



## Independent Auditor's Report

Board of Education  
Davis School District

### **Report on the Basic Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Davis School District (the District) as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Basic 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.

#### ***Auditor's 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 opinions.

## ***Opinions***

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Davis School District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof 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.

## ***Emphasis of Matter – Restatement***

As discussed in Note 1 to the financial statements, the 2020 financial statements have been restated to implement Government Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the District's proportionate share of the net pension liability (asset) – Utah Retirement Systems, the schedules of District contributions – Utah Retirement Systems, and the related notes to the required supplementary information 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 required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

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

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate 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 directly 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 individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 16, 2021 on our consideration of the 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 solely 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 the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

*Squire & Company, PC*

Orem, Utah  
November 16, 2021

## Management's Discussion and Analysis

This section of Davis School District's (the District) annual comprehensive financial report presents management's discussion and analysis of the District's financial performance during the year ended June 30, 2021. Please read it in conjunction with the transmittal letter found on pages 11 through 14 of this report and the District's financial statements, which follow this section.

### Financial Highlights

- The District's total net position was \$295.6 million at the close of the most recent fiscal year, most of which is invested in capital assets.
- The District is dependent on revenues generated by property taxes. Property tax revenues increased by 5.2% in 2021 to \$233.4 million as a result of an increase in the taxable value of property and an increase in the overall tax rate.
- During the year, expenses were \$78.6 million less than the \$752.6 million generated in taxes and other revenues for governmental activities.
- The District completed construction on the rebuild of South Clearfield Elementary. This is the final bond project from the authorization passed by voters in November 2015 in the amount of \$298.0 million.
- As directed by the District's School Board, the District has increased its fund balance commitment to economic stabilization in the *General Fund*. At June 30, 2021, the District has committed \$31.0 million of the *General Fund* fund balance to economic stabilization. At June 30, 2021, the District has \$40.1 million of unassigned fund balance in the *General Fund*.
- During FY21, the District received two Federal grants to assist with the issues of COVID-19 in the amounts of \$18.0 million and \$42.0 million, respectively. The majority of these funds will be spent during the 2021-22 and 2022-23 school years for student learning remediation efforts.

### Overview of the Financial Statements

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

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unpaid employee benefits).

The government-wide financial statements can be found on pages 36 to 37 of this report.

**Fund financial statements.** A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the *General Fund*, the *Debt Service Fund*, and the *Capital Projects Fund*, each of which are considered to be major funds. Data from the other four governmental funds (*School Food Services Fund*, *Student Activities Fund*, *District Foundation Fund* and *Pass-Through Taxes Fund*) are combined into a single, aggregated presentation. Individual fund data for each of the governmental funds is provided in the form of *combining and individual fund statements and schedules* elsewhere in the report.

The District adopts an annual budget for its *General Fund*. A budgetary comparison statement has been provided for the *General Fund* to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 38 to 42 of this report.

- **Proprietary funds.** The District maintains one proprietary fund type. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses one internal service fund to account for the management of its retained risks. The internal service fund is included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 43 to 45 of this report.

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The

accounting used for fiduciary funds is much like that used for proprietary funds. The District maintains one fiduciary fund for the Northern Utah Academy for Math, Engineering and Science (NUAMES) charter school.

The basic fiduciary fund financial statements can be found on pages 46 and 47 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 48 to 69 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District’s progress in funding its obligation to provide pension benefits to its employees. This required supplementary information can be found on pages 73 to 75 of this report.

Individual fund statements and schedules are presented immediately following the notes to the basic financial statements. Individual fund statements and schedules can be found on pages 77 to 92 of this report.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$295.6 million at the close of the most recent fiscal year.

**DAVIS SCHOOL DISTRICT'S Net Position**  
**June 30, 2021 and 2020**  
(in millions of dollars)

	Governmental Activities		Total Change
	2021	2020	2021-2020
Current and other assets	\$ 555.2	\$ 536.1	\$ 19.1
Capital assets	793.2	787.8	5.4
Total assets	<u>1,348.4</u>	<u>1,323.9</u>	<u>24.5</u>
Deferred outflows of resources	67.3	52.5	14.8
Current and other liabilities	94.3	94.1	0.2
Long-term liabilities outstanding	674.2	795.4	(121.2)
Total liabilities	<u>768.5</u>	<u>889.5</u>	<u>(121.0)</u>
Deferred inflows of resources	<u>351.6</u>	<u>269.9</u>	<u>81.7</u>
Net position:			
Net investment in capital assets	269.6	237.5	32.1
Restricted	77.2	75.6	1.6
Unrestricted	(51.2)	(96.1)	44.9
Total net position	<u>\$ 295.6</u>	<u>\$ 217.0</u>	<u>\$ 78.6</u>

The largest portion of the District’s net position (\$269.6 million) reflects its investment in capital assets less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources

needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (\$77.2 million) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for school food services, debt service, and capital projects.

The remaining net position (a deficit of \$51.2 million) is unrestricted. This balance is net of the District's proportionate share of the unfunded obligation of the defined benefit pension plans administered by Utah Retirement Systems.

The key elements of change in the District's net position for the year ended June 30, 2021, are as follows:

- Unrestricted net position increased by \$44.9 million during the current year. This increase primarily reflects a reduction in the District's proportional share of the Utah State Retirement Systems liability.
- Restricted net position increased by \$1.6 million during the current year. This increase resulted primarily from an increase in unspent property tax revenues restricted for debt offset by a reduction in funds restricted for capital projects.
- The District's total revenues increased 4.5% to \$752.6 million. Federal and state aid make up 64.4% of the District's revenues; property taxes generated 31.0% of the District's revenues.
- The total cost of all programs and services decreased by 1.6% to \$674.0 million. Instruction and support services represented 66.8% and 27.4%, respectively, of the District's expenses.

**DAVIS SCHOOL DISTRICT'S Changes in Net Position**  
**Years Ended June 30, 2021 and 2020**  
(in millions of dollars)

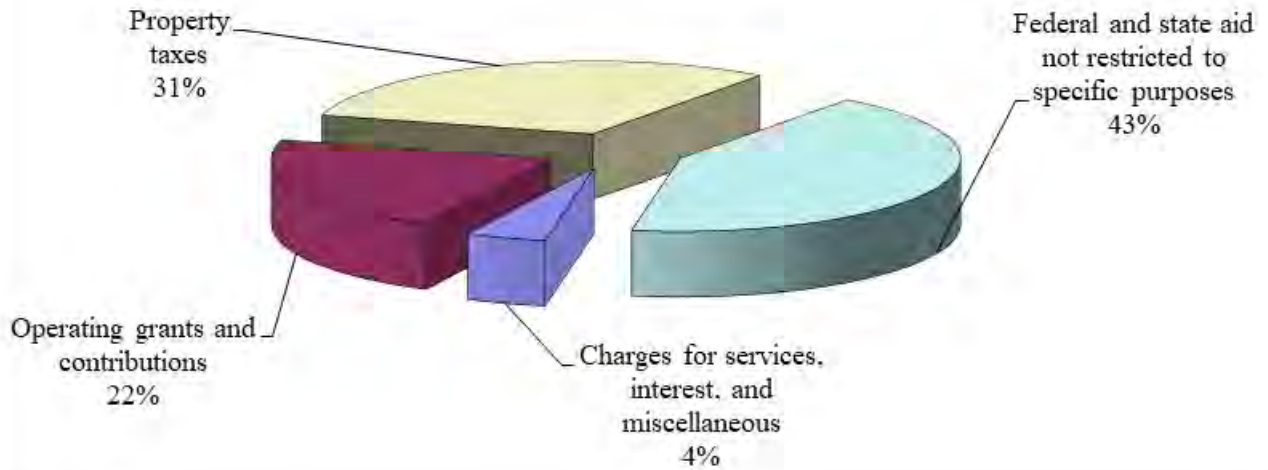
	Governmental Activities		Total Change
	2021	2020	2021-2020
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 11.4	\$ 14.1	\$ (2.7)
Operating grants and contributions	163.7	135.0	28.7
General revenues:			
Property taxes	233.4	221.8	11.6
Federal and state aid not restricted to specific purposes	320.7	317.9	2.8
Interest	1.7	5.2	(3.5)
Miscellaneous	21.7	26.1	(4.4)
Total revenues	752.6	720.1	32.5
<b>Expenses:</b>			
Instruction	450.2	455.9	(5.7)
Support services:			
Student	23.8	21.9	1.9
Instructional staff	23.6	24.7	(1.1)
District administration	3.6	4.1	(0.5)
School administration	43.6	44.5	(0.9)
Business administration	19.8	19.6	0.2
Operation and maintenance of facilities	55.2	55.3	(0.1)
Student transportation	14.9	14.8	0.1
School food services	21.7	25.5	(3.8)
Interest on long-term liabilities	17.6	18.6	(1.0)
Total expenses	674.0	684.9	(10.9)
Changes in net position	78.6	35.2	43.4
Net position, beginning	217.0	181.8	35.2
Net position, ending	\$ 295.6	\$ 217.0	\$ 78.6

**Governmental activities.** The key elements of the increase in the District's net position for the year ended June 30, 2021 are as follows:

- Revenues increased \$32.5 million or 4.5% and continue to be primarily from federal and state aid and property taxes.
- Federal and state aid not restricted to specific purposes and operating grants and contributions increased by 7.0% or \$31.5 million. Total federal aid increased 38.4% to \$63.8 million primarily due to spending levels and COVID-19 grants. State aid is based primarily on weighted pupil units (WPU) and other appropriations. If a student is in membership a full 180 days, the state awards the District one WPU. The state guarantees that if local taxes do not provide money equal to the amount generated by the WPU the state will make up the difference with state funding. The value of the WPU increased 1.8% from \$3,531 (2020) to \$3,596 (2021).
- Tax revenues increased to \$233.4 million or by 5.2%. This increase was a result of the combination of an increase in the taxable value of property and new property growth in the Davis County.

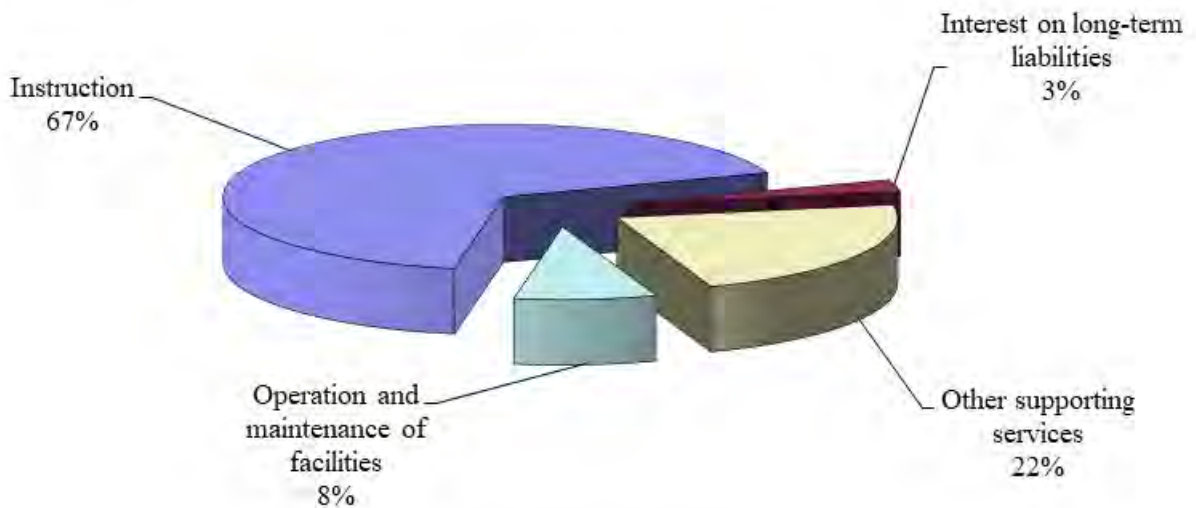


**Davis School District  
Revenues by Source- Governmental Activities  
Year Ended June 30, 2021**



- Expenses for governmental activities decreased \$10.9 million or by 1.6%. This decrease was primarily the result of a reduction in pension expense from the change in the net pension liability.

