

DUCHESNE COUNTY SCHOOL DISTRICT

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

Financial Statements

Year Ended June 30, 2020



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

Prepared by
Dee E. Miles, CPA

DUCHESNE COUNTY SCHOOL DISTRICT

Table of Contents

Year Ended June 30, 2020

FINANCIAL SECTION:	Page
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet - Governmental Funds	11
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	15
Notes to the Basic Financial Statements	16
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	29
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	30
Schedule of Revenues, Expenditures and Changes in Fund Balances <i>School Lunch</i> - Nonmajor Special Revenue Fund	31
Schedule of Revenues, Expenditures and Changes in Fund Balances <i>Pass-Through Taxes Fund</i>	32
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances <i>Trust Fund</i> - Nonmajor Special Revenue Fund	33
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances <i>Student Activities</i> - Nonmajor Special Revenue Fund	34
Schedule of Revenues, Expenditures and Changes in Fund Balances <i>Nonmajor Debt Service Fund</i>	35
Schedule of Revenues, Expenditures and Changes in Fund Balances <i>Major Capital Projects Fund</i>	36
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Proportionate Share of the Net Pension Liability & Schedule of Contributions	37
STATISTICAL SECTION (Unaudited):	
General Fund - Per Capita Operating Costs by School	41
CONTINUING DISCLOSURE UNDERTAKING SECTION (Unaudited):	42

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, 2020, 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, 2020, 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 30, 2020 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 30, 2020

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, 2020. 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 6% came from Federal restricted programs. The remaining 20% came from local sources. The local tax base value increased 3.5% due to increased value of secondary residences. The District's ongoing local revenue increased slightly due to automatic adjustments in tax rates from this growth activity.
- ❑ The District's financial status as measured by total net assets in excess of liabilities was \$107.3 million as of the close of the fiscal year, which was a net increase of \$5.1 million from the prior year due to investments in new buildings.
- ❑ The general fund balance increased \$2,389,900 from one-time payments, and closing of fund 23. Undistributed reserves were maintained at 5% of the budget as allowed by statute. The capital projects fund balance increased \$1 million in reserves with only minor building project activity this year. The reserve for catastrophic events was increased to \$2 million.
- ❑ District enrollment increased 21 students with 5,172 enrolled on October 1, 2019. 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 4%.
- ❑ A master plan for buildings was moving forward with construction of a field house completed. Remodel plans for Duchesne High are 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

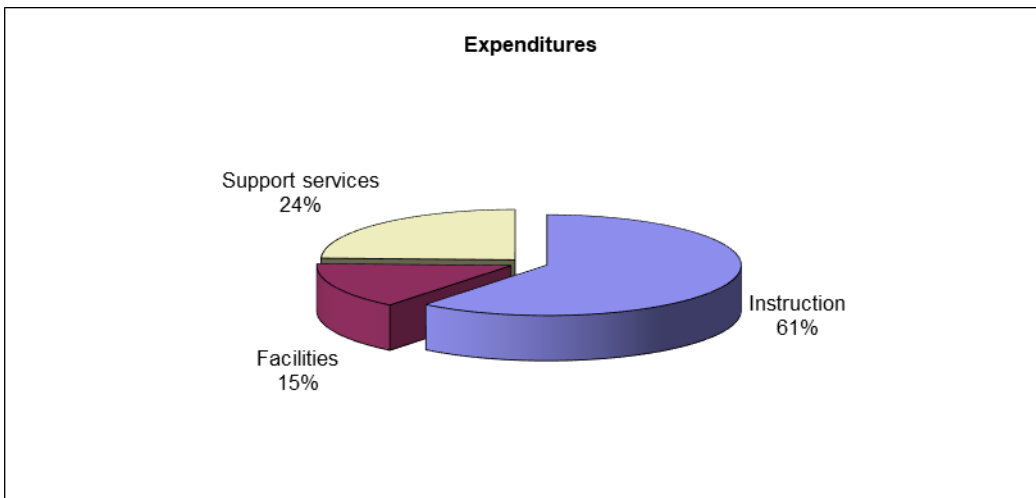
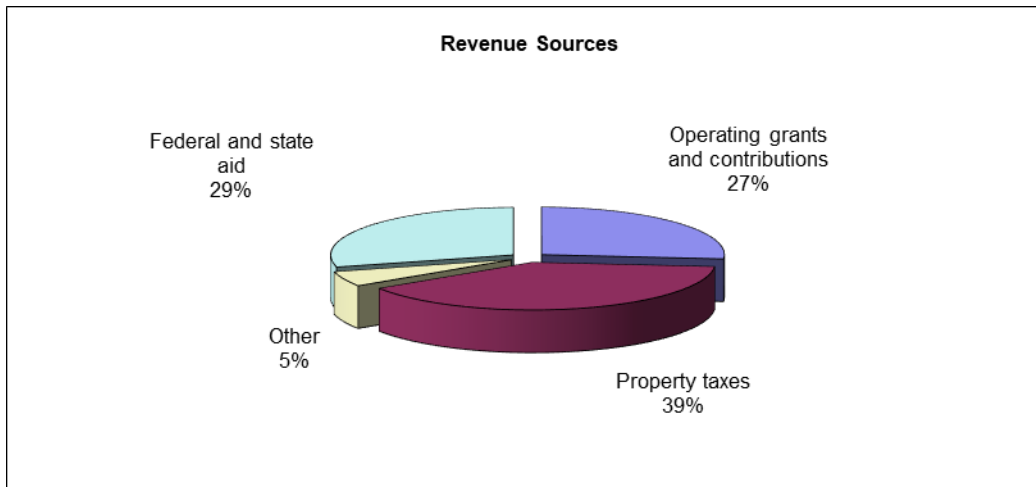
Net position. The District's assets are invested in land, buildings, and equipment less outstanding general obligation and revenue bonds used to acquire those assets. The net position of the District increased 5.0% with increased investment in buildings, debt reductions, depreciation of assets and decreased 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 5% of net assets.

Changes in net position. Net position increased \$5,153,606 due to investment in new buildings. The District's total revenues increased 2.4% with local, State, and Federal revenue increases. Tax revenue increased 6%. State revenues increased due to legislative appropriation increases, the increase in enrollment, and the addition of the Teacher Student Success Program. Federal funding remained constant. An increase in staff salaries and benefits was the largest portion of the 4% increase in expenses.

The District reports deferred outflows and inflows of resources related to participation in Utah Retirement Systems pension plans. Deferred outflows of \$3,624,846 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 \$4,546,726.

Net Position	<u>2020</u>	<u>2019</u>	<u>Total Change</u>
Current and other assets	\$ 52,204,777	\$ 49,490,629	\$ 2,714,148
Capital assets	196,330,066	201,028,250	(4,698,184)
Total assets	<u>248,534,843</u>	<u>250,518,879</u>	<u>(1,984,036)</u>
Deferred outflows of resources	3,624,846	8,092,129	(4,467,283)
Total assets and deferred outflows	<u>252,159,689</u>	<u>258,611,008</u>	<u>(6,451,319)</u>
Current and other liabilities	5,545,236	6,736,988	(1,191,752)
Long-term liabilities outstanding	99,275,828	106,024,811	(6,748,983)
Net pension liability	13,257,769	20,818,888	(7,561,119)
Total liabilities	<u>118,078,833</u>	<u>133,580,687</u>	<u>(15,501,854)</u>
Deferred Inflows of resources	<u>26,822,898</u>	<u>22,925,969</u>	<u>3,896,929</u>
Net Position			
Invested in capital assets, net of related debt	109,042,671	106,741,404	2,301,267
Restricted	5,829,013	4,397,167	1,431,846
Unrestricted	<u>(7,613,726)</u>	<u>(9,034,219)</u>	<u>1,420,493</u>
Total net position	<u>\$ 107,257,958</u>	<u>\$ 102,104,352</u>	<u>\$ 5,153,606</u>

Changes in Net Position	2020	2019	Total Change
Revenues			
Program revenues			
Charges for services	\$ 1,258,919	\$ 4,766,232	\$ (3,507,313)
Operating grants and contributions	17,028,031	14,386,030	2,642,001
Capital grants and contributions	17,328	-	17,328
General revenues			
Property taxes	25,328,243	23,784,994	1,543,249
Federal and state aid	18,745,451	17,841,745	903,706
Earnings on investments	312,561	742,951	(430,390)
Miscellaneous	1,710,903	1,355,173	355,730
Total revenues	<u>64,401,436</u>	<u>62,877,125</u>	<u>1,524,311</u>
Expenses			
Instructional services	35,956,782	34,366,455	1,590,327
Supporting services:			
Students	1,384,859	1,008,765	376,094
Instructional staff	1,535,155	1,359,509	175,646
District administration	552,259	554,296	(2,037)
School administration	3,548,692	3,196,169	352,523
Business	1,861,534	1,492,815	368,719
Operation and maintenance of facilities	5,975,729	6,052,559	(76,830)
Transportation	2,910,594	3,117,573	(206,979)
School lunch services	2,699,100	2,608,098	91,002
Interest on long-term liabilities	2,823,126	3,100,997	(277,871)
Total Expenses	<u>59,247,830</u>	<u>56,857,236</u>	<u>2,390,594</u>
Increase (decrease) in net assets	5,153,606	6,019,889	(866,283)
Net position - beginning	<u>102,104,352</u>	<u>96,084,463</u>	<u>6,019,889</u>
Net position - ending	<u>\$ 107,257,958</u>	<u>\$ 102,104,352</u>	<u>\$ 5,153,606</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 \$23.6 million, \$3.9 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.
- ❑ Remodel of the old high school for a District office, construction of a field house, a baseball field, and track surfaces was completed with \$12.9 million expended.

