable	98,547,079	-	(7,219,831)	91,327,248	6,694,637
Other Liabilities					
Net pension liability	13,257,769	(5,162,979)	-	8,094,790	-
Accrued vacation payable	314,168	319,967	(306,314)	327,821	319,625
Early retirement benefits payable	414,581	62,988	(184,765)	292,804	135,326
Total other liabilities	13,986,518	(4,780,024)	(491,079)	8,715,415	454,951
Total long-term liabilities	<u>\$ 112,533,597</u>	<u>\$ (4,780,024)</u>	<u>\$ (7,710,910)</u>	<u>\$ 100,042,663</u>	<u>\$ 7,149,588</u>

Payments on the general obligation bonds and leases are made by the debt service and capital outlay funds from property taxes. Accrued vacation and early retirement will be paid by the fund in which the employee worked.

Debt reserve and sinking fund requirements are located in the footnotes of the supplemental information *Continuing Disclosure Undertaking*.

The District's lease revenue bonds are direct borrowings and placements related to governmental activities and contain a provision that in the event of default, outstanding amounts become immediately due if the District is unable to make payment. The lease revenue bonds are secured by school buildings as follows: Series 2019 - Union High School; Series 2017 - Tabiona Community Center; Series 2011A - Altamont High School; Series 2005 - Jr. High School Auditorium. The outstanding loans are unsecured.

Individual Fund Statements

DUCHESNE COUNTY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	<u>Special Revenue</u>					<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>School Lunch</u>	<u>Pass-Through Taxes</u>	<u>Trust Fund</u>	<u>Student Activities</u>	<u>Total</u>		
Assets:							
Cash and investments	\$ 189,054	\$ -	\$ 1,136,351	\$ 1,145,592	\$ 2,470,997	\$ 37,299	\$ 2,508,296
Accounts receivable:							
Local	286	-	204	-	490		490
Property tax	-	-	-	-	-	1,747,627	1,747,627
State of Utah	72,014	-	-	-	72,014	-	72,014
Federal government	123,323	-	-	-	123,323	-	123,323
Inventories	251,762	-	-	-	251,762	-	251,762
Total assets	<u>\$ 636,439</u>	<u>\$ -</u>	<u>\$ 1,136,555</u>	<u>\$ 1,145,592</u>	<u>\$ 2,918,586</u>	<u>\$ 1,784,926</u>	<u>\$ 4,703,512</u>
Liabilities:							
Accounts payable	\$ 28,162	\$ -	\$ 33	\$ -	\$ 28,195	\$ -	\$ 28,195
Accrued payroll and benefits	-	-	-	-	-	-	-
Due to general fund	-	-	-	-	-	-	-
Deferred property tax revenue	-	-	-	-	-	-	-
Total liabilities	<u>28,162</u>	<u>-</u>	<u>33</u>	<u>-</u>	<u>28,195</u>	<u>-</u>	<u>28,195</u>
Deferred Inflows of Resources:							
Unavailable property tax revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,092	\$ 61,092
Property taxes levied for future year	-	-	-	-	-	1,682,180	1,682,180
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,743,272</u>	<u>1,743,272</u>
Fund balances:							
Nonspendable:							
Inventories	251,762	-	-	-	251,762	-	251,762
Restricted:							
Debt service	-	-	-	-	-	41,654	41,654
Schools	-	-	136,464	-	136,464	-	136,464
Nutrition services	356,515	-	-	-	356,515	-	356,515
Extra-curricular	-	-	-	-	-	-	-
Assigned:							
Students	-	-	1,000,058	1,145,592	2,145,650	-	2,145,650
Total fund balances	<u>608,277</u>	<u>-</u>	<u>1,136,522</u>	<u>1,145,592</u>	<u>2,890,391</u>	<u>41,654</u>	<u>2,932,045</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 636,439</u>	<u>\$ -</u>	<u>\$ 1,136,555</u>	<u>\$ 1,145,592</u>	<u>\$ 2,918,586</u>	<u>\$ 1,784,926</u>	<u>\$ 4,703,512</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2021

	<u>Special Revenue</u>					<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>School Lunch</u>	<u>Pass-Through Taxes</u>	<u>Trust Fund</u>	<u>Student Activities</u>	<u>Total</u>		
Revenues:							
Property tax	\$ -	\$ 95,000	\$ -	\$ -	\$ 95,000	\$ 1,816,917	\$ 1,911,917
Student fees	-	-	-	470,498	470,498	-	470,498
Lunch sales	131,102	-	-	-	131,102	-	131,102
Earnings on investments	-	-	14,959	1,118	16,077	-	16,077
Other local revenues	-	-	121,120	1,073,020	1,194,140	-	1,194,140
State aid	513,750	-	-	-	513,750	-	513,750
Federal aid	2,281,550	-	-	-	2,281,550	-	2,281,550
Total revenues	<u>2,926,402</u>	<u>95,000</u>	<u>136,079</u>	<u>1,544,636</u>	<u>4,702,117</u>	<u>1,816,917</u>	<u>6,519,034</u>
Expenditures:							
Current:							
Instructional services	-	95,000	114,791	1,707,102	1,916,893	-	1,916,893
School lunch services	2,757,881	-	-	-	2,757,881	-	2,757,881
Debt service:							
Principal retirement	-	-	-	-	-	1,800,000	1,800,000
Interest and fiscal charges	-	-	-	-	-	500	500
Total expenditures	<u>2,757,881</u>	<u>95,000</u>	<u>114,791</u>	<u>1,707,102</u>	<u>4,674,774</u>	<u>1,800,500</u>	<u>6,475,274</u>
Excess of revenues over expenditures	168,521	-	21,288	(162,466)	27,343	16,417	43,760
Other financing sources:							
Transfer in (out)	-	-	-	-	-	-	-
Net change in fund balances	168,521	-	21,288	(162,466)	27,343	16,417	43,760
Fund balances - beginning	<u>439,756</u>	<u>-</u>	<u>1,115,234</u>	<u>1,308,058</u>	<u>2,863,048</u>	<u>25,237</u>	<u>2,888,285</u>
Fund balances - ending	<u>\$ 608,277</u>	<u>\$ -</u>	<u>\$ 1,136,522</u>	<u>\$ 1,145,592</u>	<u>\$ 2,890,391</u>	<u>\$ 41,654</u>	<u>\$ 2,932,045</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
School Lunch
Nonmajor Special Revenue Fund
Year Ended June 30, 2021
With Comparative Totals for 2020