**Davis School District  
Expenses by Function - Governmental Activities  
Year Ended June 30, 2021**



## Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the year, its governmental funds reported a combined fund balance of \$211.8 million, \$12.3 million less than the previous year. The *General Fund* and the *Debt Service Fund* had a \$9.2 million increase and a \$6.1 million increase in fund balance, respectively. The *Capital Projects Fund* saw a decrease of \$30.0 million due to construction projects during the year. In addition, the following changes in revenues and expenditures should be noted:

- Revenues for the *General Fund* totaled \$601.9 million, an increase of 6.7%, during the current fiscal year. This increase is primarily due to increased revenues from the State of Utah. State revenues were up 4.7% from the prior year in the *General Fund* due to increases in state appropriations for enrollment. Revenues for debt service were up 7.8% and capital projects were down 14.0%. The increase in debt service was a result of an increase in the taxable value of property. The decrease in capital projects revenue was the result of a reduction in interest earnings and State funding.
- Expenditures for the *General Fund* totaled \$592.7 million, an increase of 8.5% during the current fiscal year. Instruction represents 68.3% of *General Fund* expenditures. Capital project expenditures decreased 28.6% due to only one school being constructed during the fiscal year.
- *General Fund* salaries totaled \$360.6 million while the associated employee benefits of retirement, social security, and insurance (health and accident, industrial, and unemployment) added \$167.1 million to arrive at 89.1% of total *General Fund* expenditures.

Governmental funds report the differences between their assets, deferred outflows of resources, liabilities, and deferred inflows of resources as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. Nonspendable fund balance represents items such as inventories which are not resources that can be readily converted to cash. Restricted fund balance includes net fund resources of the District that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. The unrestricted fund balance is, in turn, subdivided between committed, assigned, and unassigned portions. Committed balances reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Assigned balances in the *General Fund* and in other governmental funds are those that do not meet the requirements of restricted or committed but are intended to be used for specific purposes. Unassigned balances in the *General Fund* are all other available net fund resources. At June 30, 2021, the District's combined governmental fund balance is \$211.8 million (\$8.8 million in nonspendable, \$84.1 million in restricted, \$51.3 million in committed, \$27.5 million in assigned, and \$40.1 million in unassigned fund balances).

### General Fund Budgetary Highlights

During the year, the Board revised the District's budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was a increase of \$24.9 million or 4.4% in total *General Fund* expenditures.

During the year, final budgeted revenues were more than original budgetary estimates by \$24.9 million or 4.4%. The increase primarily reflects Federal COVID-19 grant expenditures.

In addition to these adjustments, the District maintained cost cutting measures to hold expenditures below the amended budget in order to build reserves for unanticipated future costs. Consequently, actual

expenditures were \$0.9 million below final budgeted amounts. Additionally, revenues were \$9.3 million above final budgeted amounts primarily due to State funding allocations and higher property tax collections.

**Capital Asset and Debt Administration**

**Capital Assets.** The *Capital Projects Fund* is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. The District spent \$39.6 million for capital assets, the majority being for the rebuild of South Clearfield Elementary school.

The District continues to enhance school and District facilities. The District is currently remodeling the District’s transportation facility, a Career and Technical Education facility, and two schools, all of which will be completed in 2022.

Capital assets at June 30, 2021 and 2020 are outlined below:

**DAVIS SCHOOL DISTRICT'S Capital Assets**  
**June 30, 2021 and 2020**  
 (net of accumulated depreciation in millions of dollars)

	Governmental Activities		Total Change
	2021	2020	2021-2020
Land	\$ 59.7	\$ 57.6	\$ 2.1
Construction in progress	38.0	50.6	(12.6)
Buildings and improvements	679.0	663.9	15.1
Furniture and equipment	5.4	5.0	0.4
Transportation equipment	11.1	10.7	0.4
Total capital assets	<u>\$ 793.2</u>	<u>\$ 787.8</u>	<u>\$ 5.4</u>

Additional information on the District’s capital assets can be found in Note 5 to the basic financial statements.

**Debt Administration.** The general obligation bonded debt of the District is limited by state law to 4.0% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2021 is \$1,860.7 million. General obligation debt, net of unamortized premiums, at June 30, 2021 was \$538.1 million, resulting in a legal debt margin of \$1,322.5 million.

**DAVIS SCHOOL DISTRICT'S Outstanding Debt**  
**June 30, 2021 and 2020**  
**Net of Accumulated Amortization**  
 (in millions of dollars)

	Governmental activities		Total Change
	2021	2020	2021-2020
Net general obligation bonds	<u>\$ 538.1</u>	<u>\$ 590.9</u>	<u>\$ (52.8)</u>

Although it is not unusual for governments to have a 30-year bond payoff schedule, the District maintains an aggressive schedule to retire all of its general obligation bonds by 2040.

Additional information on the District’s long-term debt can be found in Note 8 to the basic financial statements.

**Changing Enrollment within the District**

Student enrollment counts are officially taken on October 1 of each year. Student enrollment decreased in 2020-21 as a result of the COVID-19 pandemic. The District anticipated growth of approximately 250 students for the 2020-21 school year; however, due to a hybrid schedule adopted for student and teacher safety, the District saw a decline of 2,254. Most of the decline is in the elementary grades and is thought to be temporary until a full 5-day week is reestablished. The chart below reflects the counts taken between October 1, 2017 and October 1, 2021 and shows total student growth of 1,519 students over the five-year period, a 2.1% increase.

**DAVIS SCHOOL DISTRICT'S Student Enrollment  
Years Ended June 30, 2017 to 2021**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
October 1st enrollment	71,908	72,263	72,897	70,643	72,540	
Total enrollment change	887	355	634	(2,254)	1,897	1,519
Percentage change	1.2%	0.5%	0.9%	-3.1%	2.7%	2.1%

The District has ongoing planning efforts to analyze and accommodate the issues related to new growth. A bond authorization approved by voters on November 3, 2015 for \$298.0 million has helped meet the ongoing needs of the District’s 20-year capital plan and to provide continuous cash flows for the necessary capital projects. With bond proceeds, as well as ongoing capital funds from taxes, the District expects to meet the demands of projected student growth over both the short-term (5 years) as well as the long-term (20+ years) planning horizons.

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Davis School District, Office of the Business Administrator, 45 East State Street (P.O. Box 588), Farmington, UT 84025.

# DAVIS SCHOOL DISTRICT

## Statement of Net Position

June 30, 2021

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 287,025,320
Receivables:	
Property taxes	240,071,545
Other local	631,595
State of Utah	4,400,239
Federal government	12,174,557
Inventories	8,771,212
Net pension asset	2,087,893
Capital assets:	
Land and construction in progress	97,692,464
Other capital assets, net of accumulated depreciation	695,512,145
Total assets	<u>1,348,366,970</u>
<b>Deferred outflows of resources:</b>	
Deferred charges on refunding Related to pensions	5,202,798
Total deferred outflows of resources	<u>62,158,353</u> <u>67,361,151</u>
<b>Liabilities:</b>	
Accounts payable	28,211,994
Accrued interest	1,160,609
Accrued salaries and benefits	54,182,658
Unearned revenue:	
State of Utah	10,788,540
Noncurrent liabilities:	
Due or payable within one year	52,730,153
Due or payable after one year	621,441,262
Total liabilities	<u>768,515,216</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for future year Related to pensions	230,865,931
Total deferred inflows of resources	<u>120,738,216</u> <u>351,604,147</u>
<b>Net position:</b>	
Net investment in capital assets	269,655,845
Restricted for:	
Debt service	26,022,399
Capital projects	42,093,534
School food services	9,066,337
Unrestricted	(51,229,357)
Total net position	<u>\$ 295,608,758</u>

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

**DAVIS SCHOOL DISTRICT**

**Statement of Activities**  
Year Ended June 30, 2021

Activities/Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
<b>Primary government:</b>				
<b>Governmental activities:</b>				
Instruction	\$ 450,137,605	\$ 9,949,091	\$ 112,148,065	\$ (328,040,449)
Supporting services:				
Students	23,805,768	-	7,601,963	(16,203,805)
Instructional staff	23,605,569	-	4,980,604	(18,624,965)
District administration	3,598,880	-	159,961	(3,438,919)
School administration	43,589,718	-	3,376,566	(40,213,152)
Central	19,841,989	-	3,592,728	(16,249,261)
Operation and maintenance of facilities	55,183,499	269,657	2,085,952	(52,827,890)
Student transportation	14,940,301	-	8,823,630	(6,116,671)
School food services	21,725,001	1,170,072	20,944,918	389,989
Interest on long-term liabilities	17,581,979	-	-	(17,581,979)
Total primary government	<u>\$ 674,010,309</u>	<u>\$ 11,388,820</u>	<u>\$ 163,714,389</u>	<u>(498,907,100)</u>
<b>General revenues:</b>				
Property taxes levied for:				
Basic				47,755,393
Voted local				25,300,871
Board local				57,358,224
Debt service				75,821,440
Capital outlay				17,643,570
Pass-through taxes				9,553,685
Federal and state revenue not restricted to specific purposes				320,656,013
Earnings on investments				1,709,876
Miscellaneous				21,698,861
Total general revenues				<u>577,497,933</u>
Change in net position				78,590,833
<b>Net position - beginning</b>				<u>217,017,925</u>
<b>Net position - ending</b>				<u>\$ 295,608,758</u>

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

**DAVIS SCHOOL DISTRICT**

**Balance Sheet  
Governmental Funds**

June 30, 2021

	<b>Major Funds</b>			<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>		
<b>Assets:</b>					
Cash and investments	\$ 150,473,165	\$ 24,114,094	\$ 59,594,984	\$ 22,649,093	\$ 256,831,336
Receivables:					
Property taxes	150,917,979	61,772,716	16,446,404	10,934,446	240,071,545
Other local	-	-	-	34,247	34,247
State of Utah	3,937,525	-	-	462,714	4,400,239
Federal government	11,754,787	-	-	419,770	12,174,557
Inventories	6,432,735	-	-	2,338,477	8,771,212
Total assets	<u>\$ 323,516,191</u>	<u>\$ 85,886,810</u>	<u>\$ 76,041,388</u>	<u>\$ 36,838,747</u>	<u>\$ 522,283,136</u>
<b>Liabilities:</b>					
Accounts payable	\$ 2,320,234	\$ -	\$ 8,827,018	\$ 355,615	\$ 11,502,867
Accrued salaries and benefits	54,182,658	-	-	-	54,182,658
Unearned revenue:					
State of Utah	10,788,540	-	-	-	10,788,540
Total liabilities	<u>67,291,432</u>	<u>-</u>	<u>8,827,018</u>	<u>355,615</u>	<u>76,474,065</u>
<b>Deferred inflows of resources:</b>					
Unavailable property tax revenue	1,722,426	1,001,110	233,034	142,221	3,098,791
Property taxes levied for future year	145,637,868	58,703,802	15,732,036	10,792,225	230,865,931
Total deferred inflows of resources	<u>147,360,294</u>	<u>59,704,912</u>	<u>15,965,070</u>	<u>10,934,446</u>	<u>233,964,722</u>
<b>Fund balances:</b>					
Nonspendable:					
Inventories	6,432,735	-	-	2,338,477	8,771,212
Restricted for:					
Debt service	-	26,181,898	-	-	26,181,898
Capital projects	-	-	51,249,300	-	51,249,300
School food services	-	-	-	6,727,860	6,727,860
Committed to:					
Workers compensation	1,500,000	-	-	-	1,500,000
Termination benefits	6,000,000	-	-	-	6,000,000
Schools	-	-	-	12,757,922	12,757,922
Economic stabilization	31,000,000	-	-	-	31,000,000
Assigned to:					
Foundation	-	-	-	3,724,427	3,724,427
Programs	10,000,000	-	-	-	10,000,000
Textbooks	3,000,000	-	-	-	3,000,000
Employee compensation	9,000,000	-	-	-	9,000,000
Schools	325,000	-	-	-	325,000
Medical insurance	1,500,000	-	-	-	1,500,000
Unassigned	40,106,730	-	-	-	40,106,730
Total fund balances	<u>108,864,465</u>	<u>26,181,898</u>	<u>51,249,300</u>	<u>25,548,686</u>	<u>211,844,349</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 323,516,191</u>	<u>\$ 85,886,810</u>	<u>\$ 76,041,388</u>	<u>\$ 36,838,747</u>	<u>\$ 522,283,136</u>

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

## DAVIS SCHOOL DISTRICT

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2021

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<b>Total fund balances for governmental funds</b>	\$	211,844,349
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.

Those assets consist of:

Land	\$	59,745,201	
Construction in progress		37,947,263	
Buildings and improvements, net of \$492,123,063 accumulated depreciation		679,015,166	
Furniture and equipment, net of \$19,053,204 accumulated depreciation		5,397,034	
Transportation equipment, net of \$24,515,462 accumulated depreciation		<u>11,099,945</u>	793,204,609

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 deferred inflows of resources in the funds.		3,098,791
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The net pension asset is not an available resource and therefore is not reported in the governmental funds.		2,087,893
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Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		(1,160,609)
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An internal service fund is used by management to charge the costs of self insurance to individual funds and programs. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. Internal service fund net position at year-end is:		14,082,205
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Long-term liabilities that pertain to governmental funds, 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:

Bonds payable		(504,010,000)	
Deferred charges on refunding		5,202,798	
Unamortized premiums		(34,130,362)	
Accrued vacation		(7,204,637)	
Accrued sick leave		(3,518,424)	
Accrued personal leave		(2,054,335)	
Early retirement payable		(11,887,619)	
Net pension liability		(111,366,038)	
Deferred outflows of resources related to pensions		62,158,353	
Deferred inflows of resources related to pensions		<u>(120,738,216)</u>	(727,548,480)

<b>Total net position - governmental activities</b>	<b>\$</b>	<b><u>295,608,758</u></b>
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The notes to basic financial statements are an integral part of this statement.



