



UINTAH SCHOOL DISTRICT  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2020

UINTAH SCHOOL DISTRICT  
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## FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education, Audit Committee  
and the Superintendent  
Uintah School District  
Vernal, Utah

### **Report on the 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 Uintah School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***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 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 Uintah School District as of June 30, 2020, 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 conformity with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 and the pension information on pages 49-51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Uintah School District's basic financial statements. The combining and individual nonmajor fund financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 combining

and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2020, on our consideration of Uintah School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Uintah School 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 Uintah School District's internal control over financial reporting and compliance.

*Wiggins & Co., P.C.*

Ogden, Utah  
October 30, 2020

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UINTAH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

**Management's Discussion and Analysis**

As management of the Uintah School District (District), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2020. We encourage readers to consider the information presented here.

**Financial Highlights**

- During FY20 the district weighted average daily membership was 6,515. During FY19 the district weighted average daily membership totaled 6,570.
- The District's total assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$166.4 million at the close of the fiscal year. Of the \$166.4 million, \$113.0 million is from the investment in capital assets (net of related debt) of the district.
- During the year, the District generated \$81.5 million in revenue for its governmental activities. The District's expenditures totaled \$73.8 million for its governmental activities. The District generated \$7.7 million more in revenue than expenditures. This is down \$1.5 million from the prior fiscal year 2019.
- The General Fund results for the fiscal year end June 30, 2020 was \$1.42 million excess of revenues over expenditures. This is a result of several items: activity travel, training travel, to/from school travel, utilities, purchased services, supplies, technology equipment and orders unfulfilled due to the COVID19 school closure that took place March 2020.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to 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 and liabilities of the District, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as 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 taxes, earned but unused vacation leave, earned but unused sick leave, and early retirement benefits).

The government-wide financial statements can be found on pages 10-11 of this report.

UINTAH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

**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 the funds of the District are divided into three categories: government funds, proprietary funds, and fiduciary 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 government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of 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 six 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, debt service fund and the capital projects fund which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated, presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this 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 12-16 of this report.

**Proprietary funds.** Proprietary funds are used to account for the business-type activities, such as leasing buildings or equipment, which may properly be conducted by the governmental entity. Proprietary funds are reflected in the government-wide financial statement.

The district uses a proprietary fund to account for the activities of the Municipal Building Authority. The basic proprietary fund financial statement can be found on pages 17-19 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the governmental entity. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The Statement of Fiduciary Net Position can be found on page 20.

**Component unit.** A Component Unit is a distinct legal entity separate from the District, the resource of which is dedicated to furthering the interests of the District. The Municipal Building Authority is a blended component unit in the financial statements.

UINTAH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

**Notes to the basic financial statements.** The notes provide additional information essential for a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 21-48 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 \$157.4 million at the close of the most recent fiscal year. The largest portion of the District's total assets (66%) reflects its investment in capital assets (e.g. land, water stock, buildings and improvements, and furniture and equipment). 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.

**Statement of Net Position (in millions)**

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Assets:</b>						
Current and Other Assets	\$ 109.4	\$ 103.7	\$ 7.1	\$ 6.4	\$ 116.5	\$ 110.1
Capital Assets	135.7	138.6	12.8	13.1	148.5	151.7
Total assets	<u>245.1</u>	<u>242.3</u>	<u>19.9</u>	<u>19.5</u>	<u>265.0</u>	<u>261.8</u>
<b>Deferred outflows of resources:</b>						
Refunded bonds deferred outflow of resources	1.7	1.9	-	-	1.7	1.9
Pension related deferred outflow of resources	4.9	11.1	-	-	4.9	11.1
Total deferred outflows of resources	<u>6.6</u>	<u>13.0</u>	<u>-</u>	<u>-</u>	<u>6.6</u>	<u>13.0</u>
<b>Liabilities:</b>						
Current liabilities	12.0	16.0	0.1	0.6	12.1	16.6
Long-term liabilities	46.1	54.4	10.8	10.8	56.9	65.2
Total Liabilities	<u>58.1</u>	<u>70.4</u>	<u>10.9</u>	<u>11.4</u>	<u>69.0</u>	<u>81.8</u>
<b>Deferred inflows of resources:</b>						
Property taxes available in future years	29.7	34.2	-	-	29.7	34.2
Pension related deferred inflow of resources	6.5	1.0	-	-	6.5	1.0
Total deferred inflows of resources	<u>36.2</u>	<u>35.2</u>	<u>-</u>	<u>-</u>	<u>36.2</u>	<u>35.2</u>
<b>Net Position:</b>						
Invested in Capital Assets, net of related debt	104.6	106.2	8.4	7.0	113.0	113.2
Restricted	44.6	36.7	-	-	44.6	36.7
Unrestricted	8.2	6.8	0.6	1.1	8.8	7.9
Total Net Position	<u>\$ 157.4</u>	<u>\$ 149.7</u>	<u>\$ 9.0</u>	<u>\$ 8.1</u>	<u>\$ 166.4</u>	<u>\$ 157.8</u>

UINTAH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

**Revenue Source/Expense Analysis as a Whole**

The Districts revenues remained flat in FY 2020 over FY 2019 modestly increasing by only \$96k.

Overall expenses increased by \$1.7 Million. This increase was largely due to increases in salaries and benefits. The District's spending was in line with the district goals as established by the Board of Education.