Capital assets as of June 30, 2020

(Net of accumulated depreciation)

	2020	2019	Total Change
Land	\$ 4,499,157	\$ 4,369,152	\$ 130,005
Construction in progress	15,078	11,799,840	(11,784,762)
Buildings and improvements	188,291,208	181,430,990	6,860,218
Furniture and equipment	3,524,623	3,428,268	96,355
Total capital assets	<u>\$ 196,330,066</u>	<u>\$ 201,028,250</u>	<u>\$ (4,698,184)</u>

Debt Administration.

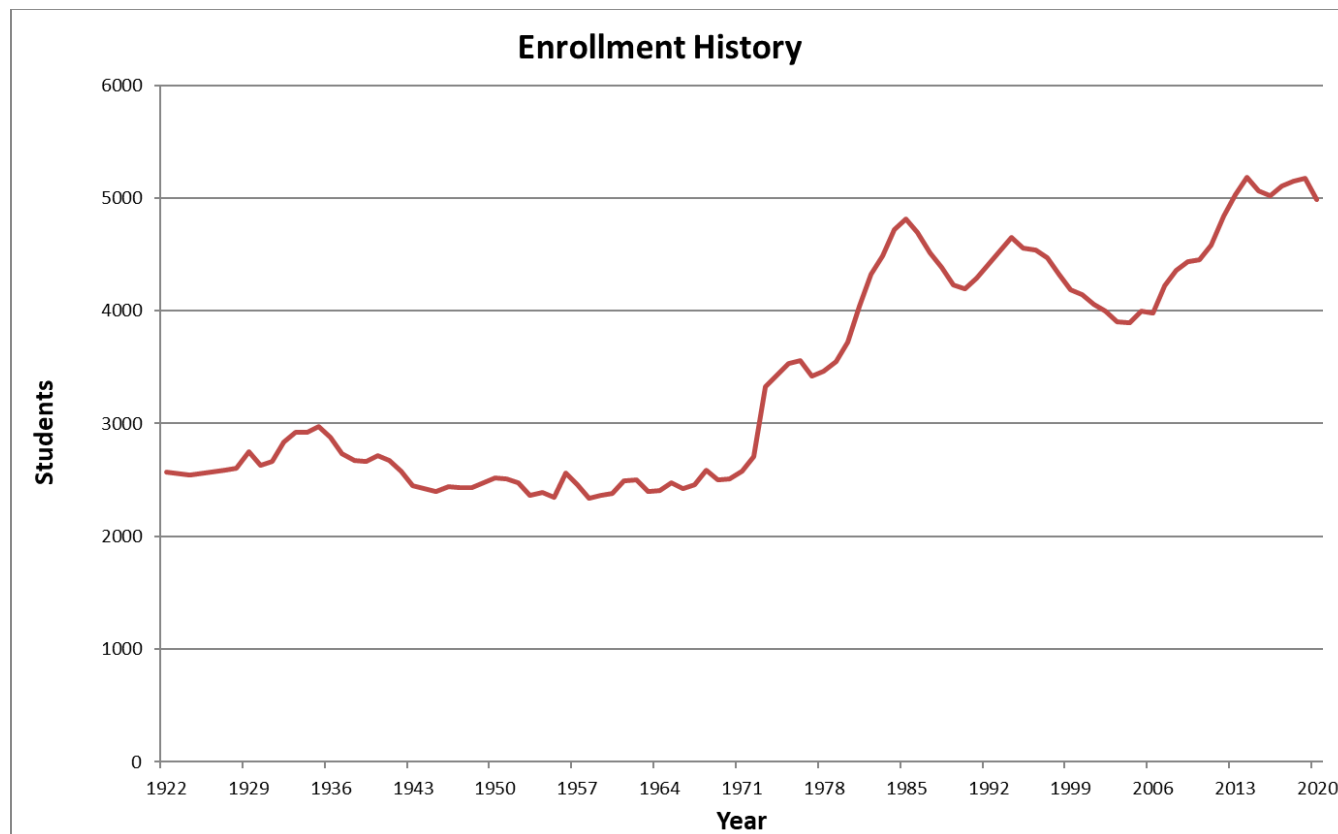
General obligation debt is limited by Utah Law to 4% of the market value of property. Current unused legal debt capacity is \$34 million or 27%.

Outstanding long-term debt as of June 30, 2020

	2020	2019	Total Change
General obligation bonds	\$ 59,880,000	\$ 61,775,000	\$ (1,895,000)
Lease revenue bonds	27,475,103	30,367,129	(2,892,026)
Loans	4,372,406	5,789,158	(1,416,752)
Unamortized bond issuance premium	6,819,570	7,425,763	(606,193)
Total debt	<u>\$ 98,547,079</u>	<u>\$ 105,357,050</u>	<u>\$ (6,809,971)</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.



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, 2020

	Governmental Activities
Assets:	
Cash and investments	\$ 27,287,602
Receivables:	
Property taxes	23,524,866
Other governments	956,954
Local	10,984
Inventories and prepaid expenses	424,371
Net pension asset	-
Capital assets:	
Land and construction in progress	4,514,235
Buildings and other capital assets, net of depreciation	191,815,831
Total assets	<u>248,534,843</u>
Deferred Outflows of Resources:	
Deferred outflows of resources relating to pensions	3,624,846
Total assets and deferred outflows	<u>252,159,689</u>
Liabilities:	
Accounts payable	553,294
Accrued interest	300,093
Accrued salaries and benefits	3,915,009
Unearned revenue, State	776,840
Noncurrent liabilities:	
Due within one year	7,104,717
Due after one year	92,171,111
Net pension liability	13,257,769
Total liabilities	<u>118,078,833</u>
Deferred Inflows of Resources:	
Property taxes levied for future year	22,276,172
Resources relating to pensions	4,546,726
Total deferred inflows	<u>26,822,898</u>
Net Position:	
Net investment in capital assets	109,042,671
Restricted for:	
Programs	1,213,717
School lunch	421,474
Pass-Through Taxes	-
Trust Fund Student	1,115,234
Activities Capital	1,308,058
projects Debt	1,745,293
service	25,237
Unrestricted	(7,613,726)
Total net position	<u><u>\$ 107,257,958</u></u>

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

Functions	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instructional services	\$ 35,956,782	\$ 710,921	\$ 12,992,568	\$ -
Supporting services:				
Students	1,384,859	-	1,053,318	-
Instructional staff	1,535,155	-	541,772	-
District administration	552,259	-	-	-
School administration	3,548,692	-	156,245	-
Business	1,861,534	-	100,083	-
Operation and maintenance of facilities	5,975,729	-	24,434	17,328
Transportation	2,910,594	5,095	2,417	-
School lunch services	2,699,100	542,903	2,157,194	-
Interest on long-term liabilities	2,823,126	-	-	-
Total school district	\$ 59,247,830	\$ 1,258,919	\$ 17,028,031	\$ 17,328
General revenues:				
Property taxes levied for:				
General purposes				13,828,582
Transportation				-
Recreation				-
Debt service				1,014,579
Capital outlay				10,485,082
Federal and state aid not restricted to specific purposes				18,745,451
Earnings on investments				312,561
Miscellaneous				1,710,903
Total general revenues				46,097,158
Change in net position				5,153,606
Net position - beginning				102,104,352
Net position - ending				\$ 107,257,958