	<u>2021</u>	<u>2020</u>
	<u>Actual Amounts</u>	<u>Actual Amounts</u>
Revenues:		
Local sources:		
Lunch sales - students	\$ 98,762	\$ 463,778
Lunch Sales - adult	21,885	65,039
Earnings on investments	-	-
Other sales	10,455	14,086
Total local sources	<u>131,102</u>	<u>542,903</u>
State sources:		
State lunch program	513,750	494,930
Total state sources	<u>513,750</u>	<u>494,930</u>
Federal sources:		
Child nutrition program	2,140,217	1,498,442
Donated commodities	141,333	163,822
Total federal sources	<u>2,281,550</u>	<u>1,662,264</u>
Total revenues	<u>2,926,402</u>	<u>2,700,097</u>
Expenditures:		
Current:		
Salaries	900,758	772,087
Employee benefits	253,539	264,643
Purchased services	1,409	10,370
Food	1,123,663	1,165,514
Other supplies	206,512	63,708
Equipment	-	6,209
Indirect cost allocation	272,000	125,000
Total expenditures	<u>2,757,881</u>	<u>2,407,531</u>
Excess (deficiency) of revenues over expenditures	<u>168,521</u>	<u>292,566</u>
Other financing sources (uses):		
Transfer in (out)	-	-
Net change in fund balances	168,521	292,566
Fund balances - beginning	<u>439,756</u>	<u>147,190</u>
Fund balances - ending	<u>\$ 608,277</u>	<u>\$ 439,756</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
Pass-Through Taxes
Nonmajor Special Revenue Fund
Year Ended June 30, 2021
With Comparative Totals for 2020

	<u>2021</u>	<u>2020</u>
	<u>Actual Amounts</u>	<u>Actual Amounts</u>
Revenues:		
Local sources:		
Property taxes	\$ 95,000	\$ 77,582
Expenditures:		
Contributions to other governments:		
Statewide charter school program	95,000	77,582
Redevelopment agencies	-	-
Total contributions to other governments	<u>95,000</u>	<u>77,582</u>
Excess (deficiency) of revenues over expenditures	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

DUCHESNE COUNTY SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Trust Fund
Nonmajor Special Revenue Fund
Years Ended June 30, 2021 and 2020

	2021	2020
Revenues:		
Local sources:		
Contributions	\$ 121,120	\$ 218,939
Earnings on investments	14,959	24,104
Total revenues	136,079	243,043
Expenditures:		
Current:		
Program services - Instruction Support	3,041	6,052
Program services - graduating student scholarships	111,750	88,161
Total expenditures	114,791	94,213
Net change in fund balances	21,288	148,830
Fund balances - beginning	1,115,234	966,404
Fund balances - ending	\$ 1,136,522	\$ 1,115,234

DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
Student Activities
Nonmajor Special Revenue Fund
Year Ended June 30, 2021
With Comparative Totals for 2020

	<u>2021</u>	<u>2020</u>
	<u>Actual Amounts</u>	<u>Actual Amounts</u>
Revenues:		
Local sources:		
Fees	\$ 437,762	\$ 583,887
Earnings on investments	1,118	2,384
School vending	84,437	43,733
Textbook rentals	32,736	18,408
Other local sources	988,583	972,263
Total revenues	<u>1,544,636</u>	<u>1,620,675</u>
Expenditures:		
Current:		
Purchased professional services	330,628	472,487
Other purchased services	15,313	161,424
Supplies	994,917	868,571
Equipment	-	-
Other objects and fees	366,244	50,816
Total expenditures	<u>1,707,102</u>	<u>1,553,298</u>
Excess (deficiency) of revenues over expenditures	<u>(162,466)</u>	<u>67,377</u>
Fund balances - beginning	<u>1,308,058</u>	<u>1,240,681</u>
Fund balances - ending	<u>\$ 1,145,592</u>	<u>\$ 1,308,058</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Fund
Year Ended June 30, 2021
With Comparative Totals for 2020

	<u>2021</u>	<u>2020</u>
	<u>Actual Amounts</u>	<u>Actual Amounts</u>
Revenues:		
Property tax	\$ 1,816,917	\$ 1,866,293
Earnings on Investments	-	-
Total revenues	<u>1,816,917</u>	<u>1,866,293</u>
Expenditures:		
Debt service:		
Bond principal	1,800,000	1,865,000
Bond interest	-	-
Fees	500	500
Total expenditures	<u>1,800,500</u>	<u>1,865,500</u>
Net change in fund balances	16,417	793
Fund balance - beginning	<u>25,237</u>	<u>24,444</u>
Fund balance - ending	<u>\$ 41,654</u>	<u>\$ 25,237</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Major Capital Projects Fund
Year Ended June 30, 2021
With Comparative Totals for 2020

	<u>2021</u>	<u>2020</u>
	<u>Actual</u>	<u>Actual</u>
	<u>Amounts</u>	<u>Amounts</u>
Revenues:		
Property taxes	\$ 9,659,850	\$ 9,748,619
Earnings on investments	73,036	48,864
Other local	1,110,090	252,024
State sources - capital outlay foundation	37,165	17,328
Federal sources	-	-
Total revenues	<u>10,880,141</u>	<u>10,066,835</u>
Expenditures:		
Capital outlay:		
Salaries	-	-
Employee benefits	-	-
Purchased services	-	-
Supplies and materials	11,663	-
Land and improvements	742,993	130,005
Buildings	-	1,076,473
Total capital outlay	<u>754,656</u>	<u>1,206,478</u>
Debt Service:		
Principal	4,813,638	27,021,778
Interest and service fees	3,221,772	3,510,622
Total debt service	<u>8,035,410</u>	<u>30,532,400</u>
Total expenditures	<u>8,790,066</u>	<u>31,738,878</u>
Excess (deficiency) of revenues over expenditures	2,090,075	(21,672,043)
Other Financing Sources (Uses):		
Bond proceeds	-	-
Proceeds of refunding bonds	-	22,683,000
Loan Proceeds	-	-
Sale of capital assets	36,183	13,127
Total other financing sources (uses)	<u>36,183</u>	<u>22,696,127</u>
Net change in fund balances	2,126,258	1,024,084
Fund balance - beginning	<u>13,305,071</u>	<u>12,280,987</u>
Fund balance - ending	<u>\$ 15,431,329</u>	<u>\$ 13,305,071</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Required Supplementary Information
June 30, 2021