**Changes in Net Position (in millions)**

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 1.3	\$ 1.9	\$ 1.2	\$ 1.2	\$ 2.5	\$ 3.1
Operating Grants and Contributions	23.2	20.4	-	-	23.2	20.4
Capital Grants and Contributions	0.2	-	-	-	0.2	-
General Revenues:						
Property Taxes	36.2	36.6	-	-	36.2	36.6
Federal and State Aid						
Not Restricted to Specific Purpose	19.1	20.3	-	-	19.1	20.3
Earnings on Investments	1.5	2.0	0.2	0.2	1.7	2.2
Gain (Loss) on Sale of Assets	0.0	0.1	-	-	0.0	0.1
Total Revenues	<u>81.5</u>	<u>81.3</u>	<u>1.4</u>	<u>1.4</u>	<u>82.9</u>	<u>82.7</u>
<b>Expenses:</b>						
Instructional Services	37.3	37.3	-	-	37.3	37.3
Sup Svc Students	2.2	1.5	-	-	2.2	1.5
Sup Svc Instructional Staff	2.0	1.8	-	-	2.0	1.8
District Administration	1.4	1.2	-	-	1.4	1.2
School Administration	4.3	4.0	-	-	4.3	4.0
Central	6.5	6.3	-	-	6.5	6.3
Op. and Maint. of Facilities	8.2	6.6	-	-	8.2	6.6
Transportation	4.9	4.3	-	-	4.9	4.3
Non-Instructional Services	0.8	0.1	-	-	0.8	0.1
School Lunch Services	3.4	2.8	-	-	3.4	2.8
Facilities Acquisition/Construction	2.0	5.3	0.5	0.5	2.5	5.8
Interest on Long Term Liabilities	0.8	0.9	-	-	0.8	0.9
Total Expenses	<u>73.8</u>	<u>72.1</u>	<u>0.5</u>	<u>0.5</u>	<u>74.3</u>	<u>72.6</u>
Increase in Net Position	7.7	9.2	0.9	0.9	8.6	10.1
Net Position - Beginning	149.7	140.5	8.1	7.2	157.8	147.7
Net Position - Ending	<u>\$ 157.4</u>	<u>\$ 149.7</u>	<u>\$ 9.0</u>	<u>\$ 8.1</u>	<u>\$ 166.4</u>	<u>\$ 157.8</u>

UINTAH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

**Financial Analysis of 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. *Non-spendable* includes inventories. *Restricted* 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. Restrictions include tax revenues levied for specific purposes. 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 other governmental funds are those that do not meet the requirements of restricted or committed but that are intended to be used for specific purposes. *Unassigned* balances in the General Fund are all other available net fund resources. The District uses the Undistributed Reserve which is a committed fund balance for emergency and unforeseen hardships on the District.

**General fund.** The general fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance was \$21.1 million while the total fund balance was \$25.7 million. The unassigned fund balance increased \$1.4 million while the total fund balance also increased \$1.4 million during the current fiscal year. The increase in total fund balance this year as in previous years is attributed to coming in under budgeted expenditures.

Expenditures for general District purposes totaled \$58.9 million an increase of \$4.6 million during the current fiscal year. This increase was mainly due to the increase in salaries and benefits of instructional staff positions.

General fund salaries totaled \$35.3 million while the associated fringe benefits of retirement, social security, unemployment, industrial insurance, life insurance, long-term disability, and health and accident insurance added \$17.7 million to arrive at 90.1% of total general fund expenditures. (See FY20 AFR)

The capital projects fund has a total fund balance of \$35.1 million. This fund balance is restricted for acquisition of capital assets, purchase of supplies, and related expenditures. The board is making a conscious effort to fund future capital projects with equity instead of debt. (See FY20 AFR)

UINTAH SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

**Capital Asset and Debt Administration**

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 currently has the following outstanding debt obligations. (See Note 6 page 38 of Audited Financials)

Fund 55 Municipal Building Authority

- |  |              |
|--|--------------|
| • Lease Revenue Bond (Refunded during FY 2016) | \$856 K      |
| • Qualified School Construction Bond (QSCB)    | \$10 million |

Fund 31 General Obligation Debt

- |  |               |
|--|---------------|
| • Qualified Zone Academy Bond (QZAB)                   | \$5.9 million |
| • G.O. Bonds ('13 Refunding Previously '06 G.O. Bonds) | \$9.9 million |
| • G.O. Bonds ('14 Refunding Previously '07 G.O. Bonds) | \$9.4 million |

**Requests for Information**

This financial report is designed to provide a general overview of the Uintah School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Business Administrator  
Uintah School District  
635 West 200 South  
Vernal, UT 84078

UINTAH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 73,094,356	\$ 592,065	\$ 73,686,421
Accounts receivable			
Property taxes	28,781,032	-	28,781,032
Other local sources	375,852	-	375,852
State	295,768	-	295,768
Federal	693,726	-	693,726
Due from other funds	50,000	-	50,000
Inventory	578,811	-	578,811
Restricted cash and investments	5,575,330	6,498,213	12,073,543
Capital assets:			
Land and construction in progress	5,133,801	424,029	5,557,830
Other capital assets, net of depreciation	130,548,163	12,361,346	142,909,509
Total assets	<u>\$ 245,126,839</u>	<u>\$ 19,875,653</u>	<u>\$ 265,002,492</u>
Deferred outflows of resources:			
Refunded bonds deferred outflow of resources	\$ 1,624,454	\$ -	\$ 1,624,454
Pension related deferred outflow of resources	4,941,238	-	4,941,238
Total deferred outflows of resources	<u>\$ 6,565,692</u>	<u>\$ -</u>	<u>\$ 6,565,692</u>
Liabilities:			
Accounts payable	\$ 529,364	\$ -	\$ 529,364
Accrued interest	349,218	65,883	415,101
Accrued salaries and benefits	6,395,168	-	6,395,168
Unearned state revenue	2,487,818	-	2,487,818
Bond premium, net	2,258,697	-	2,258,697
Noncurrent liabilities:			
Due within one year	10,580,445	498,000	11,078,445
Due in more than one year	35,520,479	10,358,000	45,878,479
Total liabilities	<u>\$ 58,121,189</u>	<u>\$ 10,921,883</u>	<u>\$ 69,043,072</u>
Deferred inflows of resources:			
Property taxes available in future years	\$ 29,733,997	\$ -	\$ 29,733,997
Pension related deferred inflow of resources	6,471,614	-	6,471,614
Total deferred inflows of resources	<u>\$ 36,205,611</u>	<u>\$ -</u>	<u>\$ 36,205,611</u>
Net Position:			
Invested in capital assets, net of related debt	\$ 104,591,884	\$ 8,361,705	\$ 112,953,589
Restricted for			
Non-expendable			
School lunch	578,811	-	578,811
Expendable			
School lunch	1,084,188	-	1,084,188
Student Activity	731,884	-	731,884
Debt Service	7,053,316	-	7,053,316
Capital projects	35,116,348	-	35,116,348
Unrestricted	8,209,300	592,065	8,801,365
Total net position	<u>\$ 157,365,731</u>	<u>\$ 8,953,770</u>	<u>\$ 166,319,501</u>