10

DUCHESNE COUNTY SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2020

	Major Funds		Other	Total
	General	Capital Projects	Governmental Funds	Governmental Funds
Assets:				
Cash and investments	\$ 11,541,081	\$ 13,301,624	\$ 2,444,897	\$ 27,287,602
Accounts receivable:				
Property tax	12,586,392	9,182,576	1,755,898	23,524,866
Local	10,984	-	-	10,984
Due from lunch fund	32,638	-	-	32,638
State of Utah	480,338	-	83,166	563,504
Federal government	276,925	-	116,525	393,450
Inventories	-	45,386	378,985	424,371
Total assets	<u>\$ 24,928,358</u>	<u>\$ 22,529,586</u>	<u>\$ 4,779,471</u>	<u>\$ 52,237,415</u>
Liabilities:				
Accounts payable	\$ 417,372	\$ 99,575	\$ 36,347	\$ 553,294
Accrued payroll and benefits	3,842,438	-	72,571	3,915,009
Unearned revenue, State	776,840	-	-	776,840
Due to general fund	-	-	32,638	32,638
Total liabilities	<u>5,036,650</u>	<u>99,575</u>	<u>141,556</u>	<u>5,277,781</u>
Deferred Inflows of Resources:				
Unavailable property tax revenue	\$ 598,212	\$ 446,983	\$ 68,670	\$ 1,113,865
Property taxes levied for future year	11,917,255	8,677,957	1,680,960	22,276,172
Total deferred inflows of resources	<u>12,515,467</u>	<u>9,124,940</u>	<u>1,749,630</u>	<u>23,390,037</u>
Fund Balances:				
Nonspendable:				
Inventories	-	45,386	378,985	424,371
Restricted:				
Capital projects	-	11,259,685	-	11,259,685
Debt service	-	-	25,237	25,237
Nutrition services	-	-	60,771	60,771
Schools	-	-	136,464	136,464
Extra-curricular	-	-	-	-
Committed:				
Economic stabilization	2,200,000	-	-	2,200,000
Self insurance	370,000	2,000,000	-	2,370,000
Employee benefit obligations	1,012,340	-	-	1,012,340
Assigned:				
Students	-	-	2,286,828	2,286,828
Programs	1,213,717	-	-	1,213,717
Unassigned:	2,580,184	-	-	2,580,184
Total fund balances	<u>7,376,241</u>	<u>13,305,071</u>	<u>2,888,285</u>	<u>23,569,597</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 24,928,358</u>	<u>\$ 22,529,586</u>	<u>\$ 4,779,471</u>	<u>\$ 52,237,415</u>

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, 2020

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

Total fund balance for governmental funds	\$ 23,569,597
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 4,499,157	
Construction in progress	15,078	
Buildings and improvements, net of \$54,133,658 accumulated depreciation	188,291,208	
Furniture and equipment, net of \$8,249,649 accumulated depreciation	<u>3,524,623</u>	196,330,066

The net pension asset is not an available resource and therefore is not reported in the governmental funds.	-
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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.	1,113,865
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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	(13,257,769)	
Deferred outflows of resources related to pensions	3,624,846	
Deferred inflows of resources related to pensions	(4,546,726)	
Debt payable	(91,727,509)	
Unamortized bond issuance premiums	(6,819,570)	
Accrued interest	(300,093)	
Compensated absences payable	<u>(728,749)</u>	(113,755,570)

Total net assets of governmental activities	<u><u>\$ 107,257,958</u></u>
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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, 2020

	Major Funds		Other	Total
	General	Capital Projects	Governmental Funds	Governmental Funds
Revenues:				
Property taxes	\$ 13,543,265	\$ 9,748,619	\$ 1,943,875	\$ 25,235,759
Earnings on investments	237,209	48,864	26,488	312,561
School lunch sales	-	-	542,903	542,903
Other local sources	462,665	252,024	1,837,230	2,551,919
State sources	30,815,324	17,328	494,930	31,327,582
Federal sources	2,800,964	-	1,662,264	4,463,228
Total revenues	47,859,427	10,066,835	6,507,690	64,433,952
Expenditures:				
Current:				
Instructional services	28,455,601	-	1,725,093	30,180,694
Supporting services:				
Students	1,362,861	-	-	1,362,861
Instructional staff	1,496,549	-	-	1,496,549
District administration	364,143	-	-	364,143
School administration	3,163,292	-	-	3,163,292
Business	1,794,665	-	-	1,794,665
Operation and maintenance of facilities	5,252,945	-	-	5,252,945
Transportation	2,581,285	-	-	2,581,285
School lunch services	-	-	2,407,531	2,407,531
Capital outlay	998,186	1,206,478	-	2,204,664
Debt service:				
Principal retirement	-	27,021,778	1,865,000	28,886,778
Interest and fiscal charges	-	3,510,622	500	3,511,122
Bond issuance and service costs	-	-	-	-
Total expenditures	45,469,527	31,738,878	5,998,124	83,206,529
Excess (deficiency) of revenues over (under) expenditures	2,389,900	(21,672,043)	509,566	(18,772,577)
Other financing sources (uses):				
Transfers	-	-	-	-
Bond & Loan Proceeds	-	22,683,000	-	22,683,000
Sale of capital assets	-	13,127	-	13,127
Total other financing sources (uses)	-	22,696,127	-	22,696,127
Net change in fund balances	2,389,900	1,024,084	509,566	3,923,550
Fund balances - beginning	4,986,341	12,280,987	2,378,719	19,646,047
Fund balances - ending	\$ 7,376,241	\$ 13,305,071	\$ 2,888,285	\$ 23,569,597

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, 2020

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

Net change in fund balances-total governmental funds \$ 3,923,550

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	\$ 2,204,664	
Gain on disposal of capital assets	9,318	
Proceeds from sales of capital assets	(13,127)	
Depreciation expense	<u>(6,899,039)</u>	(4,698,184)

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	(22,683,000)	
Repayment of bond principal	28,886,778	
Amortization of bond premium	606,193	
Interest expense - bonds and loans	<u>81,803</u>	6,891,774

Delinquent property taxes are reported as deferred revenue in the governmental funds. However, they are reported as revenues in the statement of activities. 92,484

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 \$28,799 and early retirement payable increased by \$32,189. (60,988)

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	(995,030)
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Change in net assets of governmental activities \$ 5,153,606

DUCHESNE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
Property taxes	\$ 13,522,000	\$ 13,664,000	\$ 13,543,265	\$ (120,735)
Earnings on investments	200,000	270,000	237,209	(32,791)
Other local sources	125,000	351,000	462,665	111,665
State sources	29,897,000	30,022,000	30,815,324	793,324
Federal sources	1,926,000	2,504,000	2,800,964	296,964
Total revenues	45,670,000	46,811,000	47,859,427	1,048,427
Expenditures:				
Current:				
Instructional services	27,345,000	28,560,000	28,484,320	75,680
Supporting services:				
Students	1,105,000	1,165,000	1,362,861	(197,861)
Instructional staff	1,351,000	1,334,000	1,496,549	(162,549)
District administration	367,000	377,000	364,143	12,857
School administration	2,935,000	3,003,000	3,163,292	(160,292)
Business	1,527,000	1,736,000	1,794,665	(58,665)
Operation and maintenance of facilities	7,600,000	8,670,000	5,565,230	3,104,770
Transportation	3,440,000	3,403,000	3,238,467	164,533
Total expenditures	45,670,000	48,248,000	45,469,527	2,778,473
Excess of revenues over expenditures	-	(1,437,000)	2,389,900	3,826,900
Other financing sources (uses):				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Net change in fund balances	-	(1,437,000)	2,389,900	3,826,900
Fund balances - beginning	4,986,341	4,986,341	4,986,341	-
Fund balances - ending	<u>\$ 4,986,341</u>	<u>\$ 3,549,341</u>	<u>\$ 7,376,241</u>	<u>\$ 3,826,900</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, 2020

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. 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, 2020

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, 2020

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	\$ 1,956,658
Investments	25,330,944
Total cash and investments	<u>\$ 27,287,602</u>
 Cash and investments - governmental funds, balance sheet	 \$ 27,287,602
Total cash and investments	<u>\$ 27,287,602</u>

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, 2020

Deposits

A sweep account is used to invest cash float in the bank accounts. The carrying amount of bank deposits at year-end was \$1,956,657 and the bank balance was \$3,232,380 of which \$978,622 was covered by federal depository insurance, \$0 was collateralized, and \$2,253,758 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	\$ 25,330,944	\$ 25,330,944	-	-	-
		-	-	-	-	-
		-				
Total Investments		<u>\$ 25,330,944</u>	<u>\$ 25,330,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2020

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 \$25,330,944 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 \$428,344 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 \$23,390,037. A major portion of this accrual, \$22,276,172, 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

Work was completed on remodeling the old building and constructing a field house, baseball field, and track surfaces with \$12.8 million expended. The project was financed with Capital Fund revenues, lease revenue bonds, state revolving loan funds, and grant funds.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2020

Capital asset activity for the year ended June 30, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 4,369,152	\$ 130,005	\$ -	\$ 4,499,157
Construction in progress	11,799,840	1,076,473	(12,861,235)	15,078
Total capital assets, not being depreciated	16,168,992	1,206,478	(12,861,235)	4,514,235
Capital assets, being depreciated:				
Buildings and improvements	229,563,631	12,861,235	-	242,424,866
Furniture and equipment	11,138,535	998,186	(362,449)	11,774,272
Total capital assets, being depreciated	240,702,166	13,859,421	(362,449)	254,199,138
Accumulated depreciation for:				
Buildings and improvements	(48,132,641)	(6,001,017)	-	(54,133,658)
Furniture and equipment	(7,710,267)	(898,022)	358,640	(8,249,649)
Total accumulated depreciation	(55,842,908)	(6,899,039)	358,640	(62,383,307)
Total capital assets, being depreciated, net	184,859,258	6,960,382	(3,809)	191,815,831
Governmental activities capital assets, net	<u>\$ 201,028,250</u>	<u>\$ 8,166,860</u>	<u>\$ (12,865,044)</u>	<u>\$ 196,330,066</u>

Depreciation expense for the year ended June 30, 2020 was allocated to functions of the District as follows:

Governmental activities:	
Instructional services	\$ 5,148,513
Supporting services:	
District administration	177,122
School administration	234,651
Business	25,117
Operation and maintenance of facilities	636,834
Transportation	278,515
School lunch services	398,287
Total depreciation expense, governmental activities	<u>\$ 6,899,039</u>

6. Retirement Plans

The Utah Retirement Systems (URS) is a cost-sharing, multiple-employer, public employee retirement system that provides retirement, disability, and death benefits to members and beneficiaries according to statutes. The District participates in the Noncontributory, Contributory, and Tier 2 Public Employee retirement system trust funds. Eligible employees hired after July 1, 2011 are members of the Tier 2 retirement system.