Schedules of the District's Proportionate Share of the Net Pension Liability (Asset)

Utah Retirement Systems

Last Seven Plan (Calendar) Years *

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Noncontributory Retirement System:							
District's proportion of the net pension liability (asset)	0.60132322%	0.58878459%	0.5362673%	0.5345900%	0.5391934%	0.5406280%	0.5319443%
District's proportionate share of the net pension liability (asset)	\$ 8,016,371	\$ 13,081,036	\$ 19,951,917	\$ 13,072,662	\$ 17,474,810	\$ 16,982,674	\$ 13,365,253
District's covered-employee payroll	\$ 13,959,121	\$ 13,646,951	\$ 13,418,312	\$ 13,562,081	\$ 13,888,888	\$ 13,982,342	\$ 14,274,698
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	57.4%	95.9%	148.7%	96.4%	125.8%	121.5%	93.6%
Plan fiduciary net position as a percentage of the total pension liability (asset)	94.3%	90.1%	84.1%	89.2%	84.9%	84.5%	87.2%
Contributory Retirement System:							
District's proportion of the net pension liability (asset)	0.9122582%	0.8165023%	0.9023387%	0.8549635%	0.8227239%	0.7933442%	0.6958214%
District's proportionate share of the net pension liability (asset)	\$ (216,970)	\$ 56,370	\$ 640,664	\$ 56,260	\$ 450,818	\$ 497,151	\$ 76,296
District's covered-employee payroll	\$ 87,981	\$ 91,092	\$ 175,120	\$ 194,529	\$ 220,546	\$ 251,313	\$ 254,743
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-246.6%	61.9%	365.8%	28.9%	204.4%	197.8%	30.0%
Plan fiduciary net position as a percentage of the total pension liability	103.7%	98.9%	91.4%	99.2%	93.4%	92.4%	98.7%
Tier 2 Public Employees Retirement System:							
District's proportion of the net pension liability (asset)	0.5452274%	0.5351658%	0.5284115%	0.5105785%	0.5325539%	0.5729846%	0.5697140%
District's proportionate share of the net pension liability (asset)	\$ 78,419	\$ 120,363	\$ 226,307	\$ 45,016	\$ 59,406	\$ (1,251)	\$ (17,265)
District's covered-employee payroll	\$ 8,737,381	\$ 7,451,482	\$ 6,213,178	\$ 5,015,314	\$ 4,367,361	\$ 3,700,062	\$ 2,788,955
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.90%	1.62%	3.64%	0.90%	1.36%	-0.03%	-0.62%
Plan fiduciary net position as a percentage of the total pension liability	98.3%	96.5%	90.8%	97.4%	95.1%	100.2%	103.5%

* These schedules only present information for the 2014 and subsequent measurement periods of the plans; prior-year information is not available

DUCHESNE COUNTY SCHOOL DISTRICT
Required Supplementary Information
June 30, 2021

Schedules of District Contributions

Utah Retirement Systems

Last Eight Reporting Years *

	2021	2020	2019	2018	2017	2016	2015	2014
Noncontributory System:								
Actuarial determined contributions	\$ 3,153,336	\$ 3,025,528	\$ 2,963,475	\$ 2,940,618	\$ 3,031,156	\$ 3,071,026	\$ 3,028,313	\$ 2,820,302
Contributions in relation to the contractually required contribution	(3,153,336)	(3,025,528)	(2,963,475)	(2,940,618)	(3,031,156)	(3,071,026)	(3,028,313)	(2,820,302)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 14,285,476	\$ 13,706,297	\$ 13,467,730	\$ 13,367,503	\$ 13,855,869	\$ 14,035,482	\$ 14,070,924	\$ 14,246,988
Contributions as a percentage of covered payroll	22 1%	22 1%	22 0%	22 0%	21 9%	21 9%	21 5%	19 8%
Contributory System:								
Actuarial determined contributions	\$ 13,111	\$ 16,930	\$ 19,732	\$ 36,254	\$ 35,228	\$ 43,461	\$ 45,199	\$ 39,864
Contributions in relation to the contractually required contribution	(13,111)	(16,930)	(19,732)	(36,254)	(35,228)	(43,461)	(45,199)	(39,864)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 74,075	\$ 95,652	\$ 111,481	\$ 204,825	\$ 199,028	\$ 245,467	\$ 259,244	\$ 254,703
Contributions as a percentage of covered payroll	17 7%	17 7%	17 7%	17 7%	17 7%	17 7%	17 4%	15 7%
Tier 2 Public Employees System:								
Actuarial determined contributions	\$ 1,761,834	\$ 1,558,688	\$ 1,280,332	\$ 1,021,966	\$ 837,240	\$ 755,181	\$ 592,177	\$ 366,396
Contributions in relation to the contractually required contribution	(1,761,834)	(1,558,688)	(1,280,332)	(1,021,966)	(837,240)	(755,181)	(592,177)	(366,396)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 9,217,102	\$ 8,211,914	\$ 6,802,400	\$ 5,550,604	\$ 4,585,630	\$ 4,139,328	\$ 3,275,786	\$ 2,212,017
Contributions as a percentage of covered payroll	19 1%	19 0%	18 8%	18 4%	18 3%	18 2%	18 1%	16 6%
Tier 2 Public Employees DC Only:								
Actuarial determined contributions	\$ 120,219	\$ 82,288	\$ 83,531	\$ 66,555	\$ 61,719	\$ 53,019	\$ 29,719	\$ 15,313
Contributions in relation to the contractually required contribution	(120,219)	(82,288)	(83,531)	(66,555)	(61,719)	(53,019)	(29,719)	(15,313)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,197,274	\$ 821,233	\$ 833,645	\$ 664,222	\$ 615,957	\$ 526,689	\$ 301,885	\$ 187,424
Contributions as a percentage of covered payroll	10 0%	10 0%	10 0%	10 0%	10 0%	10 1%	9 8%	8 2%

* These schedules only present information for the District's 2014 and subsequent reporting periods; prior-year information is not available

DUCHESNE COUNTY SCHOOL DISTRICT
Required Supplementary Information
June 30, 2021

Notes to Required Supplementary Information

Changes in Assumptions:

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability as of December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the “Retirement Office” column using the “Reports and Stats” tab.