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

UINTAH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instructional services	\$ 37,326,376	\$ 199,718	\$ 16,677,387	\$ -	\$ (20,449,271)	\$ -	\$ (20,449,271)
Supporting services:							
Students	2,172,803	-	1,174,382	-	(998,421)	-	(998,421)
Instructional staff	2,029,441	-	235,406	193,204	(1,600,831)	-	(1,600,831)
District administration	1,443,439	-	-	-	(1,443,439)	-	(1,443,439)
School administration	4,312,920	-	-	-	(4,312,920)	-	(4,312,920)
Central	6,502,138	-	-	-	(6,502,138)	-	(6,502,138)
Operation and maintenance of facilities	8,161,884	22,992	-	-	(8,138,892)	-	(8,138,892)
Student transportation	4,944,812	-	2,274,545	-	(2,670,267)	-	(2,670,267)
Non-instructional services	793,182	478,462	140,669	-	(174,051)	-	(174,051)
School lunch services	3,349,753	625,578	2,655,610	27,957	(40,608)	-	(40,608)
Facilities acquisition/construction	1,991,847	-	-	-	(1,991,847)	-	(1,991,847)
Interest on long-term liabilities	809,818	-	-	-	(809,818)	-	(809,818)
Total governmental activities	<u>73,838,413</u>	<u>1,326,750</u>	<u>23,157,999</u>	<u>221,161</u>	<u>(49,132,503)</u>	<u>-</u>	<u>(49,132,503)</u>
Business-type activities:							
Municipal Building Authority	<u>493,534</u>	<u>1,223,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>729,698</u>	<u>729,698</u>
Total primary government	<u>\$ 74,331,947</u>	<u>\$ 2,549,982</u>	<u>\$ 23,157,999</u>	<u>\$ 221,161</u>	<u>(49,132,503)</u>	<u>729,698</u>	<u>(48,402,805)</u>
General revenues:							
Property taxes levied for:							
General purposes					20,754,210	-	20,754,210
Debt service					2,168,756	-	2,168,756
Capital outlay					13,286,867	-	13,286,867
Federal and state aid not restricted to specific purposes					19,084,263	-	19,084,263
Earnings on investments					1,483,946	139,749	1,623,695
Gain on sale of assets					34,146	-	34,146
Total general revenues					<u>56,812,188</u>	<u>139,749</u>	<u>56,951,937</u>
Change in net assets					7,679,685	869,447	8,549,132
Net position - beginning					<u>149,686,046</u>	<u>8,084,323</u>	<u>157,770,369</u>
Net position - ending					<u>\$ 157,365,731</u>	<u>\$ 8,953,770</u>	<u>\$ 166,319,501</u>

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



UINTAH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	Major Funds			Other Governmental Funds	Total
	General	Debt Service	Capital Projects		
Assets:					
Cash and investments	\$ 34,181,469	\$ 1,455,652	\$ 35,806,726	\$ 1,650,509	\$ 73,094,356
Accounts receivable					
Property taxes	17,512,474	1,995,771	8,675,414	597,373	28,781,032
Other local sources	217,713	22,334	135,805	-	375,852
State	180,511	-	-	115,257	295,768
Federal	582,650	-	-	111,076	693,726
Due from other funds	50,000	-	-	-	50,000
Inventory	-	-	-	578,811	578,811
Restricted cash and investments	-	5,575,330	-	-	5,575,330
Total assets	<u>\$ 52,724,817</u>	<u>\$ 9,049,087</u>	<u>\$ 44,617,945</u>	<u>\$ 3,053,026</u>	<u>\$ 109,444,875</u>
Liabilities, Deferred inflows of resources and Fund balances					
Liabilities:					
Accounts payable	\$ 98,521	\$ -	\$ 428,165	\$ 2,678	\$ 529,364
Accrued salaries and benefits	6,342,662	-	-	52,506	6,395,168
Unearned state revenue	2,482,232	-	-	5,586	2,487,818
Total liabilities	<u>8,923,415</u>	<u>-</u>	<u>428,165</u>	<u>60,770</u>	<u>9,412,350</u>
Deferred inflows of resources:					
Property taxes available in future years	<u>18,067,421</u>	<u>1,995,771</u>	<u>9,073,432</u>	<u>597,373</u>	<u>29,733,997</u>
Total deferred inflows of resources	<u>18,067,421</u>	<u>1,995,771</u>	<u>9,073,432</u>	<u>597,373</u>	<u>29,733,997</u>
Fund balances:					
Nonspendable					
Inventory	-	-	-	578,811	578,811
Restricted					
Food Service	-	-	-	1,084,188	1,084,188
Reading	96,449	-	-	-	96,449
Other Programs	544,352	-	-	-	544,352
Debt Service	-	7,053,316	-	-	7,053,316
Capital Projects	-	-	35,116,348	-	35,116,348
Committed					
Undistributed Reserve	2,932,090	-	-	-	2,932,090
Assigned					
Programs	1,072,893	-	-	-	1,072,893
Student Activity Fund	-	-	-	731,884	731,884
Unassigned	<u>21,088,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,088,197</u>
Total fund balances	<u>25,733,981</u>	<u>7,053,316</u>	<u>35,116,348</u>	<u>2,394,883</u>	<u>70,298,528</u>
Total Liabilities, Deferred inflows of resources and Fund balances	<u>\$ 52,724,817</u>	<u>\$ 9,049,087</u>	<u>\$ 44,617,945</u>	<u>\$ 3,053,026</u>	<u>\$ 109,444,875</u>

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

UINTAH SCHOOL DISTRICT  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020

Total fund balance - governmental funds	\$ 70,298,528
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$207,255,043 and the accumulated depreciation is \$71,573,079.	135,681,964
Bond premiums are recorded as other financing sources in the statement of revenues, expenditures and changes in fund balance. However, these premiums are capitalized in the statement of net position and amortized over the life of the bond in the statement of net assets.	(2,258,697)
Bonds were defeased in 2013 and 2014. The deposits to the escrow agent exceeded the net carrying amount of defeased bonds. The deposits to the escrow agent are reported as other financing uses in the statement of revenues, expenditures, and changes in fund balances. However, in the statement of activities, these deposits to the escrow agent reduce outstanding bonds with the difference being capitalized in the statement of net position as a deferred outflow of resources.	1,624,454
Net pension asset / liability and deferred outflows / inflows related to pensions in accordance with GASB 68 have been recognized on the statement of net position. These are not due and payable in the current period.	(19,985,855)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. This is net of the net pension liability.	<u>(27,994,663)</u>
Total net position - governmental activities	<u><u>\$ 157,365,731</u></u>