The Utah State Retirement Act (Section 49 of the Utah Code) established the URS in 1953 and provides for administration by the Utah State Retirement Board whose members are appointed by the Governor. The URS are fiduciary funds defined as pension (and other employee benefits) trust funds. URS is a component unit of the State of Utah. Title 49 grants the authority to establish and amend the benefit terms. A financial report is available at URS, 560 East 200 South, Salt Lake City, Utah 84102 or visit www.urs.org.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2020

The Utah Retirement Systems are comprised of the following Pension Trust Funds. The Tier 2 Public Employees System became effective July 1, 2011 for eligible employees hired after that date.

Summary of Retirement Benefits by System

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%

* with actuarial reductions

** 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 URS 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:

	Employee Paid	Paid by employer for employee	Employer Contribution Rate	Employer rate for 401(k) plan
Contributory Tier 1	1.00	5.00	17.70	-
Noncontributory Tier 1			22.19	1.50
Contributory Tier 2			18.99	1.03
Tier 2 Defined Contribution Only			10.02	10.00

Employer and employee contributions for the fiscal year were:

	Employer	Employee
Contributory Tier 1	\$ 16,930	5,739
Noncontributory Tier 1	3,025,528	N/A
Contributory Tier 2	1,558,688	-
DC Only Tier 2	82,288	N/A
Total Contributions	\$ 4,683,433	\$ 5,739

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.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2020

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions At June 30, 2020 we reported the following net pension asset and net pension liability:

	Measurement Date: December 31, 2019				
	Net	Net			
	Pension	Pension	Proportionate	Proportionate Share	
	Asset	Liability	Share	December 31, 2017	Change
Tier 1 Noncontributory System	\$ -	\$ 13,081,036	0.5887845%	0.5362673%	0.0525172%
Tier 1 Contributory System	-	56,370	0.8165023%	0.9023387%	-0.0858364%
Tier 2 Contributory System	-	120,363	0.5351658%	0.5284115%	0.0067543%
Total	<u>\$ -</u>	<u>\$ 13,257,769</u>			

The net pension asset and liability were measured as of December 31, 2019 and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 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 URS during the plan year over the total of all employer contributions to URS during the plan year. For the fiscal year we recognized pension expense of \$5,677,197.

At June 30, 2020 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 237,033	\$ 121,557
Changes of assumptions	809,653	3,459
Net difference between projected and actual earnings on pension plan investments	-	4,366,923
Changes in proportion and differences between District contributions and proportionate share of contributions	234,180	54,787
Contributions subsequent to the measurement date	2,343,980	-
Total	<u>\$ 3,624,846</u>	<u>\$ 4,546,726</u>

\$2,343,980 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, 2019. 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:

Year Ending December 31,	Deferred Outflows (Inflows) of Resources
2020	\$ (699,252)
2021	(1,091,039)
2022	94,759
2023	(1,650,613)
2024	12,038
Thereafter	68,247

Actuarial Assumptions: The total pension liability in the December 31, 2019 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.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2020

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2019, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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. 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	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Total	100%		4.75%
Inflation			2.50%
Expected arithmetic nominal return			7.25%

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, 2020

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 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:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Tier 1 Noncontributory System	\$ 29,509,298	\$ 13,081,036	\$ (690,002)
Tier 1 Contributory System	549,043	56,370	(366,004)
Tier 2 Contributory System	1,037,941	120,363	(588,757)
Total	<u>\$ 31,096,282</u>	<u>\$ 13,257,769</u>	<u>\$ (1,644,763)</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.

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	401(k)		457	IRA & Roth
	District Contributions	Employee Contributions	Employee Contributions	Employee Contributions
2020	\$ 367,199	\$ 384,647	\$ 3,128	\$ 58,829
2019	361,642	339,514	3,532	41,542
2018	354,482	303,511	1,241	27,591

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 129% 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, 2020			Total
	2020	2019	Change
Early retirement incentive	\$ 366,750	\$ 328,201	\$ 38,549
Retiree health plan	47,831	54,191	(6,360)
Total early retirement benefits payable	<u>\$ 414,581</u>	<u>\$ 382,392</u>	<u>\$ 32,189</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2020

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.

8. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 61,775,000	\$ -	\$ (1,895,000)	\$ 59,880,000	\$ 1,990,000
Lease revenue bonds	30,367,129	22,683,000	(25,575,026)	27,475,103	3,193,026
Loans	5,789,158	-	(1,416,752)	4,372,406	1,430,612
Unamortized bond premiums	7,425,763	-	(606,193)	6,819,570	-
Total debt payable	105,357,050	22,683,000	(29,492,971)	98,547,079	6,613,638
Other Liabilities					
Net pension liability	20,818,888	(7,561,119)	-	13,257,769	-
Accrued vacation payable	285,369	307,034	(278,235)	314,168	306,314
Early retirement benefits payable	382,392	193,793	(161,604)	414,581	184,765
Total other liabilities	21,486,649	(7,060,292)	(439,839)	13,986,518	491,079
Total long-term liabilities	<u>\$ 126,843,699</u>	<u>\$ 15,622,708</u>	<u>\$ (29,932,810)</u>	<u>\$ 112,533,597</u>	<u>\$ 7,104,717</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.

General Obligation Debt

Annual amortization of general obligation debt, including interest, as of June 30, 2020 is as follows:

Issue Date	Lease Revenue Building Bond		Lease Revenue Building Bonds		Qualified School Construction Bonds (QSCB)		Lease Revenue Building Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Original Amount	\$ 2,262,000	\$ 474,800	\$ 150,000	\$ -	\$ 643,000	\$ 16,883	\$ 1,399,861	\$ 42,417
Interest Rate	2.74%							
Maturity Date	6/1/2035							
Year Ending June 30,								
2021	2,001,000	449,918	150,000	-	643,000	14,069	1,413,860	28,419
2022	1,018,000	437,906	150,000	-	643,000	11,255	1,427,999	14,280
2023	1,035,000	424,672	150,000	-	643,000	8,441	-	-
2024	1,054,000	410,182	150,000	-	643,000	5,628	-	-
2025	2,500,000	1,847,315	150,000	-	643,000	2,814	-	-
2026-2030	11,433,000	1,416,641	-	-	-	-	-	-
2031-2035	-	-	-	-	-	-	-	-
Total	\$ 20,303,000	\$ 5,461,432	\$ 900,000	\$ -	\$ 3,858,000	\$ 59,090	\$ 4,241,720	\$ 85,116

[illegible]

Individual Fund Statements

DUCHESTER COUNTY SCHOOL DISTRICT

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2020

	Special Revenue						Total Nonmajor Governmental Funds
	School Lunch	Pass-Through Taxes	Trust Fund	Student Activities	Total	Debt Service	
Assets:							
Cash and investments	\$ -	\$ -	\$ 1,117,870	\$ 1,308,058	\$ 2,425,928	\$ 18,969	\$ 2,444,897
Accounts receivable:							
Property tax	-	-	-	-	-	1,755,898	1,755,898
State of Utah	83,166	-	-	-	83,166	-	83,166
Federal government	116,525	-	-	-	116,525	-	116,525
Inventories	378,985	-	-	-	378,985	-	378,985
Total assets	<u>\$ 578,676</u>	<u>\$ -</u>	<u>\$ 1,117,870</u>	<u>\$ 1,308,058</u>	<u>\$ 3,004,604</u>	<u>\$ 1,774,867</u>	<u>\$ 4,779,471</u>
Liabilities:							
Accounts payable	\$ 33,711	\$ -	\$ 2,636	\$ -	\$ 36,347	\$ -	\$ 36,347
Accrued payroll and benefits	72,571	-	-	-	72,571	-	72,571
Due to general fund	32,638	-	-	-	32,638	-	32,638
Deferred property tax revenue	-	-	-	-	-	-	-
Total liabilities	<u>138,920</u>	<u>-</u>	<u>2,636</u>	<u>-</u>	<u>141,556</u>	<u>-</u>	<u>141,556</u>
Deferred Inflows of Resources:							
Unavailable property tax revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,670	\$ 68,670
Property taxes levied for future year	-	-	-	-	-	1,680,960	1,680,960
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,749,630</u>	<u>1,749,630</u>
Fund balances:							
Nonspendable:							
Inventories	378,985	-	-	-	378,985	-	378,985
Restricted:							
Debt service	-	-	-	-	-	25,237	25,237
Schools	-	-	136,464	-	136,464	-	136,464
Nutrition services	60,771	-	-	-	60,771	-	60,771
Extra-curricular	-	-	-	-	-	-	-
Assigned:							
Students	-	-	978,770	1,308,058	2,286,828	-	2,286,828
Total fund balances	<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>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 578,676</u>	<u>\$ -</u>	<u>\$ 1,117,870</u>	<u>\$ 1,308,058</u>	<u>\$ 3,004,604</u>	<u>\$ 1,774,867</u>	<u>\$ 4,779,471</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2020