Statistical Section

Unaudited

DUCHESNE COUNTY SCHOOL DISTRICT
 General Fund - Per Capita Operating Costs By School
 Year Ended June 30, 2021

SCHOOL	CODE	PER CAPITA	AVERAGE DAILY MEMBERSHIP	% OF AVERAGE DAILY MEMBERSHIP	% OF TOTAL OPERATION COSTS	TOTAL OPERATION COSTS	INSTRUCTION	STUDENTS	SUPPORT SERVICES					PUPIL TRANS.
									INSTRUCTION STAFF	GENERAL ADMIN.	SCHOOL ADMIN.	BUSINESS ADMIN.	BUILDING OPER. & MTN.	
Altamont Elementary	104	\$ 10,007	292	6.10%	5.91%	\$ 2,917,200	\$ 1,936,210	\$ 66,469	\$ 123,223	\$ 20,898	\$ 202,032	\$ 104,021	\$ 281,563	\$ 182,782
Centennial Elementary	106	9,554	476	9.97%	9.23%	4,552,128	3,159,149	123,602	105,902	34,158	257,343	167,998	447,971	256,004
Duchesne Elementary	108	9,867	364	7.62%	7.28%	3,589,997	2,516,546	95,537	128,478	26,085	197,410	128,577	287,191	210,174
East Elementary	110	10,971	272	5.69%	6.04%	2,979,656	2,033,540	50,029	67,101	19,471	200,539	97,720	366,364	144,891
Myton Elementary	112	13,880	99	2.07%	2.78%	1,370,081	847,349	19,098	29,669	7,076	113,924	36,046	262,826	54,092
Neola Elementary	116	12,129	138	2.88%	3.38%	1,669,190	1,083,856	30,846	52,971	9,866	111,911	50,529	249,654	79,557
Tabiona Elementary	124	13,608	83	1.73%	2.28%	1,123,449	795,238	17,811	14,746	5,919	48,868	29,038	160,286	51,543
Kings Peak Elementary	304	8,652	433	9.07%	7.60%	3,747,737	2,330,591	101,065	93,400	31,054	219,545	153,553	586,243	232,286
Roosevelt Junior High	404	8,654	866	18.12%	15.19%	7,491,741	4,640,419	385,146	264,721	62,060	411,302	307,097	955,090	465,905
Altamont High	704	12,230	259	5.42%	6.42%	3,164,411	1,962,525	124,150	104,378	18,550	209,144	93,699	481,628	170,338
Duchesne High	708	12,994	351	7.35%	9.25%	4,560,120	2,376,267	151,640	119,222	25,159	254,075	125,953	1,272,051	235,753
Tabiona High	712	20,316	79	1.66%	3.27%	1,610,487	844,504	17,200	30,967	5,683	144,050	30,206	477,933	59,944
Union High	714	8,510	1,024	21.44%	17.67%	8,716,176	4,994,964	638,126	302,497	73,431	586,164	363,399	1,151,346	606,249
Con Amore	802	42,491	43	0.90%	3.70%	1,827,110	1,374,298	14,876	6,992	3,083	184,381	15,730	197,271	30,480
Totals			4,777	100.00%	100.00%	\$ 49,319,481	\$ 30,895,457	\$ 1,835,596	\$ 1,444,264	\$ 342,493	\$ 3,140,689	\$ 1,703,566	\$ 7,177,417	\$ 2,779,998

District Average: \$ 10,324

Average Daily Membership Kindergarten 55%, Special Education Included
 Instruction Direct & Prorated Indirect
 Support Services:
 Students Direct & Prorated Indirect
 General Administration Average Daily Membership
 School Administration Direct & Prorated Indirect
 Business Administration Average Daily Membership
 Building Oper. & Maint. Direct & Prorated Indirect
 Transportation Direct & Prorated Indirect

Continuing Disclosure Undertaking

Unaudited

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2021

Continuing Disclosure Memorandum of the Board of Education of Duchesne County School District

This supplemental information is provided for the benefit of the Beneficial Owners of general obligation bonds. Additional information is included annually pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

No events described in paragraph (b)(5)(i)(c) of the Rule has occurred that are required to be disclosed.

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DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2021

1. Debt Structure of Duchesne County School District, Utah

Outstanding general obligation bonded indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2016 (1)	School building	\$ 39,000,000	June 1, 2032	\$ 38,450,000
2014 (1)	School building	29,000,000	June 1, 2029	19,440,000
Total general obligation debt				\$ 57,890,000

(1) Rated “Aaa” (State of Utah Guaranty; underlying “A1”) by Moody’s, on the date of issuance.

Debt Service Schedule of Outstanding General Obligation Bonds by Fiscal Year

Fiscal Year Ending June 30	Series 2014 \$29,000,000 Interest cost 2.93%		Series 2016 \$39,000,000 Interest cost 2.99%		Totals		
	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total Debt Service
	2022	\$ 2,090,000	\$ 735,056	\$ 1,225,000	\$ 1,700,250	\$ 3,315,000	\$ 2,435,306
2023	2,195,000	630,556	1,275,000	1,639,000	3,470,000	2,269,556	5,739,556
2024	2,305,000	520,806	1,350,000	1,575,250	3,655,000	2,096,056	5,751,056
2025	2,420,000	405,556	1,425,000	1,507,750	3,845,000	1,913,306	5,758,306
2026	2,490,000	332,956	1,500,000	1,436,500	3,990,000	1,769,456	5,759,456
2027	2,565,000	258,256	3,000,000	1,361,500	5,565,000	1,619,756	7,184,756
2028	2,645,000	178,100	3,150,000	1,211,500	5,795,000	1,389,600	7,184,600
2029	2,730,000	92,138	3,300,000	1,054,000	6,030,000	1,146,138	7,176,138
2030			7,125,000	889,000	7,125,000	889,000	8,014,000
2031			7,400,000	604,000	7,400,000	604,000	8,004,000
2032			7,700,000	308,000	7,700,000	308,000	8,008,000
Totals	\$ 19,440,000	\$ 3,153,424	\$ 38,450,000	\$ 13,286,750	\$ 57,890,000	\$ 16,440,174	\$ 74,330,174