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

UINTAH SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	Major Funds			Other	
	General	Debt Service	Capital Projects	Governmental Funds	Total
Revenues:					
Property taxes	\$ 20,063,891	\$ 2,168,756	\$ 13,286,867	\$ 690,319	\$ 36,209,833
Tuition	139,472	-	-	-	139,472
Earnings on investment	681,265	163,734	609,602	29,346	1,483,947
Local school lunch sales	-	-	-	602,456	602,456
Other revenue	886,913	-	-	951,811	1,838,724
State aid	34,432,252	-	-	641,091	35,073,343
Federal aid	4,093,140	-	48,336	2,043,753	6,185,229
Total revenues	<u>60,296,933</u>	<u>2,332,490</u>	<u>13,944,805</u>	<u>4,958,776</u>	<u>81,533,004</u>
Expenditures:					
Current:					
Instructional services	36,597,582	-	843,160	981,430	38,422,172
Supporting services:					
Students	2,135,262	-	4,460	-	2,139,722
Instructional staff	1,906,386	-	12,547	78,638	1,997,571
District administration	1,356,644	-	45,435	-	1,402,079
School administration	4,176,080	-	24,146	2,430	4,202,656
Central	2,838,465	-	490,827	-	3,329,292
Operation and maintenance of facilities	5,794,321	-	2,052,936	-	7,847,257
Student transportation	4,028,119	-	580,215	5,999	4,614,333
Non-instructional services	42,064	-	57,694	693,424	793,182
School lunch services	-	-	-	3,242,242	3,242,242
Facilities acquisition/construction	-	-	1,011,724	-	1,011,724
Debt service:					
Principal retirement	-	2,155,000	-	-	2,155,000
Interest and fiscal charges	-	928,570	-	-	928,570
Total expenditures	<u>58,874,923</u>	<u>3,083,570</u>	<u>5,123,144</u>	<u>5,004,163</u>	<u>72,085,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,422,010</u>	<u>(751,080)</u>	<u>8,821,661</u>	<u>(45,387)</u>	<u>9,447,204</u>
Other financing sources (uses):					
Operating transfers in	-	1,413,660	-	-	1,413,660
Operating transfers out	-	-	(1,413,660)	-	(1,413,660)
Total other financing sources (uses)	<u>-</u>	<u>1,413,660</u>	<u>(1,413,660)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,422,010	662,580	7,408,001	(45,387)	9,447,204
Fund balances - beginning	<u>24,311,971</u>	<u>6,390,736</u>	<u>27,708,347</u>	<u>2,440,270</u>	<u>60,851,324</u>
Fund balances - ending	<u>\$ 25,733,981</u>	<u>\$ 7,053,316</u>	<u>\$ 35,116,348</u>	<u>\$ 2,394,883</u>	<u>\$ 70,298,528</u>

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

**UINTAH SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Net change in fund balances-total governmental funds \$ 9,447,204

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost exceeding the applicable threshold (see footnote 1G) are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 2,052,794	
Depreciation expense	(4,891,415)	
Gain on sale of capital assets	<u>34,146</u>	
		(2,804,475)

Accrued interest on long-term debt reported in the statement of activities does not require the use of current financial resources and therefore is not reported as expenditures in governmental funds. This is the current year change in the liability, reported as a decrease in interest expense in the statement of activities. 44,896

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. When bonds are refunded, the proceeds from the refunding bond are treated as other financing sources and the deposit to escrow is treated as other financing uses in governmental funds. For the statement of activities, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This amount is the net effect of these differences in the treatment of long-term debt and related items. During 2020, they consist of the following:

Bond principal payments	2,155,000	
Amortization of bond premium	344,598	
Amortization of refunding deposit in excess of carrying amount	<u>(270,742)</u>	
		2,228,856

In the statement of activities, certain operating expenses, such as changes in the unfunded pension liability, changes in deferred outflows/inflows of resources related to pension expenses, are measured by the amount incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During 2020, the changes in these accounts is as follows:

Change in unfunded pension liability	10,622,184	
Change in deferred outflows of resources-pension	(6,200,779)	
Change in deferred inflows of resources-pension	<u>(5,443,369)</u>	
		(1,021,964)

In the statement of activities, certain operating expenses, such as, compensated absences, special post employment benefits and claims, are measured by the amounts earned during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During 2020, compensated absences payable increased by \$20,985, and termination and benefits payable increased by \$144,886. (165,781)

In the governmental funds, \$49,051 of proceeds from the sale of surplus equipment is recorded in revenue. In the statement of activities, the proceeds less the book value of the related assets is reported as gain on sale of assets of \$34,146. (49,051)

Changes in net assets of governmental activities \$ 7,679,685

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

UINTAH SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Property taxes	\$ 11,117,677	\$ 18,861,537	\$ 20,063,891	\$ 1,202,354
Tuition	237,000	218,293	139,472	(78,821)
Earnings on investment	250,000	700,000	681,265	(18,735)
Other revenue	898,630	1,292,405	886,913	(405,492)
State aid	43,860,501	35,586,749	34,432,252	(1,154,497)
Federal aid	3,732,585	4,425,621	4,093,140	(332,481)
Total revenues	<u>60,096,393</u>	<u>61,084,605</u>	<u>60,296,933</u>	<u>(787,672)</u>
Expenditures:				
Current:				
Instructional services	37,554,370	37,058,964	36,597,582	461,382
Supporting services:				
Students	1,948,147	2,751,640	2,135,262	616,378
Instructional staff	1,968,590	2,142,051	1,906,386	235,665
General administration	1,264,881	1,359,455	1,356,644	2,811
School administration	3,990,825	4,186,819	4,176,080	10,739
Central	3,484,635	3,032,968	2,838,465	194,503
Operation and maintenance of facilities	6,465,503	6,137,967	5,794,321	343,646
Student transportation	4,417,814	4,313,126	4,028,119	285,007
Non-instructional services	39,409	39,409	42,064	(2,655)
Total expenditures	<u>61,134,174</u>	<u>61,022,399</u>	<u>58,874,923</u>	<u>2,147,476</u>
Net change in fund balances	(1,037,781)	62,206	1,422,010	1,359,804
Fund balances - beginning	<u>24,311,971</u>	<u>24,311,971</u>	<u>24,311,971</u>	<u>24,311,971</u>
Fund balances - ending	<u>\$ 23,274,190</u>	<u>\$ 24,374,177</u>	<u>\$ 25,733,981</u>	<u>\$ 25,671,775</u>