	Special Revenue						Total Nonmajor Governmental Funds
	School Lunch	Pass-Through Taxes	Trust Fund	Student Activities	Total	Debt Service	
Revenues:							
Property tax	\$ -	\$ 77,582	\$ -	\$ -	\$ 77,582	\$ 1,866,293	\$ 1,943,875
Student fees	-	-	-	602,295	602,295	-	602,295
Lunch sales	542,903	-	-	-	542,903	-	542,903
Earnings on investments	-	-	24,104	2,384	26,488	-	26,488
Other local revenues	-	-	218,939	1,015,996	1,234,935	-	1,234,935
State aid	494,930	-	-	-	494,930	-	494,930
Federal aid	1,662,264	-	-	-	1,662,264	-	1,662,264
Total revenues	<u>2,700,097</u>	<u>77,582</u>	<u>243,043</u>	<u>1,620,675</u>	<u>4,641,397</u>	<u>1,866,293</u>	<u>6,507,690</u>
Expenditures:							
Current:							
Instructional services	-	77,582	94,213	1,553,298	1,725,093	-	1,725,093
School lunch services	2,407,531	-	-	-	2,407,531	-	2,407,531
Debt service:							
Principal retirement	-	-	-	-	-	1,865,000	1,865,000
Interest and fiscal charges	-	-	-	-	-	500	500
Total expenditures	<u>2,407,531</u>	<u>77,582</u>	<u>94,213</u>	<u>1,553,298</u>	<u>4,132,624</u>	<u>1,865,500</u>	<u>5,998,124</u>
Excess of revenues over expenditures	292,566	-	148,830	67,377	508,773	793	509,566
Other financing sources:							
Transfer in (out)	-	-	-	-	-	-	-
Net change in fund balances	292,566	-	148,830	67,377	508,773	793	509,566
Fund balances - beginning	<u>147,190</u>	<u>-</u>	<u>966,404</u>	<u>1,240,681</u>	<u>2,354,275</u>	<u>24,444</u>	<u>2,378,719</u>
Fund balances - ending	<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>

DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
School Lunch
Nonmajor Special Revenue Fund
Year Ended June 30, 2020
With Comparative Totals for 2019

	<u>2020</u>	<u>2019</u>
	<u>Actual Amounts</u>	<u>Actual Amounts</u>
Revenues:		
Local sources:		
Lunch sales - students	\$ 463,778	\$ 587,232
Lunch Sales - adult	65,039	31,380
Earnings on investments	-	-
Other sales	14,086	14,152
Total local sources	<u>542,903</u>	<u>632,764</u>
State sources:		
State lunch program	494,930	401,169
Total state sources	<u>494,930</u>	<u>401,169</u>
Federal sources:		
Lunch program	180,378	170,958
Free and reduced assistance	888,749	668,451
Breakfast program	422,848	193,077
Special Milk / Snack / Fruit	6,467	2,035
Donated commodities	163,822	156,797
Total federal sources	<u>1,662,264</u>	<u>1,191,318</u>
Total revenues	<u>2,700,097</u>	<u>2,225,251</u>
Expenditures:		
Current:		
Salaries	772,087	738,610
Employee benefits	264,643	251,012
Purchased services	10,370	14,117
Food	1,165,514	1,075,600
Other supplies	63,708	124,317
Equipment	6,209	16,375
Indirect cost allocation	125,000	125,000
Total expenditures	<u>2,407,531</u>	<u>2,345,031</u>
Excess (deficiency) of revenues over expenditures	<u>292,566</u>	<u>(119,780)</u>
Other financing sources (uses):		
Transfer in (out)	-	-
Net change in fund balances	292,566	(119,780)
Fund balances - beginning	<u>147,190</u>	<u>266,970</u>
Fund balances - ending	<u><u>\$ 439,756</u></u>	<u><u>\$ 147,190</u></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, 2020
With Comparative Totals for 2019

	<u>2020</u>	<u>2019</u>
	<u>Actual Amounts</u>	<u>Actual Amounts</u>
Revenues:		
Local sources:		
Property taxes	\$ 77,582	\$ 104,556
Expenditures:		
Contributions to other governments:		
Statewide charter school program	77,582	104,556
Redevelopment agencies	-	-
Total contributions to other governments	<u>77,582</u>	<u>104,556</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues:		
Local sources:		
Contributions	\$ 218,939	\$ 134,683
Earnings on investments	<u>24,104</u>	<u>25,276</u>
Total revenues	<u>243,043</u>	<u>159,959</u>
Expenditures:		
Current:		
Program services - Instruction Support	6,052	4,536
Program services - graduating student scholarships	<u>88,161</u>	<u>95,850</u>
Total expenditures	<u>94,213</u>	<u>100,386</u>
Net change in fund balances	148,830	59,573
Fund balances - beginning	<u>966,404</u>	<u>906,831</u>
Fund balances - ending	<u><u>\$ 1,115,234</u></u>	<u><u>\$ 966,404</u></u>

DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
Student Activities
Nonmajor Special Revenue Fund
Year Ended June 30, 2020
With Comparative Totals for 2019

	<u>2020</u>	<u>2019</u>
	<u>Actual Amounts</u>	<u>Actual Amounts</u>
Revenues:		
Local sources:		
Fees	\$ 583,887	\$ 794,477
Earnings on investments	2,384	2,884
School vending	43,733	36,249
Textbook rentals	18,408	14,871
Other local sources	972,263	995,813
Total revenues	<u>1,620,675</u>	<u>1,844,294</u>
Expenditures:		
Current:		
Purchased professional services	472,487	506,758
Other purchased services	161,424	367,280
Supplies	868,571	978,091
Equipment	-	-
Other objects and fees	50,816	62,579
Total expenditures	<u>1,553,298</u>	<u>1,914,708</u>
Excess (deficiency) of revenues over expenditures	<u>67,377</u>	<u>(70,414)</u>
Fund balances - beginning	<u>1,240,681</u>	<u>1,311,095</u>
Fund balances - ending	<u><u>\$ 1,308,058</u></u>	<u><u>\$ 1,240,681</u></u>

DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Fund
Year Ended June 30, 2020
With Comparative Totals for 2019

	<u>2020</u>	<u>2019</u>
	<u>Actual Amounts</u>	<u>Actual Amounts</u>
Revenues:		
Property tax	\$ 1,866,293	\$ 1,332,292
Earnings on Investments	-	-
Total revenues	<u>1,866,293</u>	<u>1,332,292</u>
Expenditures:		
Debt service:		
Bond principal	1,865,000	1,340,000
Bond interest	-	-
Fees	<u>500</u>	<u>-</u>
Total expenditures	<u>1,865,500</u>	<u>1,340,000</u>
Net change in fund balances	793	(7,708)
Fund balance - beginning	<u>24,444</u>	<u>32,152</u>
Fund balance - ending	<u><u>\$ 25,237</u></u>	<u><u>\$ 24,444</u></u>

DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Major Capital Projects Fund
Year Ended June 30, 2020
With Comparative Totals for 2019

	<u>2020</u>	<u>2019</u>
	<u>Actual</u>	<u>Actual</u>
	<u>Amounts</u>	<u>Amounts</u>
Revenues:		
Property taxes	\$ 9,748,619	\$ 9,865,011
Earnings on investments	48,864	365,433
Other local	252,024	3,245,441
State sources - capital outlay foundation	17,328	-
Federal sources	-	-
Total revenues	<u>10,066,835</u>	<u>13,475,885</u>
Expenditures:		
Capital outlay:		
Salaries	-	-
Employee benefits	-	-
Purchased services	-	-
Supplies and materials	-	-
Land and improvements	130,005	-
Buildings	<u>1,076,473</u>	<u>13,564,615</u>
Total capital outlay	<u>1,206,478</u>	<u>13,564,615</u>
Debt Service:		
Principal	27,021,778	4,842,901
Interest and service fees	<u>3,510,622</u>	<u>3,678,041</u>
Total debt service	<u>30,532,400</u>	<u>8,520,942</u>
Total expenditures	<u>31,738,878</u>	<u>22,085,557</u>
Excess (deficiency) of revenues over expenditures	(21,672,043)	(8,609,672)
Other Financing Sources (Uses):		
Bond proceeds	-	-
Proceeds of refunding bonds	22,683,000	-
Loan Proceeds	-	-
Sale of capital assets	<u>13,127</u>	<u>5,774</u>
Total other financing sources (uses)	<u>22,696,127</u>	<u>5,774</u>
Net change in fund balances	1,024,084	(8,603,898)
Fund balance - beginning	<u>12,280,987</u>	<u>20,884,885</u>
Fund balance - ending	<u><u>\$ 13,305,071</u></u>	<u><u>\$ 12,280,987</u></u>