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2021

Municipal Building Authority of Duchesne County School District, Utah

The Board created the Municipal Building Authority of Duchesne County School District, Utah (the “Authority”) as a nonprofit corporation in accordance with the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code (the “Nonprofit Corporation Act”) and as provided in the Local Building Authority Act, Title 17D, Chapter 2, Utah Code. The purpose of the Authority is to finance building acquisition or improvement projects on behalf of the Board.

The Authority is to be of perpetual duration as set forth in its Articles of Incorporation. The Board serves as the governing Board of Trustees of the Authority. The Authority has no property, money or other assets, except for the projects that are or have been constructed by the Authority. The principal place of business of the Authority is at the Board offices.

Debt Issuance. For each school construction project built by the Authority, the Authority has entered into an indenture and annual leases with the Board. The Authority leases the school building projects to the Board, pursuant to individual master lease agreements. The Authority has granted to a trustee, for the benefit of the owners of lease revenue bonds issued under each master lease, a security interest in all of the Authority’s right, title and interest in the school building project financed with lease revenue bonds issued under each separate indenture. Debt issued by the Authority is being paid from rental payments received by the Authority from the Board. Rental payments by the Board are being made from the capital projects fund from property taxes which are annually budgeted and appropriated by the Board for such purpose.

Outstanding Municipal Building Authority lease revenue bonds

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2019 (1)	School Building	\$ 22,683,000	June 1, 2035	\$ 18,041,000
2017 (1)	School Building	2,684,000	March 1, 2038	2,276,077
2011A (2)	School building / QSCB	9,000,000	March 1, 2026	3,215,000
2005 (3)	School building / CIB	3,000,000	June 15, 2026	750,000
Total Authority debt				\$ 24,282,077

(1) This bond was privately placed and is not rated.

(2) This bond was privately placed and is not rated. The 2011A MBA Bonds are federally taxable, Qualified School Construction Bonds, (“QSCB”), authorized by the American Recovery and Reinvestment Act of 2009. The QSCB tax credit rate is approximately 4.59% depending on congressional sequestration. The 2011A MBA Bonds will mature on March 1, 2026.

(3) Not rated; no rating applied for. Loan purchased by the State of Utah, Community Impact Board (“CIB”) at an annual interest rate of 0% per annum.

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2021

Debt Service Schedule of Outstanding Lease Revenue Bonds of the Municipal Building Authority of Duchesne County School District, Utah by Fiscal Year

Fiscal Year Ending June 30	Series 2011A \$9,000,000 Interest cost 0.44% (1)			Series 2005 \$3,000,000 Interest cost 0%		
	Principal	Interest	Federal Interest Subsidy	Principal		
2022	\$ 643,000	\$ 161,715	\$ (147,646)	\$ 150,000		
2023	643,000	129,372	(118,117)	150,000		
2024	643,000	97,029	(88,588)	150,000		
2025	643,000	64,686	(59,058)	150,000		
2026	643,000	32,342	(29,528)	150,000		
Totals	<u>\$ 3,215,000</u>	<u>\$ 485,144</u>	<u>\$ (442,937)</u>	<u>\$ 750,000</u>		

Fiscal Year Ending June 30,	Series 2017 \$2,684,000 Interest cost 2.50%		Series 2019 \$22,683,000 Interest cost 2.74%		Total Lease Revenue Bonds		
	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total Debt Service
2022	\$ 141,026	\$ 59,025	\$ 1,001,000	\$ 449,918	\$ 1,935,026	\$ 523,012	\$ 2,458,038
2023	144,026	56,200	1,018,000	437,906	1,955,026	505,361	2,460,387
2024	147,025	53,300	1,035,000	424,672	1,975,025	486,413	2,461,438
2025	122,000	50,325	1,054,000	410,182	1,969,000	466,135	2,435,135
2026	125,000	47,275	1,074,000	394,372	1,992,000	444,461	2,436,461
2027	128,000	44,150	459,000	376,651	587,000	420,801	1,007,801
2028	131,000	40,950	466,000	368,389	597,000	409,339	1,006,339
2029	134,000	37,675	476,000	359,069	610,000	396,744	1,006,744
2030	138,000	34,325	25,000	348,835	163,000	383,160	546,160
2031	141,000	30,875	25,000	348,260	166,000	379,135	545,135
2032	145,000	27,350	25,000	347,647	170,000	374,997	544,997
2033	148,000	23,725	3,688,000	346,997	3,836,000	370,722	4,206,722
2034	152,000	20,025	3,791,000	243,733	3,943,000	263,758	4,206,758
2035	156,000	16,225	3,904,000	130,003	4,060,000	146,228	4,206,228
2036	160,000	12,325			160,000	12,325	172,325
2037	164,000	8,325			164,000	8,325	172,325
2038	*					-	-
Totals	<u>\$ 2,276,077</u>	<u>\$ 562,075</u>	<u>\$ 18,041,000</u>	<u>\$ 4,986,632</u>	<u>\$ 24,282,077</u>	<u>\$ 5,590,914</u>	<u>\$ 29,872,991</u>

* Final payment from reserve fund.

(1) Federally taxable QSCB bond. Interest is based on a coupon rate of 5.03% per annum. The interest due is partially paid by a federal subsidy. The Authority contributes \$643,000 annually for mandatory sinking fund principal payments which will retire the 2011A bonds on March 1, 2026.

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2021

Outstanding Loan obligations

In 2011, the Board entered into a \$369,011 loan, issued through a combined federal and state program for energy efficiencies. The loan has a 0% rate of interest and is currently outstanding in the amount of \$99,935. Principal is due January 1, 2013 through October 1, 2024.