**DAVIS SCHOOL DISTRICT**

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
 Year Ended June 30, 2021

	<b>Major Governmental Funds</b>			<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>		
<b>Revenues:</b>					
Property taxes	\$ 130,152,432	\$ 75,647,421	\$ 17,608,858	\$ 9,569,270	\$ 232,977,981
Earnings on investments	384,235	-	381,359	944,282	1,709,876
Other local	10,353,457	-	4,012,223	17,586,141	31,951,821
School lunch sales	-	-	-	534,328	534,328
State of Utah	413,973,147	-	2,421,068	4,227,244	420,621,459
Federal government	47,024,269	7,000	-	16,717,674	63,748,943
Total revenues	<u>601,887,540</u>	<u>75,654,421</u>	<u>24,423,508</u>	<u>49,578,939</u>	<u>751,544,408</u>
<b>Expenditures:</b>					
Current:					
Instruction	404,827,865	-	-	25,177,320	430,005,185
Supporting services:					
Students	25,169,180	-	-	-	25,169,180
Instructional staff	25,158,932	-	-	-	25,158,932
District administration	3,614,428	-	-	-	3,614,428
School administration	45,231,000	-	-	-	45,231,000
Central	20,053,962	-	-	-	20,053,962
Operation and maintenance of facilities	54,462,365	-	-	-	54,462,365
Student transportation	14,204,789	-	-	-	14,204,789
School food services	-	-	-	22,007,915	22,007,915
Capital outlay	-	-	55,023,703	-	55,023,703
Debt service:					
Bond principal	-	49,780,000	-	-	49,780,000
Bond interest	-	19,771,178	-	-	19,771,178
Bond issuance costs	-	86,900	-	-	86,900
Fees and miscellaneous charges	-	8,100	-	-	8,100
Total expenditures	<u>592,722,521</u>	<u>69,646,178</u>	<u>55,023,703</u>	<u>47,185,235</u>	<u>764,577,637</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,165,019</u>	<u>6,008,243</u>	<u>(30,600,195)</u>	<u>2,393,704</u>	<u>(13,033,229)</u>
<b>Other financing sources (uses):</b>					
Refunding bonds issued	-	30,035,000	-	-	30,035,000
Refunded bonds escrow payment	-	(29,948,100)	-	-	(29,948,100)
Proceeds from sale of capital assets	-	-	653,303	-	653,303
Total other financing sources (uses)	<u>-</u>	<u>86,900</u>	<u>653,303</u>	<u>-</u>	<u>740,203</u>
Net change in fund balances	9,165,019	6,095,143	(29,946,892)	2,393,704	(12,293,026)
<b>Fund balances - beginning</b>	<u>99,699,446</u>	<u>20,086,755</u>	<u>81,196,192</u>	<u>23,154,982</u>	<u>224,137,375</u>
<b>Fund balances - ending</b>	<u>\$ 108,864,465</u>	<u>\$ 26,181,898</u>	<u>\$ 51,249,300</u>	<u>\$ 25,548,686</u>	<u>\$ 211,844,349</u>

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

**DAVIS SCHOOL DISTRICT**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities**

Year Ended June 30, 2021

**Net change in fund balances-total governmental funds** \$ (12,293,026)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, equipment with an initial, individual cost of more than \$5,000 and buildings and improvements with an initial, individual cost of more than \$100,000 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	\$ 39,629,738	
Gain on sale of capital assets	601,532	
Proceeds from sale of capital assets	(653,303)	
Depreciation expense	<u>(34,193,708)</u>	5,384,259

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, 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	(30,035,000)	
Amortization of deferred amounts on refunding	(578,965)	
Amortization of bond premiums	2,624,131	
Repayment of bond principal	49,780,000	
Refunded bonds escrow payment	29,948,100	
Interest expense - general obligation bonds	<u>152,133</u>	51,890,399

Property tax revenue is recognized when levied (claim to resources established) rather than when available. The portion not available soon enough to pay for the current period's expenditures is reported as deferred inflows of resources in the funds. 455,202

In the statement of activities, certain operating expenses - compensated absences (vacation and sick and personal leave) and 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, benefit obligations changed by the following amounts:

Accrued vacation	(757,938)	
Accrued sick and personal leave	(314,894)	
Early retirement payable	(258,627)	
Pension expense	<u>31,620,371</u>	30,288,912

An internal service fund is used by the District to charge the costs of health and dental insurance to individual funds. The assets and liabilities of this internal service fund are included with governmental activities in the statement of net position. The change in net position of this internal service fund is: 2,865,087

**Change in net position of governmental activities** \$ 78,590,833

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

**DAVIS SCHOOL DISTRICT**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
General Fund  
Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 121,309,400	\$ 128,018,500	\$ 130,152,432	\$ 2,133,932
Earnings on investments	2,545,600	306,300	384,235	77,935
Other local	8,719,000	10,421,000	10,353,457	(67,543)
State of Utah	404,292,400	406,778,300	413,973,147	7,194,847
Federal government	30,917,800	47,120,900	47,024,269	(96,631)
Total revenues	<u>567,784,200</u>	<u>592,645,000</u>	<u>601,887,540</u>	<u>9,242,540</u>
<b>Expenditures:</b>				
Current:				
Instruction	384,788,800	405,809,000	404,827,865	981,135
Supporting services:				
Students	21,918,300	25,410,000	25,169,180	240,820
Instructional staff	26,059,300	25,429,000	25,158,932	270,068
District administration	3,564,300	3,795,000	3,614,428	180,572
School administration	45,005,400	45,378,000	45,231,000	147,000
Central	19,202,300	19,928,000	20,053,962	(125,962)
Operation and maintenance of facilities	54,355,900	52,800,000	54,462,365	(1,662,365)
Student transportation	12,889,900	14,096,000	14,204,789	(108,789)
Total expenditures	<u>567,784,200</u>	<u>592,645,000</u>	<u>592,722,521</u>	<u>(77,521)</u>
Excess of revenues over expenditures / net change in fund balances	-	-	9,165,019	9,165,019
<b>Fund balances - beginning</b>	<u>99,699,446</u>	<u>99,699,446</u>	<u>99,699,446</u>	-
<b>Fund balances - ending</b>	<u>\$ 99,699,446</u>	<u>\$ 99,699,446</u>	<u>\$ 108,864,465</u>	<u>\$ 9,165,019</u>

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

**DAVIS SCHOOL DISTRICT**  
**Statement of Fund Net Position**  
**Proprietary Fund**  
June 30, 2021

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	<b>Governmental Activities- Internal Service Fund <u>Self Insurance</u></b>
<b>Assets:</b>	
Current assets:	
Cash and investments	\$ 30,193,984
Accounts receivable	<u>597,348</u>
Total current assets	30,791,332
<b>Liabilities:</b>	
Current liabilities:	
Claims payable	<u>16,709,127</u>
<b>Net position:</b>	
Unrestricted	<u>\$ 14,082,205</u>

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

DAVIS SCHOOL DISTRICT

Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund  
Year Ended June 30, 2021

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	<b>Governmental Activities- Internal Service Fund Self Insurance</b>
<b>Operating revenues:</b>	
Charges for services	\$ 76,032,484
Total operating revenues	<u>76,032,484</u>
<b>Operating expenses:</b>	
Other	<u>73,167,397</u>
Total operating expenses	<u>73,167,397</u>
Operating income / change in net position	<u>2,865,087</u>
<b>Net position - beginning</b>	<u>11,217,118</u>
<b>Net position - ending</b>	<u><u>\$ 14,082,205</u></u>

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

**DAVIS SCHOOL DISTRICT**

**Statement of Fund Cash Flows**  
**Proprietary Fund**  
Year Ended June 30, 2021

	<u><b>Governmental Activities- Internal Service Fund Self Insurance</b></u>
<b>Cash flows from operating activities:</b>	
Receipts from interfund services provided	\$ 75,435,136
Payments to suppliers	<u>(71,902,681)</u>
Net cash provided by operating activities	<u>3,532,455</u>
Net change in cash and cash equivalents	3,532,455
<b>Cash and cash equivalents - beginning</b>	<u>26,661,529</u>
<b>Cash and cash equivalents - ending</b> (displayed as cash and investments on the statements of fund net position)	<u><u>\$ 30,193,984</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 2,865,087
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	(597,348)
Claims payable	<u>1,264,716</u>
Total adjustments	<u>667,368</u>
Net cash provided by operating activities	<u><u>\$ 3,532,455</u></u>
Noncash investing, capital, and financing activities:	<u><u>None</u></u>

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

**DAVIS SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**Custodial Fund**  
June 30, 2021

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	<b>NUAMES Charter School</b>
<b>Assets:</b>	
Cash and investments	\$ 5,506,978
Accounts receivable	21,583
Total assets	5,528,561
<b>Liabilities:</b>	
Accounts payable	1,014,672
Unearned revenue	464,068
Total liabilities	1,478,740
<b>Net position:</b>	
Restricted for individuals, organizations, and other governments	\$ 4,049,821

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

**DAVIS SCHOOL DISTRICT**

**Statement of Changes in Fiduciary Net Position  
Custodial Fund**

Year Ended June 30, 2021

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	<b><u>NUAMES Charter School</u></b>
<b>Additions:</b>	
Deposits from individuals, organizations, and other governments	<u>10,513,857</u>
<b>Deductions:</b>	
Payments to individuals, organizations, and other governments	<u>10,132,892</u>
Change in net position	<u>380,965</u>
<b>Net position - beginning, as restated</b>	<u>3,668,856</u>
<b>Net position - ending</b>	<u><u>\$ 4,049,821</u></u>

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



**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Davis School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

**Reporting Entity**

The Board of Education, comprised of seven elected individuals, is the primary governing authority for the District. As required by GAAP, these financial statements present the District and its blended component unit, Davis School District Foundation (the Foundation) for which the District is considered to be financially accountable. The Foundation exclusively services the District. The District makes all personnel decisions for the Foundation and pays for all operating costs of the Foundation. A blended component unit, although a legally separate entity, is in substance part of the District's operations.

**Government-Wide and Fund Financial Statements**

The *government-wide financial statements* (the statement of net position and the statement of changes in net position) display information about the primary government (the District) and its component unit. These statements include the financial activities of the overall District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions occur only when the elimination of such activity would distort the expenses and revenues reported by function. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instruction, school administration, and operation and maintenance of facilities) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line. Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The *fund financial statements* provide information about the District's funds. Separate statements for each fund category (governmental and proprietary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The remaining governmental funds are reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses result from transactions directly associated with the fund's principal services.

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

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The District reports the following major governmental funds:

- The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Debt Service Fund* accounts for resources accumulated and payments made for principal and interest on general obligation school building bonds.
- The *Capital Projects Fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.

Additionally, the District reports following fund types:

- The *Self Insurance Fund* (an internal service fund) which accounts for employee benefits provided to other funds of the District on a cost-reimbursement basis.
- The *custodial fund* (a fiduciary fund) accounts for resources held by the District as a custodian for individuals, organizations, and other governments. In 2021, the District adopted Government Accounting Standards Board Statement No. 84, *Fiduciary Activities*. The new standard establishes standards of accounting and financial reporting for fiduciary activities, including custodial activities. Custodial funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The District's custodial fund includes resources held for the *Northern Utah Academy for Math, Engineering and Science (NUAMES)*. The impact of adopting this standard is a restatement of beginning net position in the custodial fund of \$3,668,856.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The *government-wide* and *proprietary fund financial statements* are reported using the economic resources measurement focus and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental fund financial statements* are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the District's

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

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policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

**Budgetary Data**

The District operates within the budget requirements for school districts as specified by state law and as interpreted by the Utah State Superintendent of Public Instruction. Budgets are presented on the modified accrual basis of accounting for all governmental funds. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance commitment. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- By June 1 of each year, the District business administrator prepares a proposed annual budget (for the fiscal year beginning July 1) for all applicable funds. The budget is presented to the Board of Education by the superintendent. This budget includes proposed expenditures and the means of financing them. Also included is a final budget for the current fiscal year ending June 30.
- Copies of the proposed budget are made available for public inspection and review by the District's patrons.
- If the District does not exceed the certified tax rate, a public hearing is held prior to June 30 at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when additional data is available to set the rates.
- Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the superintendent can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2021, have been included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

**Deposits and Investments**

The cash balances of substantially all funds are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. Investments for the District, as well as for its component unit, are reported at fair value. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned and paid or credited to the funds based on the average balance of each participating fund.