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

UINTAH SCHOOL DISTRICT  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
JUNE 30, 2020

	Major Enterprise Fund
	<u>Municipal Building Authority Fund</u>
Assets:	
Current assets:	
Cash and investments	\$ 592,065
Restricted cash and cash equivalents	<u>6,498,213</u>
Total current assets	7,090,278
Noncurrent assets:	
Capital assets:	
Land, construction in progress, and water stock	424,029
Other capital assets, net of depreciation	<u>12,361,346</u>
Total assets	<u><u>\$ 19,875,653</u></u>
Liabilities:	
Current liabilities:	
Accrued interest payable	\$ 65,883
Current portion of long term liabilities	<u>498,000</u>
Total current liabilities	563,883
Noncurrent liabilities:	
Noncurrent portion of long term liabilities	<u>10,358,000</u>
Total liabilities	<u><u>\$ 10,921,883</u></u>
Net Position:	
Invested in capital assets, net of related debt	\$ 8,361,705
Unrestricted	<u>592,065</u>
Total net position	<u><u>\$ 8,953,770</u></u>

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

UINTAH SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION – PROPRIETARY FUND  
JUNE 30, 2020

	Major Enterprise Fund
	<u>Municipal Building Authority Fund</u>
Operating revenues:	
Charges for sales and services:	
Lease revenue	\$ 1,223,232
Total operating revenues	<u>1,223,232</u>
Operating expenses:	
Depreciation	<u>334,589</u>
Total operating expenses	<u>334,589</u>
Operating income	<u>888,643</u>
Non-operating revenues (expenses):	
Investment earnings	139,749
Interest and fiscal charges	<u>(158,945)</u>
Total non-operating revenue (expenses)	<u>(19,196)</u>
Change in fund net position	869,447
Total net position - beginning	<u>8,084,323</u>
Total net position - ending	<u><u>\$ 8,953,770</u></u>

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

UINTAH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
JUNE 30, 2020

	Major Enterprise Fund
	<u>Municipal Building Authority Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund lease of facilities	\$ 1,223,232
Net cash provided by operating activities	<u>1,223,232</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on bonds	(495,000)
Interest paid on bonds	<u>(163,070)</u>
Net cash (used) by capital and related financing activities	<u>(658,070)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>139,750</u>
Net cash provided from investing activities	<u>139,750</u>
Net increase in cash and cash equivalents	704,912
Cash and cash equivalents beginning of year	<u>6,385,366</u>
Cash and cash equivalents end of year	<u><u>\$ 7,090,278</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 888,643
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	<u>334,589</u>
Net cash provided by operating activities	<u><u>\$ 1,223,232</u></u>

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



UTAH SCHOOL DISTRICT  
 STATEMENT OF FIDUCIARY NET POSITION  
 AGENCY FUNDS  
 JUNE 30, 2020

	Agency Fund
	<hr/>
Assets	
Cash and cash equivalents	\$ 104,776
Total assets	<u>\$ 104,776</u>
 Liabilities	
Due to flexible spending	\$ 54,776
Due to other funds	<u>50,000</u>
Total liabilities	<u>\$ 104,776</u>

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

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

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

Uintah School District (District) is located in the City of Vernal, in the north-east portion of the State of Utah. It was organized by State Statute and serves the citizens of Uintah County. The District provides educational and related services.

The financial statements of Uintah School District have been prepared in conformity with generally accepted accounting principles as applied to 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 of the District's accounting policies are described below.

**A. Reporting Entity**

The accompanying financial statements include the School District, which is a political subdivision with corporate powers created under Utah State law, and its blended component unit, the Municipal Building Authority of Uintah County School District (MBA), collectively referred to as the financial reporting entity. As required by generally accepted accounting principles (GAAP), these financial statements present Uintah School District (referred to as the "primary government" for reporting purposes) and its "component units" (separate legal entities for which the District is considered to be financially accountable).

Uintah School District is governed by the board of education, the members of which are elected by citizens residing in five voting districts.

The Municipal Building Authority of Uintah County School District is governed by a five-member board and are the same board members as those on the Uintah School District Board of Education. The sole purpose of the MBA is to finance and construct the District's public facilities. The financial statements of the MBA are included in the accompanying financial statements as a blended component unit.

The Municipal Building Authority of Uintah County School District does not have separately issued financial statements.

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Government-wide and Fund Financial Statements**

**Government-wide Financial Statements.** The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods or services.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services that report fees, tuition, and other charges to users of the District's services, (2) operating grants and contributions that finance annual operating activities, and (3) capital grants and contributions that fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues. Administrative overhead charges are included in direct expenses.

**Fund Financial Statements.** Separate financial statements are provided for governmental funds, a proprietary fund, and a fiduciary fund, even though the fiduciary fund is excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements. The remaining governmental funds are combined into a single column and reported as other nonmajor funds.

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

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**Government-wide Financial Statements.** The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term debt are reported as a reduction of the related liability, rather than as an expenditure in the government-wide financial statements.

**Governmental Fund Financial Statements.** Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes are recorded when levied. Property taxes which have not been collected within 60 days, and therefore do not meet the "available" criterion, are reported as deferred inflows of resources until collected. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Minimum school program revenues and other revenues from the Utah State Board of Education are considered "measurable" and recognized as revenue when available and remitted to the District in time to be used to pay current obligations. Grant revenue is recognized when qualified expenditures are incurred and a contractual claim exists with the grantor agency. All other revenue items are considered to be measurable and available only when cash is received by the District.

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 net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Exceptions to this general rule include principal and interest on long-term debt as well as expenditures related to compensated absences, and post-employment benefits which are recognized only when payment is due.

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The District reports the following major governmental funds:

General Fund - This fund accounts for all activities not accounted for by other funds of the District and is the principal fund. The main sources of revenue for this fund are property taxes and minimum school programs funded by the Utah State Board of Education.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest except that payable from proprietary or fiduciary funds.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction, or maintenance of major capital projects.

The District's nonmajor governmental funds include three special revenue funds. The nonmajor special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes.