In 2017, the Board entered into a \$7,000,000 loan, issued through the Utah State Board of Education Revolving Loan Fund. The loan has a 1% rate of interest and is currently outstanding in the amount of \$2,841,859. The loan has a maximum term of five years and principal is due October 31, 2018 through October 31, 2022.

Fiscal Year Ending June 30,	Energy Loan 2011	Loan - Revolving Loan Fund		Total Loans		
	\$369,011	\$7,000,000		Total	Total	Total
	Interest 0%	Interest cost 1%		Principal	Interest	Debt Service
	Principal	Principal	Interest			
2022	\$ 30,751	\$ 1,413,860	\$ 28,419	\$ 1,444,611	\$ 28,419	\$ 1,473,030
2023	30,751	1,427,999	14,280	1,458,750	14,280	1,473,030
2024	30,751			30,751	-	30,751
2025	7,682			7,682	-	7,682
Totals	<u>\$ 99,935</u>	<u>\$ 2,841,859</u>	<u>\$ 42,699</u>	<u>\$ 2,941,794</u>	<u>\$ 42,699</u>	<u>\$ 2,984,493</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2021

2. Financial Information Regarding Duchesne County School District, Utah

Five-Year Financial Summaries

Statement of Net Position
Governmental Activities

	As of June 30				
	2021	2020	2019	2018	2017
Assets:					
Cash and investments	\$ 32,080,428	\$ 27,287,602	\$ 24,776,471	\$ 34,357,791	\$ 34,525,818
Receivables:					
Property taxes	23,219,309	23,524,866	23,567,562	23,664,192	21,772,189
Other governments	1,330,299	956,954	764,389	865,449	882,993
Local	97,110	10,984	16,196	3,670	3,056
Inventories and repaid expenses	271,762	424,371	366,011	362,024	486,847
Net pension asset	216,970	-	-	-	-
Capital assets:					
Land and construction in progress	5,977,788	4,514,235	16,168,992	78,266,216	55,199,965
Buildings and other capital assets, net of depreciation	185,534,077	191,815,831	184,859,258	112,641,111	109,831,422
Total assets	248,727,743	248,534,843	250,518,879	250,160,453	222,702,290
Deferred outflows of resources					
relating to pensions	4,766,851	3,624,846	8,092,129	7,848,913	7,548,735
Total assets and deferred outflows	253,494,594	252,159,689	258,611,008	258,009,366	230,251,025
Liabilities:					
Accounts payable	713,818	553,294	1,863,647	3,486,168	4,899,664
Accrued interest	279,155	300,093	381,896	352,747	352,747
Accrued salaries and benefits	4,492,252	3,915,009	3,630,603	3,408,519	3,301,842
Unearned revenue, State	611,538	776,840	860,842		
Noncurrent liabilities:					
Due within one year	7,149,588	7,104,717	6,791,617	6,517,791	4,267,171
Due after one year	84,798,285	92,171,111	99,233,194	106,350,245	89,899,128
Net pension liability	8,094,790	13,257,769	20,818,888	13,173,938	17,985,034
Total liabilities	106,139,426	118,078,833	133,580,687	133,289,408	120,705,586
Deferred inflows of resources:					
Deferred taxes levied for future year	22,339,152	22,276,172	22,468,109	21,681,465	20,252,298
Resources relating to pensions	8,764,284	4,546,726	457,860	6,954,030	2,273,068
Total deferred inflows	31,103,436	26,822,898	22,925,969	28,635,495	22,525,366
Net position:					
Net invested in capital assets	113,595,946	109,042,671	106,741,404	98,438,414	90,631,353
Restricted for:					
Programs	1,995,539	1,213,717	1,206,199	1,776,822	1,236,592
School lunch	650,616	421,474	130,552	274,876	324,853
Non K-12 programs	-	-	-	402,892	411,485
Trust fund	1,136,522	1,115,234	966,404	906,831	944,879
Student activities	1,145,592	1,308,058	1,240,681	1,311,095	1,149,841
Capital projects	1,740,845	1,745,293	828,887	854,906	958,678
Debt service	41,654	25,237	24,444	32,152	4,285
Unrestricted	(4,054,982)	(7,613,726)	(9,034,219)	(7,913,525)	(8,641,893)
Total net position	\$ 116,251,732	\$ 107,257,958	\$ 102,104,352	\$ 96,084,463	\$ 87,020,073

(Source: Information taken from the District's basic financial statements. This summary itself has not been audited.)

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2021

Statement of Activities (1)
Total Governmental Activities

	Net (Expense) Revenue and Changes in Net Position				
	Fiscal Year Ended June 30				
	2021	2020	2019	2018	2017
Governmental activities:					
Instructional services	\$ (22,392,335)	\$ (22,253,293)	\$ (19,082,069)	\$ (17,022,304)	\$ (16,125,867)
Supporting services:					
Students	(463,792)	(331,541)	(322,328)	(210,385)	(574,966)
Instructional staff	(926,452)	(993,383)	(947,023)	(266,886)	(1,043,475)
District administration	(452,853)	(552,259)	(554,296)	(475,713)	(449,427)
School administration	(2,752,038)	(3,392,447)	(3,036,863)	(2,265,650)	(2,626,023)
Business	(1,477,242)	(1,761,451)	(1,338,822)	(1,089,671)	(1,208,136)
Operation and maintenance of facilities	(6,233,696)	(5,933,967)	(6,051,640)	(5,921,685)	(4,104,197)
Transportation	(596,201)	(2,903,082)	(2,888,089)	(1,890,378)	(2,419,289)
School lunch services	84,682	998	(382,847)	(198,383)	(171,216)
Interest on long-term liabilities	(2,595,141)	(2,823,126)	(3,100,997)	(2,752,345)	(2,556,037)
Capital outlay	-	-	-	-	-
Total school district	<u>(37,805,068)</u>	<u>(40,943,552)</u>	<u>(37,704,974)</u>	<u>(32,093,399)</u>	<u>(31,278,633)</u>
General revenues:					
Property taxes levied for:					
General purposes	13,337,449	13,828,582	12,986,006	12,470,071	11,894,522
Debt service	978,546	1,014,579	952,761	914,908	872,680
Capital outlay	10,112,697	10,485,082	9,846,227	9,455,035	9,018,643
Transportation	-	-	-	-	-
Recreation	-	-	-	-	-
Federal and state aid not restricted to specific purposes	20,114,196	18,745,451	17,841,745	16,004,005	15,496,931
Earnings on investments	152,606	312,561	742,951	545,976	502,317
Miscellaneous	2,103,348	1,710,903	1,355,173	1,767,794	4,331,537
Total general revenues	<u>46,798,842</u>	<u>46,097,158</u>	<u>43,724,863</u>	<u>41,157,789</u>	<u>42,116,630</u>
Change in net assets	8,993,774	5,153,606	6,019,889	9,064,390	10,837,997
Net position-beginning (as restated)	107,257,958	102,104,352	96,084,463	87,020,073	76,182,076
Net position-ending	<u>\$ 116,251,732</u>	<u>\$ 107,257,958</u>	<u>\$ 102,104,352</u>	<u>\$ 96,084,463</u>	<u>\$ 87,020,073</u>