**Cash and Cash Equivalents**

The District considers cash and cash equivalents in proprietary funds to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Utah Public Treasurers' Investment Fund (PTIF).

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

**Inventories**

Inventories are valued at cost or, if donated, at fair value when received, using the moving-average method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Donated food commodities are reported as revenue when received. Inventories reported in the governmental funds are equally offset by a nonspendable portion of fund balance, indicating that they are not expected to be converted to cash.

**Capital Assets**

Capital assets, which include land, buildings and improvements, furniture and equipment, and transportation equipment are reported in the government-wide financial statements and proprietary fund financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for land, furniture and equipment, and transportation equipment and \$100,000 for buildings and improvements. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of the assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized. Buildings and improvements, furniture and equipment, and transportation equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Building improvements and portable classrooms	20
Kitchen equipment appliances	15
Maintenance and CTE equipment	15
School buses	10
Furniture and office equipment	10
Heavy trucks	7
Audio visual equipment	6
Light trucks	6
Copiers, printers, etc	5
Miscellaneous equipment and accessories	5
Passenger cars and vans	5
Computer equipment and software	3

**Unearned Revenue**

Unearned revenue for the District represents amounts received on grants whose purpose restrictions have not been met. Revenue is recognized on restricted grants only when all restrictions on those funds are satisfied.

**Compensated Absences**

Under terms of association agreements, twelve-month or full-year employees earn vacation and sick leave in amounts varying with tenure and classification. Nine-month full-time employees earn sick leave and personal leave in amounts varying with tenure and classification. In the event of termination or death, an employee is reimbursed for the current value of accumulated vacation days to a maximum of 60 days, and is reimbursed for unused personal leave days at an appropriate substitute rate. Upon retirement, employees are compensated for accumulated sick leave at 21.5% of the current value. All vacation pay, personal leave pay, and an estimated potential amount for sick leave pay, are accrued when incurred in the government-wide and proprietary fund

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

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financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences will be paid by the fund in which the employee worked (typically the *General Fund*).

**Pensions**

For purposes of measuring the net pension liability (asset), 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 (URS) and additions to/deductions from the URS's fiduciary net position have been determined on the same basis as they are reported by the URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

**Long-Term Obligations**

In the government-wide financial statements and the *Self Insurance Fund*, long-term debt and other long-term obligations are reported in the applicable statement of net position. Bond premiums and discounts, as well as refunding costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of unamortized bond premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Deferred Outflows 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/expenditure) until then.

**Deferred Inflows of Resources**

In addition to liabilities, the financial statements will sometimes 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 period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Net Position/Fund Balances**

The residual of all other elements presented in a statement of net position is *net position* on the government-wide and proprietary fund financial statements 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.

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

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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 District first determines and reports non-spendable balances, then restricted, then committed, and so forth.

Fund balance classifications are summarized as follows:

*Nonspendable* – This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to prepaid items and inventories are classified as nonspendable.

*Restricted* – This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include the unspent tax revenue for specific purposes (debt service and capital projects) and amounts in other governmental funds (school food services).

*Committed* – This category includes amounts that can only be used for specific purposes established by formal action of the District’s highest level of decision-making authority. The Board of Education is the highest level of decision making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The Board of Education has resolved to commit fund balance amount in the governmental funds for the following purposes:

- Workers compensation claims.
- Employee benefit obligations for unpaid compensated absences including vacation, sick, and personal leave.
- Amounts held in other governmental fund resources for schools.
- As defined in Utah law as an “undistributed reserve,” the District maintains up to five percent of *General Fund* budgeted expenditures for economic stabilization. Potential state budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. Additionally, the commitment is necessary to maintain liquidity (i.e., reducing any disparity between when financial resources are available to make payments and the maturity of related liabilities). Also defined by state law, the commitment is not to be used “in the negotiation or settlement of contract salaries for school district employees” and the use of this reserve requires a written resolution adopted by a majority vote of the Board of Education filed with the Utah State Board of Education and the Office of the Utah State Auditor.

*Assigned* – This category includes amounts to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the business administrator to assign fund balances. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The District has assigned *General Fund*

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

resources for District programs, textbooks, employee compensation, schools, and the Foundation, as well as, for future medical insurance costs.

*Unassigned* – Residual balances in the *General Fund* are classified as unassigned.

**Net Position/Fund Balance Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report in each category of net position and fund balance, a flow assumption must be made about the order in which the resources are considered to be applied.

*Net position* – It is the District’s policy to consider restricted net position to have been depleted before unrestricted net position.

*Fund balance* – It is the District’s policy to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Further, when 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.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2021, as shown on the financial statements, is as follows:

Carrying amount of deposits	\$ 7,493,115
Carrying amount of investments	285,039,183
Total cash and investments	<u>\$ 292,532,298</u>
Governmental funds cash and investments	\$ 256,831,336
Internal service fund cash and investments	30,193,984
Cash and investments - government-wide	287,025,320
Cash and investments custodial fund	<u>5,506,978</u>
Total cash and investments	<u>\$ 292,532,298</u>

The District complies 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. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers’ Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. 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. The District considers the rules of the Council to be necessary and enough for adequate protection of our uninsured bank deposits.

Rules of the Council allow the Davis School District Foundation to invest private grants, contributions, and endowments in any deposit or investment authorized by the Act and certain investment funds, equity securities, fixed-income securities, and investment strategies with institutions that meet certain restrictions.

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**

*Continued*

**Deposits**

At June 30, 2021, the District and the Foundation have the following deposits with financial institutions:

	Carrying Amount	Bank Balance	Amount Insured
Davis School District	\$ 5,350,182	\$ 11,736,633	\$ 250,000
Davis School District Foundation, a component unit of the District	2,142,933	2,142,933	-
Total deposits	\$ 7,493,115	\$ 13,879,566	\$ 250,000

*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. The District does not have a formal deposit policy for custodial credit risk. At June 30, 2021, the uninsured amount of the District’s and Foundation’s pooled bank deposits was uncollateralized.

**Investments**

The District’s investments are with the PTIF, government agencies, and in corporate bonds. The Foundation invests private funds through a broker.

The District invests with the 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; money market mutual funds; first-tier commercial paper; and certificates of deposit. The portfolio has a weighted average maturity of less than 90 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.

At June 30, 2021, the District has \$276,500,607 invested in the Utah Public Treasurers’ Investment Fund; the PTIF is not rated. The District has \$250,006 invested in government agencies rated AA+ and AAA or higher by Standard & Poor’s and Moody’s Investors Service, respectively. The District also has \$6,159,546 invested in corporate bonds rated BBB- and Baa3 or higher by Standard & Poor’s and Moody’s Investors Service, Inc., respectively. The Davis has \$488,890 invested in certificates of deposits that are unrated. The Foundation has \$160,482 invested in government agencies rated A or higher by Standard & Poor’s. The Foundation has \$251,385 invested in corporate bonds rated BBB+ or higher by Standard & Poor’s. The Foundation has \$305,555 invested in certificates of deposit that are unrated. The Foundation has \$315,312 invested in equity securities that are unrated. The Foundation has \$607,400 invested in mutual funds that are unrated.



**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**

*Continued*

The District and the Foundation have the following investments summarized by investment type and maturities:

Investment Type	Fair Value	Less Than 1	1-5	5-10	More Than 10
Davis School District:					
Utah Public Treasurers' Investment Fund (PTIF)	\$ 276,500,607	\$ 276,500,607	\$ -	\$ -	\$ -
Government agencies	250,006	-	250,006	-	-
Corporate bonds	6,159,546	3,114,381	3,045,165	-	-
Certificates of deposit	488,890	-	488,890	-	-
Total District	283,399,049	279,614,988	3,784,061	-	-
Davis School District Foundation, a component unit of the District:					
Government agencies	160,482	-	61,905	-	98,577
Corporate bonds	251,385	-	251,385	-	-
Certificates of deposit	305,555	76,335	229,220	-	-
Equity securities	315,312	315,312	-	-	-
Mutual funds	607,400	607,400	-	-	-
Total Foundation	1,640,134	999,047	542,510	-	98,577
Total investments	\$ 285,039,183	\$ 280,614,035	\$ 4,326,571	\$ -	\$ 98,577

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments to not exceed the period of availability of the funds invested. Except for endowments, the Act further limits the remaining term to maturity on all investments in commercial paper and bankers’ acceptances to 270 days or less and fixed-income securities to 365 days or less. In addition, variable-rate securities may not have a remaining term to final maturity exceeding two years. The Foundation can invest private funds in fixed-income securities with a dollar-weighted average maturity not to exceed ten years. The District has no investment policy that would further limit its interest rate risk.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District’s policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit 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. The District has no investment policy that would further limit its investment choices.

*Concentration of Credit Risk* – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The District’s policy for managing this risk is to comply with the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to 5% of the District’s total portfolio with a single issuer. The District places no other limits on the amount it may invest in any one issuer. The Foundation can invest private funds in certain equity and fixed-income securities provided no more than 5% of all funds are invested in any one issuer and no more than 25% of all funds are invested in a particular industry. Also, for the Foundation’s investments in private funds, no more than 75% may be invested in equity securities and no more than 5% in collateralized mortgage obligations.

*Custodial Credit Risk* – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

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in the possession of an outside party. The District's policy for managing this risk is to comply with the Act and related rules. The District places no other limit on the amount of investments to be held by counterparties. The Act requires the Foundation's public treasurer to have custody of all securities purchased or held or deposit these securities with a bank or trust company to be held in safekeeping by that custodian. The Foundation's investments held in a brokerage account are covered by Securities Investor Protection Corporation up to \$500,000.

**NOTE 3 – FAIR VALUE MEASUREMENTS**

The District and Foundation categorizes their 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 and Foundation have the following recurring fair value measurements as of June 30, 2021:

- Public Treasurers' Investment Fund position of \$276,500,607 is valued at the District's position in the PTIF multiplied by the published fair value factor (Level 2 inputs).
- Government agencies securities of \$410,488 are valued using quoted market prices (Level 1 inputs).
- Corporate bonds of \$6,410,931 are valued using a matrix pricing model (Level 2 inputs).
- Certificates of deposit of \$794,445 are valued at the original amount deposited at the financial institution plus interest earned on the certificate through the end of the fiscal year (Level 2 inputs)
- Equity securities of \$315,312 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of \$607,400 are valued using quoted market prices (Level 1 inputs).

**NOTE 4 – PROPERTY TAXES**

**District Property Tax Revenue**

The property tax revenue of the District is collected and distributed by the Davis County treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The county assessor is required to assess real property as of January 1 (the legal lien date) and complete the tax rolls by May 15. By July 21, the county auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30.

An annual uniform fee based on the value of motor vehicles is levied in lieu of an ad valorem tax on motor vehicles. This uniform fee was 1.5% of the fair market statewide value of the property, as established by the State Tax Commission. Legislation requires motor vehicles be subject to an "age-based" fee that is due each time a vehicle is registered. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when collected.

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

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As of June 30, 2021, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2021 or earlier. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period, after which time the county treasurer may force sale of property to collect the delinquent portion.

**Incremental Taxes**

In addition to property taxes the District levies for its own purposes, the District levies property taxes for redevelopment agencies (located within the boundaries of the District) in accordance with the Community Development and Renewal Agencies Act (Utah Code 17C-1). These taxes are forwarded directly by the county to the redevelopment agencies as these taxes are collected by the county.

Property tax revenue (or incremental taxes) from increased assessed values within project areas are earmarked to finance urban renewal, economic development, and community development projects managed by the redevelopment agencies for the duration of the projects.

During the year ended June 30, 2021, incremental taxes levied by the District for the redevelopment agencies totaling \$7,190,356 were recorded as revenue with an equivalent amount of expenditure for instruction in the other governmental funds (in the *Pass-Through Taxes Fund*).

Per *Utah Code 53F-2-703*, a portion of the District's board local levy is paid to the statewide charter school levy account. The portion is based on the number of charter school students residing within the District's boundaries. In 2021, the amount collected by the county and paid directly to the state was \$2,378,914; this amount was reported in the District's *Pass-Through Taxes Fund*.