**Proprietary Fund Financial Statements.** Proprietary funds include enterprise funds. Enterprise funds report the activities for which a fee is charged to external users for goods or services. The financial statements of the proprietary funds are reported similar to the government-wide financial statements in that they both use the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses result from providing goods and services relating to the primary operations of the proprietary fund. Other revenues and expenses are reported as nonoperating.

The Municipal Building Authority of Uintah County School District (MBA) is the only proprietary fund reported in the financial statements. The MBA Fund accounts for the activity and operations of leasing and constructing public facilities.

**Fiduciary Fund Financial Statements.** The District has one fiduciary fund, the flexible spending agency fund, which accounts for monies held on behalf of employees pending qualified expenditures. Agency funds are accounted for using the accrual basis of accounting, but due to their custodial nature (assets equal liabilities) do not present results of operations or have a measurement focus.

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgets**

Budgets are legally adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for funds. All annual appropriations lapse at fiscal year-end.

The District operates within the budget requirements as specified by State law. The financial reports reflect the following budgetary standards.

1. In May of each year, the District Superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1. This budget includes proposed expenditures and the means of financing them. A final budget for the current year, ending June 30th, is also included.
2. The tentative budget is made available for public inspection at least ten days prior to a public hearing on adoption of the final budget.
3. If the budget does not propose to exceed the certified tax rate, a public hearing for taxpayer input is held prior to June 22nd of each year. The budget is then legally adopted by resolution of the Board. If the budget proposes a rate that exceeds the certified tax rate, the budget is formally adopted in August, when data is available to set new rates.
4. Once adopted, the budget can be amended by subsequent Board action. Reductions in appropriations can be approved by the Board, but increased appropriations in the governmental funds require a public hearing prior to amending the budget. Budgets may be increased provided that notice of such action is published ten days before the meeting. The budgetary information presented is the final amended budget.
5. Minor interim adjustments in estimated revenue and appropriations during the year ended June 30, 2020 have been included in the final budget approved by the Board, as presented in the financial statements.
6. As determined by State law, the level for which expenditures may not legally exceed appropriations is the total budget of a given fund.
7. Negative variances in total revenues and positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume expenditure of all available resources. Therefore, when the budget is prepared, it is assumed that these funds will not have a carryover or revenue to a subsequent year. Program revenue received, but not spent, is restricted and deferred to the subsequent fiscal year.

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Cash and Cash Equivalents and Temporary Investments**

Unrestricted cash balances of all funds are combined to form a pool of cash and investments which is managed by the Business Administrator in accordance with the Utah Money Management Act. Income from the investment of pooled cash is allocated based upon each fund's portion of the pool. Restricted cash consists of that portion of pooled cash that is restricted for a specific use due to constraints imposed by external parties or enabling legislation, or is cash held in trust in compliance with bond covenant, terms and conditions.

In addition to the pooled cash noted above, certain funds maintain separate bank accounts.

Investments are recorded at fair value based upon quoted market prices as of year end, except where there is no material difference between cost and fair value. The difference between the purchase price and market price when material is recorded as interest income.

A statement of cash flows is presented for proprietary funds under the indirect method. For purposes of the statement of cash flows, the fund's allocated portion of pooled cash and investments is considered to be cash and cash equivalents, since this amount is immediately available for use by the fund.

**F. Interfund transactions**

Interfund transactions represent transactions between different funds within the District. In general, interfund activity has been eliminated from the government-wide financial statements in an effort to minimize the doubling-up of revenues and expenses resulting from such transactions.

At June 30, 2020, the Agency Fund had a \$50,000 loan payable to the General Fund. The purpose of the loan payable was to provide funding for employee reimbursement requests for which employee contributions had not yet been received.

During the year ended June 30, 2020, the Board approved a transfer of \$1,413,660 from the capital projects fund to the debt service fund to help fund debt payments.

The MBA Fund charged the general fund \$1,223,232 for the lease of buildings owned by the MBA Fund. The annual lease charged is the amount needed to fund the debt service in the MBA Fund.

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Capital Assets**

Capital assets include land, buildings, improvements other than buildings, leasehold improvements, furniture, fixtures and equipment, vehicles and construction in progress. These assets are reported in the government-wide financial statements in the relevant column on the Statement of Net Position under governmental activities. Capital assets acquired by governmental funds are recorded as expenditures in the governmental fund financial statements. Assets purchased or constructed are generally recorded at cost. If precise cost is not available, the asset is recorded at estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

When constructing capital assets, interest expense incurred relating to governmental activities is not capitalized.

Depreciation of all exhaustible capital assets is charged to the various functional expenses in the government-wide Statement of Activities. Accumulated depreciation is reported on the government-wide Statement of Net Assets. Depreciation is provided over the estimated useful lives using the straight-line method.

The capitalization threshold and estimated useful lives are as follows:

<b><u>Asset Category</u></b>	<b><u>Threshold</u></b>	<b><u>Useful Life (years)</u></b>
Land	No limit	Indefinite
Land improvements	\$25,000	10 – 50
Buildings	No limit	10 – 50
Building improvements	\$25,000	10 – 50
Equipment	\$5,000	5 – 20
Computer equipment	\$200	5
Internal use software – minor	\$5,000	5
Internal use software – major	\$50,000	10
Vehicles	\$25,000	8

**H. Long-term liabilities**

In the government-wide financial statements, long-term debt is reported as a liability. Bond premiums and discounts, and the difference between the carrying amount of the defeased debt and its reacquisition price in bond refunding, are deferred and amortized over the life of the bonds.



UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In the fund financial statements, governmental funds 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 debt service expenditures.

**I. Net Position/Fund Balances**

The difference between assets and liabilities is "Net Position" on the government-wide financial statements, and "Fund Balance" on the governmental fund financial statements. Net position is divided into invested in capital assets (net of related debt), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Restricted fund balance classification includes amounts that are restricted if (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance classification includes those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, which is the Board of Education of the District.

Assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The Board of Education of the District has authorized the superintendent and the business administrator to assign amounts to specific purposes which have been approved in the adopted budget.

Unassigned fund balance classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes.

Enterprise fund equity is classified the same as in the government-wide statements.

When both restricted and unrestricted sources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

When committed, assigned, or unassigned sources are available for use, it is the District's policy to use committed resources first, assigned resources second, then unassigned resources as they are needed.