(1) This report is presented in summary format concerning the single item of "Net (Expense) Revenue and Changes in net Assets-Total Governmental Activities" and is not intended to be complete

(Source: Information taken from the District's basic financial statements. This summary itself has not been audited.)

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2021

Balance Sheet--Governmental Funds--Major Funds
General Fund

	Fiscal Year Ended June 30				
	2021	2020	2019	2018	2017
Assets:					
Cash and investments	\$ 14,269,084	\$ 11,541,081	\$ 9,046,955	\$ 8,765,398	\$ 7,297,000
Accounts receivables:					
Property taxes	12,390,991	12,586,392	12,631,259	12,833,763	11,207,819
Local	5,025	10,984	16,196	3,670	3,056
Due from other funds	-	32,638	228,017	88,337	97,089
State of Utah	133,612	480,338	121,684	74,801	54,651
Federal government	1,001,350	276,925	499,848	657,812	649,671
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 27,800,062</u>	<u>\$ 24,928,358</u>	<u>\$ 22,543,959</u>	<u>\$ 22,423,781</u>	<u>\$ 19,309,286</u>
Liabilities:					
Accounts payable	\$ 673,960	\$ 417,372	\$ 607,073	\$ 1,271,364	\$ 565,526
Accrued payroll and benefits	4,492,252	3,842,438	3,498,531	3,286,080	3,172,176
Unearned revenue, State	611,538	776,840	860,842		
Deferred property taxes	-	-	-	-	-
Total liabilities	<u>5,777,750</u>	<u>5,036,650</u>	<u>4,966,446</u>	<u>4,557,444</u>	<u>3,737,702</u>
Deferred inflows of resources:					
Unavailable property tax revenue	433,112	598,212	524,446	891,231	781,721
Property taxes levied for future years	11,919,936	11,917,255	12,066,726	11,779,697	10,388,386
Total deferred inflows of resources	<u>12,353,048</u>	<u>12,515,467</u>	<u>12,591,172</u>	<u>12,670,928</u>	<u>11,170,107</u>
Fund balances:					
Committed:					
Economic stabilization	2,450,000	2,200,000	1,900,000	1,875,000	1,850,000
Self insurance	375,000	370,000	370,000	370,000	370,000
Employee benefit obligations	929,994	1,012,340	1,055,481	951,891	759,338
Assigned:					
Programs	1,995,539	1,213,717	1,206,199	1,776,822	1,236,592
Unassigned	3,918,731	2,580,184	454,661	221,696	185,547
Total fund balances	<u>9,669,264</u>	<u>7,376,241</u>	<u>4,986,341</u>	<u>5,195,409</u>	<u>4,401,477</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,800,062</u>	<u>\$ 24,928,358</u>	<u>\$ 22,543,959</u>	<u>\$ 22,423,781</u>	<u>\$ 19,309,286</u>

(Source: Information taken from the District's basic financial statements. This summary itself has not been audited.)

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2021

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds—Major Fund
General Fund

	Fiscal Year Ended June 30				
	2021	2020	2019	2018	2017
Revenues:					
Property taxes	\$ 13,161,280	\$ 13,543,265	\$ 13,243,050	\$ 11,323,541	\$ 11,261,575
Earnings on investments	63,493	237,209	349,358	207,155	125,212
Other local sources	233,828	462,665	386,187	460,422	262,391
State sources	33,591,025	30,815,324	27,064,161	25,580,126	23,403,547
Federal sources	4,562,877	2,800,964	2,829,077	1,956,964	2,083,657
Total revenues	51,612,503	47,859,427	43,871,833	39,528,208	37,136,382
Expenditures:					
Current:					
Instructional services	30,895,457	28,484,320	24,788,955	23,486,271	22,620,556
Supporting services					
Students	1,835,596	1,362,861	988,745	955,240	968,439
Instructional staff	1,444,264	1,496,549	1,324,374	1,231,882	1,200,918
District administration	342,493	364,143	394,493	344,089	317,905
School administration	3,140,689	3,163,292	2,856,399	2,618,621	2,502,576
Business	1,703,566	1,794,665	1,433,954	1,381,933	1,250,780
Operation and maintenance of facilities	7,177,417	5,565,230	9,191,398	5,602,845	4,828,158
Transportation	2,779,998	3,238,467	3,102,583	3,113,395	2,874,301
Capital outlay	-	-	-	-	-
Total expenditures	49,319,480	45,469,527	44,080,901	38,734,276	36,563,633
Excess (deficiency) of revenues over (under) expenditures	2,293,023	2,389,900	(209,068)	793,932	572,749
Net change in fund balances	2,293,023	2,389,900	(209,068)	793,932	572,749
Fund balances-beginning	7,376,241	4,986,341	5,195,409	4,401,477	3,828,728
Fund balances-ending	\$ 9,669,264	\$ 7,376,241	\$ 4,986,341	\$ 5,195,409	\$ 4,401,477

(Source: Information taken from the District's basic financial statements. This summary itself has not been audited.)