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

**NOTE 5 – CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 57,560,321	\$ 2,201,906	\$ (17,026)	\$ 59,745,201
Construction in progress	50,562,100	33,114,901	(45,729,738)	37,947,263
Total capital assets, not being depreciated	108,122,421	35,316,807	(45,746,764)	97,692,464
Capital assets, being depreciated:				
Buildings and improvements	1,125,408,491	45,729,738	-	1,171,138,229
Furniture and equipment	23,031,428	1,609,212	(190,402)	24,450,238
Transportation equipment	34,688,474	2,703,719	(1,776,786)	35,615,407
Total capital assets, being depreciated	1,183,128,393	50,042,669	(1,967,188)	1,231,203,874
Accumulated depreciation for:				
Buildings and improvements	(461,546,757)	(30,576,306)	-	(492,123,063)
Furniture and equipment	(17,975,110)	(1,268,496)	190,402	(19,053,204)
Transportation equipment	(23,908,597)	(2,348,906)	1,742,041	(24,515,462)
Total accumulated depreciation	(503,430,464)	(34,193,708)	1,932,443	(535,691,729)
Total capital assets, being depreciated, net	679,697,929	15,848,961	(34,745)	695,512,145
Governmental activities capital assets, net	\$ 787,820,350	\$ 51,165,768	\$ (45,781,509)	\$ 793,204,609

For the year ended June 30, 2021, depreciation expense was charged to functions of the District as follows:

<b>Governmental activities:</b>	
Instruction	\$ 27,184,548
Supporting services:	
Students	281,676
Instructional staff	94,472
District administration	35,823
School administration	1,493,461
Business administration	993,463
Operation and maintenance of facilities	2,572,851
Student transportation	1,245,717
School food services	291,697
Total depreciation expense, governmental activities	\$ 34,193,708

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

The District is obligated at June 30, 2021 under construction commitments as follows:

Project	Project Authorized	Costs to Date	Costs to Complete
CTE Center Remodel	\$ 8,504,204	\$ 4,360,144	\$ 4,144,060
S. Clearfield Elem. Rebuild 2015 Bond	31,152,122	27,491,986	3,660,136
F-2 Office Remodel	10,374,591	5,739,243	4,635,348
Sunset Jr. Remodel 2015 Bond	3,757,800	355,890	3,401,910
	<u>\$ 53,788,717</u>	<u>\$ 37,947,263</u>	<u>\$ 15,841,454</u>

General obligation school building bonds and the capital fund balance will be used to finance the costs to complete these projects (See Note 8).

**NOTE 6 – RETIREMENT PLANS**

*Description of Plans*

Eligible employees of the District are provided with the following plans through the Utah Retirement Systems (URS) administered by the URS:

Defined Benefit Pension Plans (cost-sharing, multiple-employer plans):

- Public Employees Noncontributory Retirement System (Tier 1 Noncontributory System)
- Public Employees Contributory Retirement System (Tier 1 Contributory System)
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Contributory System) Defined

Defined Contribution Plans (individual account plans):

- 401(k) Plan (includes the Tier 2 Defined Contribution Plan)
- 457 Plan and other individual plans

District employees qualify for membership in the retirement systems if a) employment, contemplated to continue during a fiscal or calendar year, normally requires an average of 20 or more hours per week and the employee receives benefits normally provided by the District as approved by the Utah State Retirement Board, b) the employee is a classified school employee whose employment normally requires an average of 20 hours or more per week regardless of benefits, c) the employee is a teacher who teaches half-time or more and receives benefits normally provided by the District as approved by the Utah State Retirement Board, or d) the employee is an appointed officer.

The Tier 2 systems became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with URS, are members of the Tier 2 systems.

The plans are established and governed by the respective sections of Title 49 of the *Utah Code*. The plans are amended statutorily by the Utah State Legislature. Title 49 provides for the administration of the plans under the direction of the Utah State Retirement Board, whose members are appointed by the Governor.

The URS (a component unit of the State of Utah) issues a publicly available financial report that can be obtained at [www.urs.org](http://www.urs.org).

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

**Benefits Provided**

The URS provides retirement, disability, and death benefits to participants in the plans.

Retirement benefits in the defined benefit pension plans are determined from 1.50% to 2.00% of the employee's highest 3 or 5 years of compensation times the employee's years of service depending on the pension plan; benefits are subject to cost-of-living adjustments up to 2.50% or 4.00%, limited to the actual Consumer Price Index increase for the year. Employees are eligible to retire based on years of service and age.

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 required contributions and associated earnings are vested during the first four years of employment. If an employee terminates prior to the vesting period, employer contributions and associated earnings for that employee are subject to forfeiture. Forfeitures are used to cover a portion of the plan's administrative expenses paid by participants. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

**Contributions**

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

For the year ended June 30, 2021, District required contribution rates for the plans were as follows:

	Defined Benefit Plans Rates			District Rates for 401(k) Plan	Totals
	District Contribution *	Amortization of UAAL **	Paid by District for Employee		
Tier 1 Noncontributory System	12.25%	9.94%	0.0%	1.50%	23.69%
Tier 1 Contributory System	5.45%	12.25%	6.00%	-	23.70%
Tier 2 Contributory System	9.19%	9.94%	0.00%	0.89%	20.02%
Tier 2 Defined Contribution Plan	0.08%	9.94%	0.00%	10.00%	20.02%

\* District contribution includes 0.08% of covered-employee payroll of the Tier 2 plans for death benefits.

\*\* Required contributions include an additional amount to finance any unfunded actuarial accrued liability in the Tier 1 plans.

Employees can make additional contributions to defined contribution plans subject to limitations.

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

For the year ended June 30, 2021, District and employee contributions to the plans were as follows:

	<u>District Contributions *</u>	<u>Employee Contributions</u>
Tier 1 Noncontributory System	\$ 45,851,205	\$ -
Tier 1 Contributory System	143,884	48,774
Tier 2 Contributory System	18,058,563	-
Tier 2 Defined Benefit Plan	1,991,759	-
401(k) Plan	5,966,380	4,925,274
457 Plan and other individual plans	-	1,430,680

\* A portion of required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability in the Tier 1 plans.

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

At June 30, 2021, the District reported a net pension liability of \$111,366,038 and a net pension asset of \$2,087,893 for the following plans:

	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Tier 1 Noncontributory System	\$ -	\$ 110,595,792
Tier 1 Contributory System	2,087,893	-
Tier 2 Contributory System	-	770,246
Total	<u>\$ 2,087,893</u>	<u>\$ 111,366,038</u>

The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2020, rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability (asset) is equal to the ratio of actual contributions compared to the total of all employer contributions during the plan year. The following presents the District's proportion (percentage) of the collective net pension liability (asset) at December 31, 2020 and the change in its proportion since the prior measurement date for each plan:

	<u>Proportionate Share</u>	
	<u>2020</u>	<u>Change</u>
Tier 1 Noncontributory System	8.2960004%	0.2200837%
Tier 1 Contributory System	8.7786054%	0.1104385%
Tier 2 Contributory System	5.3553339%	0.3605296%

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

For the year ended June 30, 2021, the District recognized pension expense for the plans as follows:

	Pension Expense
Defined benefit pension plans:	
Tier 1 Noncontributory System	\$ 27,584,713
Tier 1 Contributory System	(809,231)
Tier 2 Contributory System	7,540,220
Total	\$ 34,315,702
Defined contribution plans:	
Tier 2 Defined Contribution Plan	\$ 1,991,759
401(k) Plan	5,966,380
Total	\$ 7,958,139

At June 30, 2021, the District reported deferred outflows of resources related to defined benefit pension plans from the following sources:

	Deferred Outflows of Resources Related to Pensions			
	Tier 1 Noncontributory System	Tier 1 Contributory System	Tier 2 Contributory System	Total
Differences between expected and actual experience	\$ 12,129,190	\$ -	\$ 709,028	\$ 12,838,218
Changes of assumptions	10,432,150	-	974,268	11,406,418
Changes in proportion and differences between District contributions and proportionate share of contributions	4,111,725	-	1,210,596	5,322,321
Contributions subsequent to the measurement date	22,420,225	68,608	10,102,563	32,591,396
Total	\$ 49,093,290	\$ 68,608	\$ 12,996,455	\$ 62,158,353



**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

At June 30, 2021, the District reported deferred inflows of resources related to defined benefit pension plans from the following sources:

	Deferred Inflows of Resources Related to Pensions			
	Tier 1 Noncontributory System	Tier 1 Contributory System	Tier 2 Contributory System	Total
Differences between expected and actual experience	\$ -	\$ -	\$ 352,698	\$ 352,698
Changes of assumptions	-	-	28,020	28,020
Net difference between projected and actual earnings on pension plan investments	111,322,526	4,111,471	2,251,435	117,685,432
Changes in proportion and differences between District contributions and proportionate share of contributions	2,672,066	-	-	2,672,066
<b>Total</b>	<b>\$ 113,994,592</b>	<b>\$ 4,111,471</b>	<b>\$ 2,632,153</b>	<b>\$ 120,738,216</b>

The \$32,591,396 reported as deferred outflows of resources related to pensions resulting from our contributions subsequent to the measurement date of December 31, 2020 will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

Year Ending June 30,	Tier 1 Noncontributory System	Tier 1 Contributory System	Tier 2 Contributory System	Total
2022	\$ (24,434,226)	\$ (1,306,876)	\$ (385,124)	\$ (26,126,226)
2023	(7,465,661)	(731,792)	(226,935)	(8,424,388)
2024	(36,955,617)	(1,447,137)	(523,677)	(38,926,431)
2025	(18,466,023)	(625,666)	(153,256)	(19,244,945)
2026	-	-	261,902	261,902
Thereafter	-	-	1,288,829	1,288,829

**Actuarial Assumptions**

The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.25% to 9.75%, average, including inflation
Investment rate of return	6.95%, net of pension plan investment expense, including inflation

Mortality rates were based on actual experience and mortality tables, considering 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, 2020 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2017. Assumptions remained unchanged that affect measurement of the total pension liability (asset) since the prior measurement date.

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity securities	37%	6.30%
Debt securities	20%	0.00%
Real assets	15%	6.19%
Private equity	12%	9.50%
Absolute return	16%	2.75%
Cash and cash equivalents	0%	0.00%
Total	100%	

**Discount Rate**

The discount rate used to measure the total pension liability (asset) was 6.95%. 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, actuarially determined and certified by the Utah State Retirement Board. Based on those assumptions, the plans' 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 (asset).

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.95%, as well as what its proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension (asset) liability:			
Tier 1 Noncontributory System	\$ 354,545,093	\$ 110,595,792	\$ (93,379,144)
Tier 1 Contributory System	3,169,433	(2,087,893)	(6,594,345)
Tier 2 Contributory System	12,960,937	770,246	(8,555,310)
Total	\$ 370,675,463	\$ 109,278,145	\$ (108,528,799)

**Pension Plan Fiduciary Net Position**

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

**Payables to the Pension Plans**

At June 30, 2021, the District reported payables of \$14,854,874 for contributions to defined benefit pension plans and defined contribution plans.

**NOTE 7 – RISK MANAGEMENT**

The *Self Insurance Fund*, an internal service fund, was established to pay self-insurance claims for health and dental coverage provided to qualified District employees. The District carries commercial insurance, which covers claims in excess of \$200,000. The fund collects premiums, established by the District and plan administrator, from other District funds. The District has recorded current unpaid claims and an estimate of claims incurred but not reported (IBNR) of \$16,709,127 as of June 30, 2021. This liability is based on experience and information provided by the plan administrator. The following table shows a history of accrued claims payable for the years ended June 30, 2021 and 2020:

	2021	2020
Beginning accrued claim payable	\$ 15,444,411	\$ 15,433,280
Claims (including incurred but not reported)	73,167,397	69,663,775
Payment of claims and administrative costs	(71,902,681)	(69,652,644)
Ending accrued claims payable	\$ 16,709,127	\$ 15,444,411

Unemployment compensation is handled on a cost of benefits reimbursement basis with the state of Utah. The District is self-insured for worker’s compensation claims up to \$250,000 per incident which are processed by a third party administrator. During the year ended June 30, 2021, the District paid worker’s compensation claims in

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

the amount of \$1,101,613. A co-insurance policy provides for individual worker's compensation claims in excess of \$250,000. The District has not established a liability for either claims outstanding or for the claims incurred but not reported (IBNR) because management believes the amount would be immaterial to the financial statements.

The District maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$10 million per occurrence through policies administered by the Utah State Risk Management Fund (Fund). The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Fund. Property physical damage is insured to replacement value with a \$1,000 deductible; automobile physical damage is insured to actual value with a \$1,000 deductible; other liability is limited to the lesser of \$10 million or the statutory limit. The Fund is a public entity risk pool operated by the State for the benefit of the State and local governments within the State. The District pays annual premiums to the Fund; the Fund obtains independent coverage for insured events, up to \$25 million per location. This is a pooled arrangement where the participants' pay experience rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. Insurance coverage by major category of risk has remained relatively constant as compared to the prior fiscal year. Insurance settlements have not exceeded insurance coverage for the past three years.