The District fund balance policy requires the committed, assigned and unassigned fund balances to be maintained at a minimum of 20% of the total general fund revenues. It also requires the unassigned and State authorized economic stabilization fund balances to be maintained at a minimum of 15% of general fund revenues. As of June 30, 2020 the District was in compliance with its fund balance policy.

**J. Inventories**

Inventories for the Food Service Fund are valued at cost. Supplies and food products are charged to expenditures when purchased, using the consumption method.

**K. Risk Management**

The District is exposed to various risks of loss related to torts; thefts, damage to and destruction of assets; errors and omissions; and natural disasters. To help manage these risks, the District participates in the Utah State Risk Management Fund, a public entity that operates like an insurance carrier. The Treasurer for the District is insured against errors and omissions through a private insurance carrier. The District also participates in the Utah School Boards Risk Management Mutual Insurance Association to cover its workers compensation risks.

**L. Restricted Assets**

Certain proceeds of the District's general obligation bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the financial statements because they are maintained in separate bank and or investment accounts and their use is limited by applicable bond covenants.

**M. Property Tax**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on June 15 and are due November 30.

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Pensions**

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

*Deferred outflows/inflows of resources.* In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. 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 will not be recognized as an inflow of resources (revenue) until that time.

**NOTE 2. CASH AND INVESTMENTS**

The District maintains a deposit and investment pool that is available for use by all funds of the District. Each fund type's portion of this pool is disclosed on the combined balance sheet as "cash and cash equivalents".

The District follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and temporary investment transactions. The Act requires the depositing of District funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

**Deposits**

*Custodial Credit Risk*

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

At June 30, 2020, the carrying amount of the District deposits was \$427,708 and the bank balance was \$1,614,403. Of the bank balance, \$1,294,477 was covered by federal depository insurance. Deposits are not collateralized nor are they required to be by state statute. However, the State Commissioner of Financial Institutions monitors financial institutions and establishes

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 2. CASH AND INVESTMENTS (Continued)**

limits for deposit of public money at individual financial institutions, and the District follows these recommendations. The Agency had deposits of \$68,016 with a bank balance of \$69,926 all of which was insured.

**Investments**

The Money Management Act defines the types of securities authorized as appropriate investments for the District's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

These statutes authorize the District to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurer's Investment Fund.

The Utah State Public Treasurer's Investment Fund (PTIF) is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. The Utah State Treasurer's Office operates the PTIF. The PTIF is available for investment of funds administered by any Utah public treasurer. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. These monies are invested primarily in money market securities and contain no withdrawal restrictions. As such, the monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses – net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 2. CASH AND INVESTMENTS (Continued)**

The Santander UK CP investment is top-tier rated commercial paper. This investment has an original maturity of less than 12 months. These funds are the primary investment of the QZAB sinking fund. The monies invested in this fund are not insured and are subject to the same market risks as any similar investment in commercial paper. The fund investments must comply with the provisions of the Utah Money Management Act. The fund is SEC registered and is top-tier rated (A-1, P-1, F-1+). The fair value of the School District's position in the fund is the same as the value of fund shares.

At June 30, 2020, the District's investment balances were as follows:

Investment Type	Fair Value	Maturity	Rating
Utah Public Treasurer's Investment Fund	\$ 79,795,503	N/A	Unrated
Santander UK Commercial Paper	5,573,513	12/31/2020	A-1, P-1, F-1+
	<u>\$ 85,369,016</u>		

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2020:

- Commercial Paper - Level 1-using quoted market price in active markets.
- Utah Public Treasurer's Investment Fund (PTIF) - Level 2-using the District's published fair value factor obtained from the PTIF.

*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 has no policy regarding interest rate risk. As a means of managing its exposure to fair value loss arising from increasing interest rates, the District complies with the State's Money Management Act, Section 51-7-11 of the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 2 years.

*Credit Risk.*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District has no policy regarding credit risk. As a means of managing its exposure to credit risk, the District complies with the State's Money Management Act, as previously discussed.

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 2. CASH AND INVESTMENTS (Continued)**

*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 has no policy regarding concentration of credit risk. As a means of managing its exposure to credit risk, the District complies with the State's Money Management Act, as previously discussed.

*Custodial Credit Risk.*

For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District has no policy on custodial credit risk.

The following chart provides detail of the deposits and investments by fund:

	Governmental Funds	Municipal Building Authority Fund	Agency Fund	Total
Deposits	\$ 427,708	\$ -	\$ 68,016	\$ 495,724
Investments	78,241,978	7,090,278	36,760	85,369,016
	<u>\$ 78,669,686</u>	<u>\$ 7,090,278</u>	<u>\$ 104,776</u>	<u>\$ 85,864,740</u>

The following chart provides information on how the deposits and investments are reported in the financial statements:

	Governmental Funds	Municipal Building Authority Fund	Agency Fund	Total
Cash and investments	\$ 73,094,356	\$ 592,065	\$ 104,776	\$ 73,791,197
Restricted cash and investments	5,575,330	6,498,213	-	12,073,543
	<u>\$ 78,669,686</u>	<u>\$ 7,090,278</u>	<u>\$ 104,776</u>	<u>\$ 85,864,740</u>

**NOTE 3. RECEIVABLES**

No allowance for uncollectible accounts has been provided because the District believes that all accounts receivable are collectible.

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 4. RESTRICTED ASSETS**

The District has recorded restricted cash and investments of \$5,573,513 in the Debt Service Fund. This cash and investment balance represents the sinking fund required under the QZAB Taxable General Obligation School Building Bond, Series 2005. According to the bond agreements, this sinking fund is required in order to accumulate funds for the purpose of paying off the bonds when they become due in December 2020.

The MBA Fund has restricted cash and investments of \$6,498,213. This cash and investment balance represents the sinking fund required under the MBA Qualified School Construction Bonds, Series 2009. According to the bond agreements, this sinking fund is required in order to accumulate funds for the purpose of paying off the bonds when they become due February 2025.