DUCHESNE COUNTY SCHOOL DISTRICT
Required Supplementary Information
June 30, 2020

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

Utah Retirement Systems

Last Six Plan (Calendar) Years *

	2019	2018	2017	2016	2015	2014
Tier 1 Noncontributory System:						
District's proportion of the net pension liability (asset)	0.5887845%	0.5362673%	0.5345900%	0.5391934%	0.5406280%	0.5319443%
District's proportionate share of the net pension liability (asset)	\$ 13,081,036	\$ 19,951,917	\$ 13,072,662	\$ 17,474,810	\$ 16,982,674	\$ 13,365,253
District's covered-employee payroll	\$ 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	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)	90.1%	84.1%	89.2%	84.9%	84.5%	87.2%
Tier 1 Contributory System:						
District's proportion of the net pension liability (asset)	0.8165023%	0.9023387%	0.8549635%	0.8227239%	0.7933442%	0.6958214%
District's proportionate share of the net pension liability (asset)	\$ 56,370	\$ 640,664	\$ 56,260	\$ 450,818	\$ 497,151	\$ 76,296
District's covered-employee payroll	\$ 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	61.9%	365.8%	28.9%	204.4%	197.8%	30.0%
Plan fiduciary net position as a percentage of the total pension liability	98.9%	91.4%	99.2%	93.4%	92.4%	98.7%
Tier 2 Contributory System:						
District's proportion of the net pension liability (asset)	0.5351658%	0.5284115%	0.5105785%	0.5325539%	0.5729846%	0.5697140%
District's proportionate share of the net pension liability (asset)	\$ 120,363	\$ 226,307	\$ 45,016	\$ 59,406	\$ (1,251)	\$ (17,265)
District's covered-employee payroll	\$ 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	1.62%	3.64%	0.90%	1.36%	-0.03%	-0.62%
Plan fiduciary net position as a percentage of the total pension liability	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, 2020

Schedules of District Contributions
Utah Retirement Systems
Last Seven Reporting Years *

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tier 1 Noncontributory System:							
Actuarial determined contributions	\$ 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	<u>(3,025,528)</u>	<u>(2,963,475)</u>	<u>(2,940,618)</u>	<u>(3,031,156)</u>	<u>(3,071,026)</u>	<u>(3,028,313)</u>	<u>(2,820,302)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 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 employee payroll	22.1%	22.0%	22.0%	21.9%	21.9%	21.5%	19.8%
Tier 1 Contributory System:							
Actuarial determined contributions	\$ 16,930	\$ 19,732	\$ 36,254	\$ 35,228	\$ 43,461	\$ 45,199	\$ 39,864
Contributions in relation to the contractually required contribution	<u>(16,930)</u>	<u>(19,732)</u>	<u>(36,254)</u>	<u>(35,228)</u>	<u>(43,461)</u>	<u>(45,199)</u>	<u>(39,864)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 95,652	\$ 111,481	\$ 204,825	\$ 199,028	\$ 245,467	\$ 259,244	\$ 254,703
Contributions as a percentage of covered employee payroll	17.7%	17.7%	17.7%	17.7%	17.7%	17.4%	15.7%
Tier 2 Contributory System:							
Actuarial determined contributions	\$ 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	<u>(1,558,688)</u>	<u>(1,280,332)</u>	<u>(1,021,966)</u>	<u>(837,240)</u>	<u>(755,181)</u>	<u>(592,177)</u>	<u>(366,396)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 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 employee payroll	19.0%	18.8%	18.4%	18.3%	18.2%	18.1%	16.6%
Tier 2 Contributory System DC Only:							
Actuarial determined contributions	\$ 82,288	\$ 83,531	\$ 66,555	\$ 61,719	\$ 53,019	\$ 29,719	\$ 15,313
Contributions in relation to the contractually required contribution	<u>(82,288)</u>	<u>(83,531)</u>	<u>(66,555)</u>	<u>(61,719)</u>	<u>(53,019)</u>	<u>(29,719)</u>	<u>(15,313)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 821,233	\$ 833,645	\$ 664,222	\$ 615,957	\$ 526,689	\$ 301,885	\$ 187,424
Contributions as a percentage of covered employee payroll	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, 2020

Notes to Required Supplementary Information

Changes in Assumptions:

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

Statistical Section

Unaudited

DUCHESNE COUNTY SCHOOL DISTRICT
General Fund - Per Capita Operating Costs By School
Year Ended June 30, 2019

SCHOOL	CODE	PER CAPITA	AVERAGE DAILY MEMBERSHIP	% OF AVERAGE DAILY MEMBERSHIP	% OF TOTAL OPERATION COSTS	TOTAL OPERATION COSTS	INSTRUCTION	STUDENTS	SUPPORT SERVICES				BUILDING OPER. & MTN.	PUPIL TRANS.
									INSTRUCTION STAFF	GENERAL ADMIN.	SCHOOL ADMIN.	BUSINESS ADMIN.		
Altamont Elementary	104	\$ 8,635	312	6.33%	5.93%	\$ 2,696,644	\$ 1,685,870	\$ 48,941	\$ 119,402	\$ 23,059	\$ 205,979	\$ 113,714	\$ 279,781	\$ 219,898
Centennial Elementary	106	9,069	493	10.00%	9.83%	4,471,741	2,963,079	62,581	126,772	36,403	323,968	179,348	471,038	308,551
Duchesne Elementary	108	8,756	400	8.11%	7.70%	3,502,248	2,311,750	51,988	145,146	29,532	203,432	145,493	350,325	264,581
East Elementary	110	10,102	294	5.96%	6.53%	2,968,618	1,968,714	37,177	78,432	21,696	201,538	106,888	372,581	181,592
Myton Elementary	112	12,183	105	2.13%	2.81%	1,279,477	784,601	15,459	29,535	7,754	119,130	38,202	219,915	64,881
Neola Elementary	116	10,703	146	2.96%	3.43%	1,560,971	998,861	25,158	57,557	10,768	106,020	53,290	216,487	92,829
Tabiona Elementary	124	11,670	84	1.70%	2.15%	978,687	734,416	7,651	13,900	6,192	55,434	30,506	68,193	62,395
Kings Peak Elementary	304	7,573	476	9.66%	7.93%	3,607,762	2,280,924	69,913	108,035	35,172	233,623	173,340	413,780	292,976
Roosevelt Junior High	404	7,585	884	17.92%	14.75%	6,705,507	4,172,062	218,208	247,725	65,267	387,352	321,550	744,820	548,523
Altamont High	704	10,240	274	5.56%	6.18%	2,808,119	1,621,377	120,153	114,828	20,246	142,621	99,748	498,565	190,582
Duchesne High	708	10,474	341	6.92%	7.86%	3,573,553	2,174,308	108,736	118,751	25,191	333,820	124,106	444,327	244,314
Tabiona High	712	15,292	86	1.75%	2.91%	1,321,252	767,466	11,856	33,069	6,379	135,325	31,428	263,355	72,375
Union High	714	8,337	994	20.15%	18.22%	8,286,604	4,641,539	575,545	294,484	73,383	591,175	361,774	1,085,496	663,207
Con Amore	802	40,675	42	0.85%	3.76%	1,708,344	1,379,352	9,495	8,912	3,101	123,876	15,277	136,568	31,763
Totals			4,932	100.00%	100.00%	\$ 45,469,527	\$ 28,484,320	\$ 1,362,861	\$ 1,496,549	\$ 364,143	\$ 3,163,292	\$ 1,794,665	\$ 5,565,230	\$ 3,238,468

District Average: \$ 9,219

Average Daily Membership Instruction	Kindergarten 55%, Special Education Included
Support Services:	Direct & Prorated Indirect
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, 2020

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.