**NOTE 8 – LONG-TERM LIABILITIES**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 552,700,000	\$ -	\$ (78,335,000)	\$ 474,365,000	\$ 34,695,000
General obligation bonds (Direct placement)	-	30,035,000	(390,000)	29,645,000	6,150,000
Unamortized premiums	38,248,844	-	(4,118,482)	34,130,362	-
Total bonds payable, net	590,948,844	30,035,000	(82,843,482)	538,140,362	40,845,000
Accrued vacation	6,446,699	4,588,623	(3,830,685)	7,204,637	4,281,058
Accrued sick leave	3,333,351	707,223	(522,150)	3,518,424	551,141
Accrued personal leave	1,924,514	1,033,280	(903,459)	2,054,335	964,403
Early retirement payable	11,628,992	6,993,543	(6,734,916)	11,887,619	6,088,551
Net pension liability	181,144,594	(3,774,197)	(66,004,359)	111,366,038	-
Total governmental activity long-term liabilities	<u>\$ 795,426,994</u>	<u>\$ 39,583,472</u>	<u>\$ (160,839,051)</u>	<u>\$ 674,171,415</u>	<u>\$ 52,730,153</u>

**General Obligation Bonds**

The District issues general obligation bonds to provide funds for the construction of new facilities, acquisition of property, renovation and improvement of facilities, and procurement of other equipment. Unspent bond proceeds amounted to \$9,388,800 as of June 30, 2021. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

The annual requirements to amortize all general obligation bonds outstanding (competitive and direct placements) as of June 30, 2021, including interest payments, are listed as follows:

Year Ending June 30,	Outstanding Bonds		Outstanding Bonds (Direct Placement)		Total
	Principal	Interest	Principal	Interest	
2022	\$ 34,695,000	\$ 17,250,649	\$ 6,150,000	\$ 353,338	\$ 58,448,987
2023	29,805,000	15,918,175	2,255,000	266,618	48,244,793
2024	31,085,000	14,612,950	2,265,000	253,088	48,216,038
2025	32,420,000	13,261,431	2,285,000	237,233	48,203,664
2026	33,755,000	11,908,381	2,300,000	217,810	48,181,191
2027-2031	162,215,000	40,877,544	11,910,000	691,530	215,694,074
2032-2036	115,595,000	16,591,606	2,480,000	39,680	134,706,286
2037-2040	34,795,000	1,927,613	-	-	36,722,613
Total	<u>\$ 474,365,000</u>	<u>\$ 132,348,350</u>	<u>\$ 29,645,000</u>	<u>\$ 2,059,295</u>	<u>\$ 638,417,645</u>

General obligation school building bonds payable at June 30, 2021 with their outstanding balances are comprised of the following individual issues:

Bond Series 2013A - GO Bonds - original issue of \$20,000,000 with interest rates ranging from 2.0% to 4.0%	\$ 16,695,000
Bond Series 2014 - GO Bonds - original issue of \$25,000,000 with interest rates ranging from 2.25% to 5.0%	23,565,000
Bond Series 2015A - GO Bonds - original issue of \$40,000,000 with interest rates ranging from 2.0% to 5.0%	31,355,000
Bond Series 2015B - GO Refunding Bonds - original issue of \$67,025,000 with interest rates ranging from 2.0% to 5.0%	47,585,000
Bond Series 2015C - GO Refunding Bonds - original issue of \$53,010,000 with interest rate of 1.72%	6,170,000
Bond Series 2016 - GO Bonds - original issue of \$68,500,000 with interest rates ranging from 2.0% to 3.375%	58,475,000
Bond Series 2017A - GO Bonds - original issue of \$80,000,000 with interest rates ranging from 3.0% to 5.0%	77,175,000
Bond Series 2017B - GO Refunding Bonds - original issue of \$36,805,000 with interest rate of 2% to 5%	34,125,000
Bond Series 2018 - GO Bonds - original issue of \$69,375,000 with interest rates ranging from 3.0% to 5.0%	65,475,000
Bond Series 2019 - GO Bonds - original issue of \$50,000,000 with interest rates ranging from 3.0% to 5.0%	37,575,000
Bond Series 2019B - GO Refunding Bonds - original issue of crossover \$43,565,000 with interest rates of 5%	37,120,000
Bond Series 2020A - GO Bonds - original issue of \$55,170,000 with interest rates ranging from 2.5% to 5.0%	39,050,000
Bond Series 2021A - (Direct Placement) GO Refunding Bonds - original issue of \$30,645,000 with interest rates ranging from 0.5% to 1.75%	29,645,000
	<u>\$ 504,010,000</u>

**DAVIS SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**  
*Continued*

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The general obligation bonded debt of the District is limited by state law to 4.0% of the fair market value of the total taxable property in Davis County. The legal debt limit at June 30, 2021 is \$1,860,650,362 with general obligation debt outstanding, net of issuance premiums, of \$538,140,362 resulting in a legal debt margin of \$1,322,510,000.

Payments on the general obligation bonds are made by the *Debt Service Fund* from property taxes and earnings on investments. The obligations under capital leases are paid by the *Capital Projects Fund*. Compensated absences, claims payable, and early retirement benefits will be paid by the fund in which the employee worked, including the *General Fund* and other governmental funds.

**Bond Issuance**

In March 2021, the District issued \$30,035,000 of general obligation 2021A refunding bonds in a direct placement to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments. These bonds refunded \$28,945,000 of the 2012A general obligation bonds. The refunded bonds were defeased and the District began to pay the debt service on the 2021A general obligation refunding bonds. The refunding was undertaken to reduce total debt service payments over the next eleven years by \$3,317,729 and resulted in an economic gain of \$2,839,081. The bonds have interest rates of .5% to 1.75% with a maturity of June 2032.

**Early Retirement Payable**

The District provides an early retirement incentive program. Eligibility is restricted to those employees with a minimum of ten years of service in the District, and who meet the eligibility requirements for and will be receiving Utah Retirement System benefits. Eligible retirees will receive a contribution of 16% of their annual salary per year, for up to three consecutive years, into a qualified 401(a) and/or 403(b) plan, or until they become eligible to receive unreduced social security benefits, whichever occurs first. Employees who retire under the incentive program will continue to be enrolled in group medical and dental programs until they become eligible for Medicare, or for 10 consecutive years following retirement, whichever comes first. Enrollment is contingent upon the retiree contributing the same premium as required of active employees for the first 3 years and the full premium for the following 7 years. For the years ended June 30, 2021 and 2020, the District's direct payments to retirees were \$4,462,844 and \$3,852,902, respectively, and payments of insurance premiums on behalf of retirees were \$2,272,072 and \$2,147,669, respectively. Future retirement payments of employees who have elected early retirement are recognized on an accrual basis as an expense in the government-wide financial statements in the year of retirement. This liability is paid from the fund from which the employee retires.

**NOTE 9 – LITIGATION AND LEGAL COMPLIANCE**

There are lawsuits pending in which the District is involved. The District's legal counsel and insurance carriers estimate that the potential claims against the District, not covered by insurance, resulting from such litigation would not significantly affect the financial statements of the District.

All fund balances are positive at June 30, 2021.

**NOTE 10 – GRANTS**

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the *General Fund* or other applicable fund. Based on prior experience, District administration believes such disallowance, if any, would be insignificant.

**DAVIS SCHOOL DISTRICT**  
**Schedules of the District's Proportionate Share of the Net Pension Liability (Asset) –**  
**Utah Retirement Systems**  
Last Seven Plan (Calendar) Years

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	<b>District's Proportion of Net Pension Liability (Asset)</b>	<b>District's Proportionate Share of the Net Pension Liability (Asset)</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
<b>Tier 1 Noncontributory System:</b>					
2020	8.2960004 %	\$ 110,595,792	\$ 207,317,804	53.35 %	94.3 %
2019	8.1759167 %	179,422,790	202,069,759	88.79 %	90.1 %
2018	7.6723075 %	285,449,516	206,443,337	138.27 %	84.1 %
2017	7.6525134 %	187,131,668	205,549,266	91.04 %	89.2 %
2016	7.4624207 %	241,850,854	204,451,285	118.29 %	84.9 %
2015	7.3414109 %	230,614,740	201,027,809	114.72 %	84.5 %
2014	7.4134528 %	186,265,127	207,180,521	89.90 %	87.2 %
<b>Tier 1 Contributory System:</b>					
2020	8.7786054 %	\$ (2,087,893)	\$ 846,632	(246.61)%	103.7 %
2019	8.6681669 %	598,435	967,056	61.88 %	98.9 %
2018	5.7948812 %	4,114,389	1,124,634	365.84 %	91.4 %
2017	5.1517894 %	339,009	1,172,178	28.92 %	99.2 %
2016	5.2048370 %	2,852,030	1,395,246	204.41 %	93.4 %
2015	5.4310774 %	3,403,396	1,720,443	197.82 %	92.4 %
2014	5.2473969 %	575,369	1,924,123	29.90 %	98.7 %
<b>Tier 2 Contributory System:</b>					
2020	5.3553339 %	\$ 770,246	\$ 85,788,475	0.90 %	98.3%
2019	4.9948043 %	1,123,369	69,560,590	1.61 %	96.5 %
2018	4.9937037 %	2,138,696	58,736,946	3.64 %	90.8 %
2017	4.8680402 %	429,202	47,803,221	0.90 %	97.4 %
2016	7.3903033 %	489,735	36,003,896	1.36 %	95.1 %
2015	4.0722871 %	(8,890)	26,295,729	(0.03)%	100.2 %
2014	4.0284960 %	(122,081)	19,714,988	(0.62)%	103.5 %

**DAVIS SCHOOL DISTRICT**  
**Schedules of District Contributions – Utah Retirement Systems**  
Last Seven Reporting (Fiscal) Years

	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to the Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Tier 1 Noncontributory System:</b>					
2021	\$ 45,851,205	\$ 45,851,205	\$ -	\$ 208,607,737	21.98 %
2020	44,593,815	44,593,815	-	203,101,805	21.96 %
2019	44,722,327	44,722,327	-	204,195,524	21.90 %
2018	45,159,337	45,159,337	-	205,977,365	21.92 %
2017	44,408,786	44,408,786	-	202,863,727	21.89 %
2016	44,466,708	44,466,708	-	203,305,674	21.87 %
2015	43,924,810	43,924,810	-	203,539,652	21.58 %
<b>Tier 1 Contributory System:</b>					
2021	\$ 143,884	\$ 143,884	\$ -	\$ 812,907	17.70 %
2020	155,708	155,708	-	879,706	17.70 %
2019	189,512	189,512	-	1,070,688	17.70 %
2018	202,455	202,455	-	1,143,812	17.70 %
2017	216,832	216,832	-	1,225,041	17.70 %
2016	279,041	279,041	-	1,576,505	17.70 %
2015	323,810	323,810	-	1,858,776	17.42 %
<b>Tier 2 Contributory System:</b>					
2021	\$ 18,058,563	\$ 18,058,563	\$ -	\$ 94,504,683	19.11 %
2020	14,593,405	14,593,405	-	76,935,704	18.97 %
2019	12,001,010	12,001,010	-	63,826,558	18.80 %
2018	9,857,397	9,857,397	-	53,538,967	18.41 %
2017	7,523,441	7,523,441	-	41,247,955	18.24 %
2016	5,662,572	5,662,572	-	31,044,581	18.24 %
2015	4,210,264	4,210,264	-	23,294,076	18.07 %
<b>Tier 2 Defined Contribution Plan:</b>					
2021	\$ 1,991,759	\$ 1,991,759	\$ -	\$ 19,879,454	10.02 %
2020	1,512,314	1,512,314	-	15,093,309	10.02 %
2019	1,179,379	1,179,379	-	11,770,253	10.02 %
2018	890,338	890,338	-	8,886,308	10.02 %
2017	659,433	659,433	-	6,583,245	10.02 %
2016	497,744	497,744	-	4,965,692	10.02 %
2015	340,779	340,779	-	3,467,162	9.83 %



**DAVIS SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**

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**NOTE A – CHANGES IN ASSUMPTION – UTAH RETIREMENT SYSTEMS**

Amounts reported in plan year 2020 reflect the following assumption changes adopted from the January 1, 2020 valuation:

- The payroll growth assumption decreased from 3.00% to 2.90%.
- Other assumptions that were modified: retirement rates, termination rates, disability rates, rate of salary increase, and pre and post retirement mortality tables.

Assumptions for plan years 2019 through 2018 remain unchanged from the prior years.