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2021

Historical Property Tax Rates of the District

Tax	Maximum Tax Rate (1)	Tax Rate				
		2021-22	2020-21	2019-20	2018-19	2017-18
Basic Program (2)	Formula	0.001661	0.001628	0.001661	0.001666	0.001568
Voted Leeway (3)	0.002000	0.001672	0.001623	0.001600	0.001624	0.001600
Board Leeway (4)	0.002500	0.001528	0.001499	0.001485	0.001570	0.001083
Debt Service (5)	Sufficient	0.000686	0.000670	0.000681	0.000499	0.000495
Capital Outlay (6)	0.003000	0.003563	0.003458	0.003410	0.003586	0.003533
Judgement (7)	Sufficient	-	-	-	-	-
Total		<u>0.009110</u>	<u>0.008878</u>	<u>0.008837</u>	<u>0.008945</u>	<u>0.008279</u>

- 1 Maximum tax rate where applicable under State law. (A decline in taxable value overrides maximum limit.)
2 Set by law to fund the State Minimum School Program.
3 General revenue. Tax rate of 0.000800 was authorized by vote of the District population on May 11, 1993, and an additional 0.000800 was approved on June 24, 2008 for a total of .0016 in voter authorization.
4 General revenue. Adopted by the Board of Education January 6, 2000 before restrictions on use were enacted by the State.
5 Limited to applicable levy to provide for payment of principal and interest on general obligation bonds authorized by voters.
6 Construction and remodeling of buildings and purchase of sites, equipment, etc.
7 Tax revenue shortfalls due to revaluation of taxable values may be levied in the succeeding tax year.

Taxable and Fair Market Value of Property Within the District

Tax Year	Taxable Value	Percentage Change	Fair Market/ Market Value (1)	Percentage Change
2021	\$ 2,626,033,598	-2.5%	\$ 3,088,775,488	-2.2%
2020	2,692,671,267	3.5%	3,159,429,129	3.4%
2019	2,601,388,054	0.2%	3,055,165,870	0.8%
2018	2,596,717,812	3.5%	3,031,307,256	2.5%
2017	2,508,004,614	-3.7%	2,957,761,409	-3.8%

- (1) Estimated fair market values were calculated by dividing the taxable value of primary residential property by 55%, which eliminates the 45% exemption on primary residential property granted under the Property Tax Act. There are no redevelopment agencies within the County or the District.

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
 June 30, 2021

Historical Summaries of Taxable Values of Property

	2020		2019	2018	2017	2016
	Taxable Value	% of T V				
<i>Set by State Tax Commission (Centrally Assessed)</i>						
Total centrally assessed	\$ 1,259,567,712	48.0 %	\$ 1,300,113,199	\$ 1,285,713,203	\$ 1,221,741,625	\$ 1,194,236,313
<i>Set by County Assessor (Locally Assessed)</i>						
Real Property:						
Primary residential	563,560,020	21.5	568,536,555	552,419,530	547,536,625	569,864,235
Other residential	231,740,955	8.8	222,827,940	163,353,250	159,357,550	163,458,310
Commercial and industrial	201,105,400	7.7	202,591,615	183,298,495	180,301,300	177,824,305
FAA	21,194,590	0.8	21,842,145	24,338,225	24,294,430	24,292,885
Unimproved non FAA	245,462,305	9.3	244,254,110	237,855,855	231,474,040	233,774,830
Agricultural	17,322,190	0.7	17,329,595	15,630,580	15,484,360	14,682,185
Total real property	1,280,385,460	48.8	1,277,381,960	1,176,895,935	1,158,448,305	1,183,896,750
Personal property:						
Primary mobile homes	2,013,401	0.1	1,945,276	2,197,801	2,166,124	2,749,933
Secondary mobile homes	318,136	0.0	190,077	139,156	138,488	170,356
Other business personal	83,748,889	3.2	113,040,755	136,441,959	125,510,072	224,311,574
Total personal property	86,080,426	3.3	115,176,108	138,778,916	127,814,684	227,231,863
Total locally assessed	1,366,465,886	52.0	1,392,558,068	1,315,674,851	1,286,262,989	1,411,128,613
Total taxable value	\$ 2,626,033,598	100.0 %	\$ 2,692,671,267	\$ 2,601,388,054	\$ 2,508,004,614	\$ 2,605,364,926

(Source: Property Tax Division, Utah State Tax Commission)

Tax Collection Record

Fiscal Year	Tax Levied	Current Collections (1)	Percent of Current Collections	Delinquent Collections (2)	Total Current and Delinquent Collections	Percent of Total Collections	Fee in Lieu (3)	Total Property Tax Collections
2021	\$ 22,274,017	\$ 21,460,156	96.3%	\$ 1,237,344	\$ 22,697,500	101.9%	\$ 1,858,850	\$ 24,556,350
2020	22,468,110	21,576,875	96.03	1,080,264	22,657,139	100.84	2,436,815	25,093,954
2019	21,681,465	20,769,074	95.79	1,307,230	22,076,304	101.82	2,364,047	24,440,351
2018	20,232,158	18,285,255	90.40	1,443,604	19,728,859	97.50	2,469,796	22,198,655
2017	20,131,959	18,506,969	91.90	834,310	19,341,279	96.10	2,338,682	21,679,961

(1) Ad valorem property taxes are due on November 30 of each year.

(2) Interest and penalties are not included.

(3) Uniform Fees from motor vehicles and other tangible personal property required to be registered with the State.

Some of the Largest Tax Payers

Taxpayer	Type of Business	2021 Taxable Value	% of the District's Tax Value
Ovintiv Production	Mining	\$ 260,849,745	9.9 %
Ep Energy E&P Company	Mining	193,413,210	7.4
Kinder Morgan	Mining	129,179,025	4.9
CH4 Energy-Finley	Mining	104,763,455	4.0
Berry Petroleum	Mining	83,092,005	3.2
XCL Asset Co LLC	Mining	69,822,460	2.7
Strata Networks	Communications Utility	55,538,020	2.1
Questar Pipeline Corp	Mining	45,386,035	1.7
Moon Lake Electric	Electricity Utility	35,812,795	1.4
Altamont Energy	Mining	20,208,090	0.8
Totals		\$ 998,064,840	38.0 %