Table of Contents

1. Debt Structure of Duchesne County School District, Utah	Page
Outstanding General Obligation Bonded Indebtedness	44
Debt Service Schedule of Outstanding General Obligation Bonds by Fiscal Year	44
Municipal Building Authority of Duchesne County School District, Utah	45
Debt Service Schedule of Outstanding Lease Revenue Bonds of the Municipal Building Authority of Duchesne County School District, Utah by Fiscal Year	46
Outstanding Loan Obligations	47
 2. Financial Information Regarding Duchesne County School District, Utah	
Five-Year Financial Summaries	
Net Position	48
Statement of Activities	49
General Fund — Balance Sheet	50
Statement of Revenues, Expenditures and Changes in Fund Balances—General Fund	51
Historical Tax Rates	52
Taxable, Fair Market and Market Value of Property	52
Historical Summaries of Taxable Value of Property	53
Tax Collection Record	53
Some of the Largest Taxpayers	53

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2020

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	21,430,000
Total general obligation debt				<u>\$ 59,880,000</u>

(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
2021	\$ 1,990,000	\$ 834,556	\$ -	\$ 1,700,250	\$ 1,990,000	\$ 2,534,806	\$ 4,524,806
2022	2,090,000	735,056	1,225,000	1,700,250	3,315,000	2,435,306	5,750,306
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	<u>\$ 21,430,000</u>	<u>\$ 3,987,980</u>	<u>\$ 38,450,000</u>	<u>\$ 14,987,000</u>	<u>\$ 59,880,000</u>	<u>\$ 18,974,980</u>	<u>\$ 78,854,980</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2020

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.

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2019 (1)	School Building	\$ 22,683,000	June 1, 2035	\$ 20,303,000
2017 (1)	School Building	2,684,000	March 1, 2038	2,414,103
2011A (2)	School building / QSCB	9,000,000	March 1, 2026	3,858,000
2005 (3)	School building / CIB	3,000,000	June 15, 2026	900,000
Total Authority debt				<u>\$ 27,475,103</u>

(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, 2020

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%		
	Federal Interest		Subsidy			
	Principal	Interest		Principal		
2021	\$ 643,000	\$ 194,057	\$ (177,174)	\$ 150,000		
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>\$ 3,858,000</u>	<u>\$ 679,201</u>	<u>\$ (620,111)</u>	<u>\$ 900,000</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		
					Total	Total	Total Debt
	Principal	Interest	Principal	Interest	Principal	Interest	Service
2021	\$ 138,026	\$ 61,775	\$ 2,262,000	\$ 474,800	\$ 3,193,026	\$ 553,458	\$ 3,746,484
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	147,026	53,300	1,035,000	424,672	1,975,026	486,413	2,461,439
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>\$ 2,414,104</u>	<u>\$ 623,850</u>	<u>\$ 20,303,000</u>	<u>\$ 5,461,432</u>	<u>\$ 27,475,104</u>	<u>\$ 6,144,372</u>	<u>\$ 33,619,476</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, 2020

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 \$130,686. 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 \$4,241,720. The loan has a maximum term of five years and principal is due October 31, 2018 through October 31, 2022.

	Energy Loan 2011	Loan - Revolving Loan Fund		Total Loans		
Fiscal	\$369,011	\$7,000,000				Total
Year Ending	Interest 0%	Interest cost 1%		Total	Total	Debt
June 30,	Principal	Principal	Interest	Principal	Interest	Service
2021	\$ 30,751	\$ 1,399,861	\$ 42,417	\$ 1,430,612	\$ 42,417	\$ 1,486,889
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	\$ 130,686	\$ 4,241,720	\$ 85,116	\$ 4,372,406	\$ 85,116	\$ 4,471,382

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2020

2. Financial Information Regarding Duchesne County School District, Utah

Five-Year Financial Summaries

Statement of Net Position
Governmental Activities

	As of June 30				
	2019	2018	2017	2016	2015
Assets:					
Cash and investments	\$ 24,776,471	\$ 34,357,791	\$ 34,525,818	\$ 65,802,823	\$ 32,165,405
Receivables:					
Property taxes	23,567,562	23,664,192	21,772,189	23,030,312	23,858,170
Other governments	764,389	865,449	882,993	839,280	649,688
Local	16,196	3,670	3,056	2,451	3,220
Inventories and repaid expenses	366,011	362,024	486,847	419,113	305,711
Net pension asset	-	-	-	1,251	-
Bond issuance costs, net	-	-	-	-	-
Capital assets:					
Land and construction in progress	16,168,992	78,266,216	55,199,965	10,740,132	38,522,460
Buildings and other capital assets, net of depreciation	184,859,258	112,641,111	109,831,422	112,834,583	72,407,416
Total assets	250,518,879	250,160,453	222,702,290	213,669,945	167,912,070
Deferred outflows of resources relating to pensions	8,092,129	7,848,913	7,548,735	6,853,060	2,088,315
Total assets and deferred outflows	258,611,008	258,009,366	230,251,025	220,523,005	170,000,385
Liabilities:					
Accounts payable	1,863,647	3,486,168	4,899,664	3,278,611	5,428,821
Accrued interest	381,896	352,747	352,747	375,976	258,855
Accrued salaries and benefits	3,630,603	3,408,519	3,301,842	3,196,702	3,027,691
Unearned revenue, State	860,842				
Noncurrent liabilities:					
Due within one year	6,763,591	6,517,791	4,267,171	5,112,996	5,051,124
Due after one year	99,261,220	106,350,245	89,899,128	91,644,252	50,488,394
Net pension liability	20,818,888	13,173,938	17,985,034	17,479,825	13,424,284
Total liabilities	133,580,687	133,289,408	120,705,586	121,088,362	77,679,169
Deferred inflows of resources:					
Deferred taxes levied for future year	22,468,109	21,681,465	20,252,298	21,554,913	21,723,046
Resources relating to pensions	457,860	6,954,030	2,273,068	1,697,654	1,271,999
Total deferred inflows	22,925,969	28,635,495	22,525,366	23,252,567	22,995,045
Net position:					
Net invested in capital assets	106,741,404	98,438,414	90,631,353	80,046,537	72,321,691
Restricted for:					
Programs	1,206,199	1,776,822	1,236,592	872,950	1,023,871
School lunch	130,552	274,876	324,853	372,081	454,736
Non K-12 programs	-	402,892	411,485	441,870	422,106
Trust fund	966,404	906,831	944,879	813,698	796,699
Student activities	1,240,681	1,311,095	1,149,841	1,229,893	1,188,921
Capital projects	828,887	854,906	958,678	837,278	975,104
Debt service	24,444	32,152	4,285	105,211	101,747
Unrestricted	(9,034,219)	(7,913,525)	(8,641,893)	(8,537,442)	(7,958,704)
Total net position	\$ 102,104,352	\$ 96,084,463	\$ 87,020,073	\$ 76,182,076	\$ 69,326,171

(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, 2020

Statement of Activities (1)
Total Governmental Activities

	Net (Expense) Revenue and Changes in Net Position				
	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Governmental activities:					
Instructional services	\$ (18,815,124)	\$ (17,022,304)	\$ (16,125,867)	\$ (16,520,290)	\$ (16,318,705)
Supporting services:					
Students	(322,328)	(210,385)	(574,966)	(378,606)	(234,593)
Instructional staff	(947,023)	(266,886)	(1,043,475)	(898,592)	(816,318)
District administration	(572,564)	(475,713)	(449,427)	(450,440)	(427,704)
School administration	(3,080,084)	(2,265,650)	(2,626,023)	(2,520,036)	(2,099,262)
Business	(1,340,839)	(1,089,671)	(1,208,136)	(1,197,890)	(1,011,584)
Operation and maintenance of facilities	(6,154,111)	(5,921,685)	(4,104,197)	(4,886,776)	(4,650,335)
Transportation	(2,897,268)	(1,890,378)	(2,419,289)	(2,084,486)	(2,924,573)
School lunch services	(474,636)	(198,383)	(171,216)	(187,065)	27,373
Interest on long-term liabilities	(3,100,997)	(2,752,345)	(2,556,037)	(2,058,611)	(1,501,809)
Capital outlay	-	-	-	-	-
Total school district	<u>(37,704,974)</u>	<u>(32,093,399)</u>	<u>(31,278,633)</u>	<u>(31,182,792)</u>	<u>(29,957,509)</u>
General revenues:					
Property taxes levied for:					
General purposes	12,986,006	12,470,071	11,894,522	12,466,630	12,482,657
Debt service	952,761	914,908	872,680	914,655	3,192,538
Capital outlay	9,846,227	9,455,035	9,018,643	9,452,426	10,028,915
Transportation	-	-	-	-	-
Recreation	-	-	-	-	-
Federal and state aid not restricted to specific purposes	17,841,745	16,004,005	15,496,931	14,075,820	13,952,170
Earnings on investments	742,951	545,976	502,317	304,146	195,949
Miscellaneous	1,355,173	1,767,794	4,331,537	825,020	1,741,757
Total general revenues	<u>43,724,863</u>	<u>41,157,789</u>	<u>42,116,630</u>	<u>38,038,697</u>	<u>41,593,986</u>
Change in net assets	6,019,889	9,064,390	10,837,997	6,855,905	11,636,477
Net position-beginning (as restated)	96,084,463	87,020,073	76,182,076	69,326,171	57,689,693
Net position-ending	<u>\$ 102,104,352</u>	<u>\$ 96,084,463</u>	<u>\$ 87,020,073</u>	<u>\$ 76,182,076</u>	<u>\$ 69,326,170</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.

(2) Implementation of GASB 68 - "Accounting and Reporting for Pensions" required the recording of a net pension liability of \$13,719,610.