Amounts reported in plan year 2017 reflect the following assumption changes adopted from the January 1, 2017 valuation:

- The investment return assumption was decreased from 7.20% to 6.95%.
- The inflation assumption decreased from 2.60% to 2.50%.
- The life expectancy assumption increased for most groups.
- The wage inflation assumption decreased from 3.35% to 3.25%.
- The payroll growth assumption decreased from 3.10% to 3.00%.

Amounts reported in plan year 2016 reflect the following assumption changes adopted from the January 1, 2016 valuation:

- The investment return assumption was decreased from 7.50% to 7.20%.
- The inflation assumption decreased from 2.75% to 2.60%.
- Both the payroll growth and wage inflation assumptions were decreased by 0.15%.

Amounts reported in plan year 2015 reflect the following assumption changes adopted from the January 1, 2015 valuation:

- The wage inflation assumption for all employee groups was decreased from 3.75% to 3.50%.
- The payroll growth assumption was decreased from 3.50% to 3.25%.
- Other assumptions that were modified: rate of salary increases, post retirement mortality, and certain demographics.

**NOTE B – SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) – UTAH RETIREMENT SYSTEMS**

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

**NOTE C – SCHEDULES OF DISTRICT CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS**

These schedules only present information for the 2015 and subsequent reporting periods of the plans; prior-year information is not available.

Contributions as a percentage of covered payroll may be different than the Utah State Retirement Board certified rate due to rounding or other administrative issues. A portion of the required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability of the Tier 1 plans.

## **Individual Fund Statements and Schedules**

**General Fund** – The General Fund is used to account for all financial resources applicable to the general operations of the District which are not required to be accounted for in another fund. Utah law defines the General Fund as the Maintenance and Operations Fund.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources. Financing is provided by an annual property tax levy for general obligation debt as authorized by Utah Code 11-14.

**Capital Projects Fund** – The Capital Projects Fund is used to account for the resources used in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment for the education programs for all students within the District. Financing is provided by an annual property tax levy not to exceed 0.0024 as authorized by Utah Code 53 A-16-107. Also, state funds can be obtained by qualifying under guidelines established for districts determined to be in critical need for construction building aid.

**School Food Services Fund** – The School Food Services Fund is used to account for the food service activities of the District as required by state and federal law. Financing is provided by local sales along with substantial subsidies from the State of Utah and the U.S. Government to help ensure that students receive low cost, nutritionally balanced meals.

**Student Activities Fund** – The Student Activities Fund is used to account for revenues and expenditures from school-based operations. The revenues comprise of interest earnings, gate receipts, fundraisers, and student fees. Expenditures support curricular and extra-curricular activities.

**Pass-Through Taxes Fund** – The Pass-Through Taxes Fund is used to account for property taxes levied by the District, but remitted directly to redevelopment agencies located within the boundaries of the District. Incremental taxes are levied as authorized by Utah Code 17C-1. Incremental taxes are recorded as revenue with an equivalent amount of expenditure representing the fact that these amounts are forwarded directly by the county to the redevelopment agencies and used at the agencies' discretion.

**District Foundation Fund** - The District Foundation fund is used to account for financial resources collected and spent by the District's 501(c)(3) foundation. Revenues are generated through donations from community members and businesses and used to augment and used to augment the educational needs of teachers and students of the District.

**Comparative Balance Sheets**  
**General Fund**  
June 30, 2021  
With Comparative Totals for 2020

	<b>2021</b>	<b>2020</b>
<b>Assets:</b>		
Cash and investments	\$ 150,473,165	\$ 136,605,686
Receivables:		
Property taxes	150,917,979	120,967,227
Other local	-	32,176
State of Utah	3,937,525	3,205,196
Federal government	11,754,787	11,325,435
Inventories	6,432,735	6,488,919
Total assets	<u>\$ 323,516,191</u>	<u>\$ 278,624,639</u>
<b>Liabilities:</b>		
Accounts payable	\$ 2,320,234	\$ 6,264,517
Accrued salaries and benefits	54,182,658	52,433,514
Unearned revenue:		
State of Utah	10,788,540	4,874,925
Total liabilities	<u>67,291,432</u>	<u>63,572,956</u>
<b>Deferred Inflows of Resources:</b>		
Unavailable property tax revenue	1,722,426	1,460,369
Property taxes levied for future year	145,637,868	113,891,868
Total deferred inflows of resources	<u>147,360,294</u>	<u>115,352,237</u>
<b>Fund Balances:</b>		
Nonspendable:		
Inventories	6,432,735	6,488,919
Committed to:		
Workers compensation	1,500,000	1,000,000
Termination benefits	6,000,000	4,500,000
Economic stabilization	31,000,000	28,500,000
Assigned to:		
Programs	10,000,000	8,700,000
Textbooks	3,000,000	2,500,000
Employee compensation	9,000,000	15,000,000
Schools	325,000	325,000
Medical insurance	1,500,000	1,500,000
Unassigned	40,106,730	31,185,527
Total fund balances	<u>108,864,465</u>	<u>99,699,446</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 323,516,191</u>	<u>\$ 278,624,639</u>

**DAVIS SCHOOL DISTRICT**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**

Year Ended June 30, 2021

With Comparative Totals for 2020

	<b>2021</b>			<b>2020</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Property taxes	\$ 128,018,500	\$ 130,152,432	\$ 2,133,932	\$ 123,087,742
Earnings on investments	306,300	384,235	77,935	3,153,748
Other local	10,421,000	10,353,457	(67,543)	10,292,214
State of Utah	406,778,300	413,973,147	7,194,847	395,594,943
Federal government	47,120,900	47,024,269	(96,631)	32,067,217
Total revenues	<u>592,645,000</u>	<u>601,887,540</u>	<u>9,242,540</u>	<u>564,195,864</u>
<b>Expenditures:</b>				
Current:				
Instruction	405,809,000	404,827,865	981,135	372,184,866
Supporting services:				
Students	25,410,000	25,169,180	240,820	21,011,360
Instructional staff	25,429,000	25,158,932	270,068	23,998,481
District administration	3,795,000	3,614,428	180,572	3,526,654
School administration	45,378,000	45,231,000	147,000	41,875,458
Central	19,928,000	20,053,962	(125,962)	18,198,535
Operation and maintenance of facilities	52,800,000	54,462,365	(1,662,365)	52,245,457
Student transportation	14,096,000	14,204,789	(108,789)	13,427,486
Total expenditures	<u>592,645,000</u>	<u>592,722,521</u>	<u>(77,521)</u>	<u>546,468,297</u>
Excess of revenues over expenditures / net change in fund balances	-	9,165,019	9,165,019	17,727,567
<b>Fund balances - beginning</b>	<u>99,699,446</u>	<u>99,699,446</u>	-	<u>81,971,879</u>
<b>Fund balances - ending</b>	<u>\$ 99,699,446</u>	<u>\$ 108,864,465</u>	<u>\$ 9,165,019</u>	<u>\$ 99,699,446</u>

# DAVIS SCHOOL DISTRICT

## Comparative Balance Sheets

### *Debt Service Fund*

June 30, 2021

With Comparative Totals for 2020

	<u>2021</u>	<u>2020</u>
<b>Assets:</b>		
Cash and investments	\$ 24,114,094	\$ 16,907,160
Receivables - property taxes	61,772,716	70,203,614
Total assets	<u>\$ 85,886,810</u>	<u>\$ 87,110,774</u>
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ 500
<b>Deferred inflows of resources:</b>		
Unavailable property tax revenue	1,001,110	827,092
Property taxes levied for future year	58,703,802	66,196,427
Total deferred inflows of resources	<u>59,704,912</u>	<u>67,023,519</u>
<b>Fund balances:</b>		
Restricted for:		
Debt service	<u>26,181,898</u>	<u>20,086,755</u>
Total deferred inflows of resources and fund balances	<u>\$ 85,886,810</u>	<u>\$ 87,110,774</u>

**DAVIS SCHOOL DISTRICT**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Debt Service Fund**

Year Ended June 30, 2021  
With Comparative Totals for 2020

	<b>2021</b>			<b>2020</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Property taxes	\$ 70,016,300	\$ 75,647,421	\$ 5,631,121	\$ 69,711,729
Federal interest subsidy	976,880	7,000	(969,880)	442,190
Total revenues	<u>70,993,180</u>	<u>75,654,421</u>	<u>4,661,241</u>	<u>70,153,919</u>
<b>Expenditures:</b>				
Debt service:				
Bond principal	46,895,000	49,780,000	(2,885,000)	46,045,000
Bond interest	20,286,200	19,771,178	515,022	20,031,801
Bond issuance costs	-	86,900	(86,900)	257,695
Fees and miscellaneous charges	3,811,980	8,100	3,803,880	8,500
Total expenditures	<u>70,993,180</u>	<u>69,646,178</u>	<u>1,347,002</u>	<u>66,342,996</u>
Excess of revenues over expenditures	-	6,008,243	6,008,243	3,810,923
<b>Other Financing Sources (Uses):</b>				
Refunding bonds issued	-	30,035,000	(30,035,000)	43,565,000
Refunding bonds premiums	-	-	-	9,579,467
Refunded bonds escrow payment	-	(29,948,100)	29,948,100	(52,886,772)
Total other financing sources (uses)	<u>-</u>	<u>86,900</u>	<u>(86,900)</u>	<u>257,695</u>
Net change in fund balances	-	6,095,143	5,921,343	4,068,618
<b>Fund balances - beginning</b>	<u>20,086,755</u>	<u>20,086,755</u>	<u>-</u>	<u>16,018,137</u>
<b>Fund balances - ending</b>	<u>\$ 20,086,755</u>	<u>\$ 26,181,898</u>	<u>\$ 5,921,343</u>	<u>\$ 20,086,755</u>

**DAVIS SCHOOL DISTRICT**

**Comparative Balance Sheets**  
***Capital Projects Fund***

June 30, 2021

With Comparative Totals for 2020

	<u>2021</u>	<u>2020</u>
<b>Assets:</b>		
Cash and investments	\$ 59,594,984	\$ 93,790,377
Receivables:		
Property taxes	16,446,404	16,369,752
Total assets	<u>\$ 76,041,388</u>	<u>\$ 110,160,129</u>
<b>Liabilities:</b>		
Accounts payable	\$ 8,827,018	\$ 13,356,715
<b>Deferred inflows of resources:</b>		
Unavailable property tax revenue	233,034	198,322
Property taxes levied for future year	15,732,036	15,408,900
Total deferred inflows of resources	<u>15,965,070</u>	<u>15,607,222</u>
<b>Fund balances:</b>		
Restricted for:		
Capital projects	51,249,300	81,196,192
Total fund balances	<u>51,249,300</u>	<u>81,196,192</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 76,041,388</u>	<u>\$ 110,160,129</u>

**DAVIS SCHOOL DISTRICT**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Capital Projects Fund**

Year Ended June 30, 2021

With Comparative Totals for 2020

	<b>2021</b>			<b>2020</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Local sources:				
Property taxes	\$ 16,900,000	\$ 17,608,858	\$ 708,858	\$ 16,715,619
Earnings on investments	1,100,000	381,359	(718,641)	1,142,588
Other local	5,000,000	4,012,223	(987,777)	4,216,428
State of Utah	2,345,000	2,421,068	76,068	6,346,846
Total revenues	<u>25,345,000</u>	<u>24,423,508</u>	<u>(921,492)</u>	<u>28,421,481</u>
<b>Expenditures:</b>				
Capital outlay:				
Buildings and improvements	61,645,000	52,414,100	9,230,900	70,334,013
Equipment	13,000,000	2,604,109	10,395,891	6,328,931
Other	700,000	5,494	694,506	416,163
Debt service:				
Bond issuance costs	-	-	-	250,801
Total expenditures	<u>75,345,000</u>	<u>55,023,703</u>	<u>20,321,297</u>	<u>77,079,107</u>
Excess (deficiency) of revenues over (under) expenditures	(50,000,000)	(30,600,195)	19,399,805	(48,657,626)
<b>Other financing sources:</b>				
General obligation bonds issued	-	-	-	55,170,000
General obligation bonds premiums	-	-	-	6,071,793
Proceeds from sale of capital assets	-	653,303	653,303	653,303
Total other financing sources	<u>-</u>	<u>653,303</u>	<u>653,303</u>	<u>61,895,096</u>
Net change in fund balances	(50,000,000)	(29,946,892)	20,053,108	13,237,470
<b>Fund balances - beginning</b>	<u>81,196,192</u>	<u>81,196,192</u>	<u>-</u>	<u>67,958,722</u>
<b>Fund balances - ending</b>	<u>\$ 31,196,192</u>	<u>\$ 51,249,300</u>	<u>\$ 20,053,108</u>	<u>\$ 81,196,192</u>