(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, 2020

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

	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Assets:					
Cash and investments	\$ 9,046,955	\$ 8,765,398	\$ 7,297,000	\$ 6,604,905	\$ 7,832,757
Accounts receivables:					
Property taxes	12,631,259	12,833,763	11,207,819	12,292,762	12,451,130
Local	16,196	3,670	3,056	2,451	3,220
Due from other funds	228,017	88,337	97,089	87,874	
State of Utah	121,684	74,801	54,651	58,320	1,347
Federal government	499,848	657,812	649,671	591,834	548,432
Prepaid expenses	-	-	-	-	-
Total assets	<u>\$ 22,543,959</u>	<u>\$ 22,423,781</u>	<u>\$ 19,309,286</u>	<u>\$ 19,638,146</u>	<u>\$ 20,836,886</u>
Liabilities:					
Accounts payable	\$ 607,073	\$ 1,271,364	\$ 565,526	\$ 482,037	\$ 1,025,041
Accrued payroll and benefits	3,498,531	3,286,080	3,172,176	3,060,088	2,936,312
Unearned revenue, State	860,842				
Deferred property taxes	-	-	-	-	-
Total liabilities	<u>4,966,446</u>	<u>4,557,444</u>	<u>3,737,702</u>	<u>3,542,125</u>	<u>3,961,353</u>
Deferred inflows of resources:					
Unavailable property tax revenue	524,446	891,231	781,721	776,897	1,012,433
Property taxes levied for future years	12,066,726	11,779,697	10,388,386	11,490,396	11,410,954
Total deferred inflows of resources	<u>12,591,172</u>	<u>12,670,928</u>	<u>11,170,107</u>	<u>12,267,293</u>	<u>12,423,387</u>
Fund balances:					
Committed:					
Economic stabilization	1,900,000	1,875,000	1,850,000	1,800,000	1,700,000
Self insurance	370,000	370,000	370,000	360,000	360,000
Employee benefit obligations	1,055,481	951,891	759,338	685,772	931,374
Assigned:					
Programs	1,206,199	1,776,822	1,236,592	872,950	1,023,871
Unassigned	454,661	221,696	185,547	110,006	436,901
Unreserved:					
Designated for:					
Undistributed reserve	-	-	-	-	-
Early retirement	-	-	-	-	-
Compensated absences	-	-	-	-	-
Total fund balances	<u>4,986,341</u>	<u>5,195,409</u>	<u>4,401,477</u>	<u>3,828,728</u>	<u>4,452,146</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,543,959</u>	<u>\$ 22,423,781</u>	<u>\$ 19,309,286</u>	<u>\$ 19,638,146</u>	<u>\$ 20,836,886</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, 2020

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

	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Revenues:					
Property taxes	\$ 13,243,050	\$ 11,323,541	\$ 11,261,575	\$ 12,715,695	\$ 12,013,901
Earnings on investments	349,358	207,155	125,212	66,379	54,061
Other local sources	386,187	460,422	262,391	396,536	212,485
State sources	27,064,161	25,580,126	23,403,547	21,477,088	20,905,429
Federal sources	2,829,077	1,956,964	2,083,657	2,103,703	2,111,709
Total revenues	<u>43,871,833</u>	<u>39,528,208</u>	<u>37,136,382</u>	<u>36,759,401</u>	<u>35,297,585</u>
Expenditures:					
Current:					
Instructional services	24,788,955	23,486,271	22,620,556	24,035,151	21,656,826
Supporting services					
Students	988,745	955,240	968,439	776,672	716,722
Instructional staff	1,324,374	1,231,882	1,200,918	1,208,319	1,173,081
District administration	394,493	344,089	317,905	340,620	340,778
School administration	2,856,399	2,618,621	2,502,576	2,543,542	2,292,180
Business	1,433,954	1,381,933	1,250,780	1,286,542	1,185,235
Operation and maintenance of facilities	9,191,398	5,602,845	4,828,158	4,409,260	4,536,912
Transportation	3,102,583	3,113,395	2,874,301	2,782,713	3,324,518
Capital outlay	-	-	-	-	-
Total expenditures	<u>44,080,901</u>	<u>38,734,276</u>	<u>36,563,633</u>	<u>37,382,819</u>	<u>35,226,252</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(209,068)</u>	<u>793,932</u>	<u>572,749</u>	<u>(623,418)</u>	<u>71,333</u>
Net change in fund balances	<u>(209,068)</u>	<u>793,932</u>	<u>572,749</u>	<u>(623,418)</u>	<u>71,333</u>
Fund balances-beginning	<u>5,195,409</u>	<u>4,401,477</u>	<u>3,828,728</u>	<u>4,452,146</u>	<u>4,380,813</u>
Fund balances-ending	<u>\$ 4,986,341</u>	<u>\$ 5,195,409</u>	<u>\$ 4,401,477</u>	<u>\$ 3,828,728</u>	<u>\$ 4,452,146</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, 2020

Historical Property Tax Rates of the District

Tax		Maximum Tax Rate (1)	Tax Rate				
			2019-20	2018-19	2017-18	2016-17	2015-16
Basic Program	(2)	Formula	0.001661	0.001666	0.001568	0.001675	0.001736
Voted Leeway	(3)	0.002000	0.001600	0.001624	0.001600	0.001384	0.001267
Board Leeway	(4)	0.002500	0.001485	0.001570	0.001083	0.001309	0.001195
Debt Service	(5)	Sufficient	0.000681	0.000499	0.000495	0.000366	0.000308
Capital Outlay	(6)	0.003000	0.003410	0.003586	0.003533	0.003474	0.003183
Judgement	(7)	Sufficient	-	-	-	-	-
Total			0.008837	0.008945	0.008279	0.008208	0.007689

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
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%
2016	2,605,364,929	-7.2%	3,073,867,427	-6.1%
2015	2,808,820,230	-2.1%	3,274,052,587	-5.8%

(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, 2020

Historical Summaries of Taxable Values of Property

	2018		2017		2016		2015		2014	
	Taxable Value	% of T.V.	Taxable Value		Taxable Value		Taxable Value		Taxable Value	
<i>Set by State Tax Commission (Centrally Assessed)</i>										
Total centrally assessed	\$ 1,285,713,203	49.4 %	\$ 1,221,741,625		\$ 1,194,236,313		\$ 1,389,753,372		\$ 1,669,708,917	
<i>Set by County Assessor (Locally Assessed)</i>										
Real Property:										
Primary residential	552,419,530	21.2	547,536,625		569,864,235		566,042,835		535,796,255	
Other residential	163,353,250	6.3	159,357,550		163,458,310		161,449,245		155,842,210	
Commercial and industrial	183,298,495	7.0	180,301,300		177,824,305		194,612,025		184,226,825	
FAA	24,338,225	0.9	24,294,430		24,292,885		18,575,040		24,344,975	
Unimproved non FAA	237,855,855	9.1	231,474,040		233,774,830		245,081,955		247,590,915	
Agricultural	15,630,580	0.6	15,484,360		14,682,185		13,573,210		11,658,260	
Total real property	1,176,895,935	45.2	1,158,448,305		1,183,896,750		1,199,334,310		1,159,459,440	
Personal property:										
Primary mobile homes	2,197,801	0.1	2,166,124		2,749,933		2,574,490		2,977,220	
Secondary mobile homes	139,156	0.0	138,488		170,356		196,228		136,236	
Other business personal	136,441,959	5.2	125,510,072		224,311,574		216,961,830		200,710,724	
Total personal property	138,778,916	5.3	127,814,684		227,231,863		219,732,548		203,824,180	
Total locally assessed	1,315,674,851	50.6	1,286,262,989		1,411,128,613		1,419,066,858		1,363,283,620	
Total taxable value	\$ 2,601,388,054	100.0 %	\$ 2,508,004,614		\$ 2,605,364,926		\$ 2,808,820,230		\$ 3,032,992,537	

(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
2019	\$ 21,681,465	\$ 20,769,074	95.8%	\$ 1,307,230	\$ 22,076,304	101.8%	\$ 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
2016	20,678,363	18,844,989	91.10	1,534,887	20,379,876	98.60	3,015,202	23,395,078
2015	22,058,993	21,040,884	95.4	845,413	21,886,297	99.2	3,366,154	25,252,451

(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	2,019 Taxable Value	% of the District's Tax Value
Newfield Production	Mining	\$ 382,509,665	15.0 %
Ep Energy E&P Company	Mining	206,746,955	8.1
Kinder Morgan	Mining	158,545,850	6.2
Axia Energy II LLC	Mining	111,990,425	4.4
Berry Petroleum	Mining	101,159,355	4.0
Crescent Point Energy	Mining	80,305,465	3.2
Strata Networks	Communications Utility	45,178,920	1.8
Questar Pipeline Corp	Mining	43,552,370	1.7
Moon Lake Electric	Electric utility	34,643,795	1.4
Altamont Energy	Mining	33,528,200	1.3
Totals		\$ 1,198,161,000	47.1 %