**DAVIS SCHOOL DISTRICT**

**Combining Balance Sheet  
Nonmajor Governmental Funds**

June 30, 2021

With Comparative Totals for 2020

	Special Revenue			Pass-Through Taxes Fund	Total Nonmajor Governmental Funds
	School Food Services	Student Activities Fund	District Foundation Fund		
<b>Assets:</b>					
Cash and investments	\$ 5,865,225	\$ 13,000,741	\$ 3,783,127	\$ -	\$ 22,649,093
Receivables:					
Property taxes	-	-	-	10,934,446	10,934,446
Other local	26,467	5,780	2,000	-	34,247
State of Utah	462,714	-	-	-	462,714
Federal government	419,770	-	-	-	419,770
Inventories	2,338,477	-	-	-	2,338,477
Total assets	<u>\$ 9,112,653</u>	<u>\$ 13,006,521</u>	<u>\$ 3,785,127</u>	<u>\$ 10,934,446</u>	<u>\$ 36,838,747</u>
<b>Liabilities:</b>					
Accounts payable	\$ 46,316	\$ 248,599	\$ 60,700	\$ -	\$ 355,615
<b>Deferred inflows of resources:</b>					
Unavailable property tax revenue	-	-	-	142,221	142,221
Property taxes levied for future year	-	-	-	10,792,225	10,792,225
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,934,446</u>	<u>10,934,446</u>
<b>Fund balances:</b>					
Nonspendable:					
Inventories	2,338,477	-	-	-	2,338,477
Restricted for:					
School food services	6,727,860	-	-	-	6,727,860
Committed to:					
Schools	-	12,757,922	-	-	12,757,922
Assigned to:					
Foundation	-	-	3,724,427	-	3,724,427
Total fund balances	<u>9,066,337</u>	<u>12,757,922</u>	<u>3,724,427</u>	<u>-</u>	<u>25,548,686</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,112,653</u>	<u>\$ 13,006,521</u>	<u>\$ 3,785,127</u>	<u>\$ 10,934,446</u>	<u>\$ 36,838,747</u>

**DAVIS SCHOOL DISTRICT**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
*Nonmajor Governmental Funds*  
 Year Ended June 30, 2021

	Special Revenue			Pass-Through Taxes Fund	Total Nonmajor Governmental Funds
	School Food Services	Student Activities Fund	District Foundation Fund		
<b>Revenues:</b>					
Local sources:					
Property taxes	\$ -	\$ -	\$ -	\$ 9,569,270	\$ 9,569,270
Earnings on investments	-	689,137	255,145	-	944,282
School lunch sales	534,328	-	-	-	534,328
Student fees	-	8,804,625	-	-	8,804,625
Other local	635,744	4,676,041	3,469,731	-	8,781,516
State of Utah	4,227,244	-	-	-	4,227,244
Federal government	16,717,674	-	-	-	16,717,674
Total revenues	<u>22,114,990</u>	<u>14,169,803</u>	<u>3,724,876</u>	<u>9,569,270</u>	<u>49,578,939</u>
<b>Expenditures:</b>					
Current:					
Food	8,151,310	-	-	-	8,151,310
Salaries and benefits	11,167,523	1,489,243	-	-	12,656,766
Indirect charges	1,542,205	-	-	-	1,542,205
Purchased services	-	998,009	12,746	-	1,010,755
Grants and awards	-	-	1,739,421	-	1,739,421
Supplies and equipment	-	10,480,440	888,191	-	11,368,631
Other	1,146,877	-	-	9,569,270	10,716,147
Total expenditures	<u>22,007,915</u>	<u>12,967,692</u>	<u>2,640,358</u>	<u>9,569,270</u>	<u>47,185,235</u>
Excess of revenues over expenditures / net change in fund balances	107,075	1,202,111	1,084,518	-	2,393,704
<b>Fund balances - beginning</b>	<u>8,959,262</u>	<u>11,555,811</u>	<u>2,639,909</u>	<u>-</u>	<u>23,154,982</u>
<b>Fund balances - ending</b>	<u>\$ 9,066,337</u>	<u>\$ 12,757,922</u>	<u>\$ 3,724,427</u>	<u>\$ -</u>	<u>\$ 25,548,686</u>

# DAVIS SCHOOL DISTRICT

## Comparative Balance Sheets *School Food Services Fund* *Nonmajor Special Revenue Fund*

June 30, 2021

With Comparative Totals for 2020

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	<u>2021</u>	<u>2020</u>
<b>Assets:</b>		
Cash and investments	\$ 5,865,225	\$ 5,669,117
Receivables:		
Other local	26,467	32,340
State of Utah	462,714	676,498
Federal government	419,770	613,589
Inventories	2,338,477	2,078,609
Total assets	<u>\$ 9,112,653</u>	<u>\$ 9,070,153</u>
<b>Liabilities:</b>		
Accounts payable	\$ 46,316	\$ 110,891
<b>Fund balances:</b>		
Nonspendable:		
Inventories	2,338,477	2,078,609
Restricted for:		
School food services	6,727,860	6,880,653
Total fund balances	<u>9,066,337</u>	<u>8,959,262</u>
Total liabilities and fund balances	<u>\$ 9,112,653</u>	<u>\$ 9,070,153</u>

**DAVIS SCHOOL DISTRICT**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**

*School Food Services Fund*

*Nonmajor Special Revenue Fund*

Year Ended June 30, 2021

With Comparative Totals for 2020

	<u>2021</u>			<u>2020</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
<b>Revenues:</b>				
Local sources:				
School lunch sales	\$ 575,000	\$ 534,328	\$ (40,672)	\$ 6,242,150
Other local	525,000	635,744	110,744	750,838
State of Utah	3,600,000	4,227,244	627,244	4,834,762
Federal sources:				
Federal government	17,800,000	15,073,825	(2,726,175)	11,642,973
Contributed food commodities	1,800,000	1,643,849	(156,151)	2,001,764
Total revenues	<u>24,300,000</u>	<u>22,114,990</u>	<u>(2,185,010)</u>	<u>25,472,487</u>
<b>Expenditures:</b>				
Current:				
Food	9,039,900	8,151,310	888,590	10,834,477
Salaries and benefits	11,431,600	11,167,523	264,077	11,285,946
Indirect charges	1,185,200	1,542,205	(357,005)	1,555,709
Other	3,682,000	1,146,877	2,535,123	1,661,935
Total expenditures	<u>25,338,700</u>	<u>22,007,915</u>	<u>3,330,785</u>	<u>25,338,067</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(1,038,700)	107,075	1,145,775	134,420
<b>Fund balances - beginning</b>	<u>8,959,262</u>	<u>8,959,262</u>	<u>-</u>	<u>8,824,842</u>
<b>Fund balances - ending</b>	<u>\$ 7,920,562</u>	<u>\$ 9,066,337</u>	<u>\$ 1,145,775</u>	<u>\$ 8,959,262</u>

**DAVIS SCHOOL DISTRICT**

**Comparative Balance Sheets**  
*Student Activities Fund*  
*Nonmajor Special Revenue Fund*

June 30, 2021

With Comparative Totals for 2020

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	<u>2021</u>	<u>2020</u>
<b>Assets:</b>		
Cash and investments	\$ 13,000,741	\$ 11,839,482
Accounts receivable	5,780	34,763
Total assets	<u>\$ 13,006,521</u>	<u>\$ 11,874,245</u>
<b>Liabilities:</b>		
Accounts payable	\$ 248,599	\$ 318,434
<b>Fund balances:</b>		
Committed to:		
Schools	<u>12,757,922</u>	<u>11,555,811</u>
Total fund balances	<u>12,757,922</u>	<u>11,555,811</u>
Total liabilities and fund balances	<u>\$ 13,006,521</u>	<u>\$ 11,874,245</u>

**DAVIS SCHOOL DISTRICT**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**

*Student Activities Fund*

*Nonmajor Special Revenue Fund*

Year Ended June 30, 2021

With Comparative Totals for 2020

	<b>2021</b>			<b>2020</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Local sources:				
Earnings on investments	\$ 700,000	\$ 689,137	\$ (10,863)	\$ 772,349
Student fees	13,000,000	8,804,625	(4,195,375)	12,726,430
Other local	3,500,000	4,676,041	1,176,041	2,645,536
Total revenues	<u>17,200,000</u>	<u>14,169,803</u>	<u>(3,030,197)</u>	<u>16,144,315</u>
<b>Expenditures:</b>				
Current:				
Salaries and benefits	1,882,800	1,489,243	393,557	1,573,662
Purchased services	2,717,200	998,009	1,719,191	1,904,620
Supplies and equipment	12,600,000	10,480,440	2,119,560	12,608,168
Total expenditures	<u>17,200,000</u>	<u>12,967,692</u>	<u>4,232,308</u>	<u>16,086,450</u>
Excess of revenues over expenditures / net change in fund balances	-	1,202,111	1,202,111	57,865
<b>Fund balances - beginning</b>	<u>11,555,811</u>	<u>11,555,811</u>	<u>-</u>	<u>11,497,946</u>
<b>Fund balances - ending</b>	<u><u>\$ 11,555,811</u></u>	<u><u>\$ 12,757,922</u></u>	<u><u>\$ 1,202,111</u></u>	<u><u>\$ 11,555,811</u></u>

**DAVIS SCHOOL DISTRICT**

**Comparative Balance Sheets**  
*District Foundation Fund*  
*Nonmajor Special Revenue Fund*

June 30, 2021

With Comparative Totals for 2020

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	<u>2021</u>	<u>2020</u>
<b>Assets:</b>		
Cash and investments	\$ 3,783,127	\$ 2,644,734
Other local receivable	2,000	-
Total assets	<u>\$ 3,785,127</u>	<u>\$ 2,644,734</u>
<b>Liabilities:</b>		
Accounts payable	\$ 60,700	\$ 4,825
<b>Fund balances:</b>		
Assigned to:		
Foundation	<u>3,724,427</u>	<u>2,639,909</u>
Total fund balances	<u>3,724,427</u>	<u>2,639,909</u>
Total liabilities and fund balances	<u>\$ 3,785,127</u>	<u>\$ 2,644,734</u>

**DAVIS SCHOOL DISTRICT**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**

*District Foundation Fund*

*Nonmajor Special Revenue Fund*

Year Ended June 30, 2021

With Comparative Totals for 2020

	<b>2021</b>			<b>2020</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Local sources:				
Earnings on investments	\$ 24,000	\$ 255,145	\$ 231,145	\$ 103,584
Other local	2,813,000	3,469,731	656,731	2,834,749
Total revenues	<u>2,837,000</u>	<u>3,724,876</u>	<u>887,876</u>	<u>2,938,333</u>
<b>Expenditures:</b>				
Current:				
Purchased services	10,100	12,746	(2,646)	10,119
Grants and awards	2,179,700	1,739,421	440,279	1,795,747
Supplies and equipment	647,200	888,191	(240,991)	671,176
Total expenditures	<u>2,837,000</u>	<u>2,640,358</u>	<u>196,642</u>	<u>2,477,042</u>
Excess of revenues over expenditures / net change in fund balances	-	1,084,518	1,084,518	461,291
<b>Fund balances - beginning</b>	<u>2,639,909</u>	<u>2,639,909</u>	<u>-</u>	<u>2,178,618</u>
<b>Fund balances - ending</b>	<u>\$ 2,639,909</u>	<u>\$ 3,724,427</u>	<u>\$ 1,084,518</u>	<u>\$ 2,639,909</u>



**DAVIS SCHOOL DISTRICT**

**Balance Sheet**  
*Pass-Through Taxes Fund*  
*Nonmajor Special Revenue Fund*

June 30, 2021

With Comparative Totals for 2020

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	<u>2021</u>	<u>2020</u>
<b>Assets:</b>		
Receivables - property taxes	\$ 10,934,446	\$ 10,003,711
<b>Deferred inflows of resources:</b>		
Unavailable property tax revenue	\$ 142,221	\$ 157,806
Property taxes levied for future year	10,792,225	9,845,905
Total deferred inflows of resources	10,934,446	10,003,711
<b>Fund balances</b>	-	-
Total deferred inflows of resources and fund balances	\$ 10,934,446	\$ 10,003,711

**DAVIS SCHOOL DISTRICT**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**

*Pass-Through Taxes Fund*

*Nonmajor Special Revenue Fund*

Year Ended June 30, 2021

With Comparative Totals for 2020

	<b>2021</b>			<b>2020</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Property taxes	\$ 14,000,000	\$ 9,569,270	\$ (4,430,730)	\$ 12,276,214
<b>Expenditures:</b>				
Current:				
Other	14,000,000	9,569,270	4,430,730	12,276,214
Excess of revenues over expenditures / net change in fund balances	-	-	-	-
<b>Fund balances - beginning</b>	-	-	-	-
<b>Fund balances - ending</b>	\$ -	\$ -	\$ -	\$ -