**NOTE 5. CAPITAL ASSETS**

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

	Beginning Balance	Additions	Deletions	Reclass	Ending Balance
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 4,978,606	\$ -	\$ -	\$ -	\$ 4,978,606
Construction in progress	-	155,195	-	-	155,195
Total capital assets not being depreciated	4,978,606	155,195	-	-	5,133,801
Capital assets being depreciated:					
Land improvements	3,960,971	30,000	-	-	3,990,971
Buildings	178,921,236	83,114	(132,298)	-	178,872,052
Furniture, machinery and equipment and vehicles	18,156,119	1,784,485	(682,385)	-	19,258,219
Total capital assets being depreciated	201,038,326	1,897,599	(814,683)	-	202,121,242
Less accumulated depreciation					
Land improvements	(1,995,670)	(179,969)	-	-	(2,175,639)
Buildings	(52,102,036)	(3,481,697)	125,997	-	(55,457,736)
Furniture, machinery and equipment and vehicles	(13,383,736)	(1,229,749)	673,781	-	(13,939,704)
Total accumulated depreciation	(67,481,442)	(4,891,415)	799,778	-	(71,573,079)
Total capital assets being depreciated, net	133,556,884	(2,993,816)	(14,905)	-	130,548,163
Governmental activity capital assets, net	\$138,535,490	\$ (2,838,621)	\$ (14,905)	\$ -	\$135,681,964

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 5. CAPITAL ASSETS (Continued)**

**Business-type activities:**

Capital assets not being depreciated:

Land	\$ 424,029	\$ -	\$ -	\$ -	\$ 424,029
Total capital assets not being depreciated	<u>424,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>424,029</u>

Capital assets being depreciated:

Buildings and improvements	<u>16,729,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,729,468</u>
Less accumulated depreciation					
Buildings and improvements	<u>(4,033,533)</u>	<u>(334,589)</u>	<u>-</u>	<u>-</u>	<u>(4,368,122)</u>

Total capital assets being depreciated, net	<u>12,695,935</u>	<u>(334,589)</u>	<u>-</u>	<u>-</u>	<u>12,361,346</u>
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Business-type activity capital assets, net	<u>\$ 13,119,964</u>	<u>\$ (334,589)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,785,375</u>
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Depreciation expense was charged to functions as follows:

	Governmental activities:	Business-type Activities:	Total
Instruction	168,124	\$ -	\$ 168,124
Support services:			
Instructional staff	6,281	-	6,281
General administration	21,244	-	21,244
School administration	18,761	-	18,761
Business	3,136,368	-	3,136,368
Operations/Maintenance of plant	223,369	-	223,369
Student transportation	255,057	-	255,057
School food services	80,308	-	80,308
Non-instructional services	355	334,589	334,944
Facilities acquisition/construction	<u>980,123</u>	<u>-</u>	<u>980,123</u>
Total depreciation expense	<u>\$ 4,891,415</u>	<u>\$ 334,589</u>	<u>\$ 5,226,004</u>

**NOTE 6. LONG-TERM OBLIGATIONS**

The District has the following long-term obligations at June 30, 2020:

Compensated absences

**Vacation:** Employees working on year-round contracts earn ten days of vacation after working one year and one additional day for each year after five years of service not to exceed fifteen days. Upon termination of employment unused vacation days are paid to the employee. Unused vacation pay is accrued in the government-wide financial statements. Employees forfeit unused vacation time in excess of five days on an annual basis. The amount of accrued vacation has been accrued in the government-wide financial statements.



UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 6. LONG-TERM OBLIGATIONS (Continued)**

Termination Benefits:

**Paid Time Off (PTO):** Each contracted employee is allowed 10 to 11 PTO days per year. Unused days accumulate with no maximum. Employees who terminate employment with 10 or more years of service in the district are entitled to a lump sum payment. The PTO payout is calculated by multiplying the employee's daily rate at the time the employee leaves the district, by the number of PTO Days accrued, by a percentage using the following schedule:

Years of Service	Accrued PTO Days		
	0-150	151-200	201+
10-19	35%	35%	35%
20-24	35%	45%	55%
25-29	45%	55%	65%
30+	55%	65%	75%

The PTO benefit has been accrued in government-wide financial statements in accordance with GASB No. 47, *Accounting for Termination Benefits*. The governmental fund financial statements record the PTO benefit in the period they are paid. At June 30, 2020, 472 employees were eligible for PTO benefit.

QZAB Taxable General Obligation School Building Bonds, Series 2005

On December 29, 2005, the District issued \$5,977,000 QZAB general obligation bonds for the purpose of renovating Vernal Middle School. The bonds mature on December 29, 2020 and are not subject to call or redemption prior to maturity. The bonds bear no interest and are due in a single payment on December 29, 2020. The District is required to deposit \$326,856 into a sinking fund annually beginning December 29, 2006. The sinking fund deposits will be invested at 2.75% interest. The deposits plus interest earned will be sufficient to pay the bonds at maturity.

General Obligation Refunding Bonds, Series 2013

On May 13, 2013, the District issued \$14,955,000 in General Obligation Bonds with an average interest rate of 3.48% to advance refund \$14,600,000 of outstanding 2006 Series bonds with an average interest rate of 4.29%. The bonds mature beginning February 1, 2014 in amounts varying from \$35,000 to \$1,840,000 annually. The final bonds mature on February 1, 2026. Semi-annual interest payments are due beginning August 1, 2013 and February 1, 2014.

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 6. LONG-TERM OBLIGATIONS (Continued)**

General Obligation Refunding Bonds, Series 2014

On December 11, 2014, the District issued \$11,345,000 in General Obligation Refunding Bonds with an average interest rate of 4.57 percent to advance refund \$12,225,000 of outstanding 2007 Series bonds with an average interest rate of 4.23 percent. The bonds mature beginning February 1, 2019 in amounts varying from \$885,000 to \$3,020,000 annually. The final bonds mature on February 1, 2027. Semi-annual interest payments are due beginning February 1, 2015 and August 1, 2015.

MBA Qualified School Construction Bonds, Series 2009

The Municipal Building Authority of Uintah County School District (MBA), a blended component unit of Uintah School District, issued qualified school construction bonds in the amount of \$10,000,000. These bonds were issued to finance improvements of Ashley Elementary School. The bonds were issued on November 24, 2009 and mature February 1, 2025. The interest rate on the bonds is 1.41%. Beginning February 1, 2012, the District is required to deposit \$714,285 annually into a sinking fund. The deposits will be sufficient to pay the bonds at maturity. The District has entered into a master lease agreement with the MBA, dated November 1, 2009 which requires the District to lease bond-financed school facilities from the MBA. The lease amount is equal to the annual deposit into the sinking fund and the interest on the outstanding bonds. The first lease payment is \$737,786 and is due on February 1, 2012. Subsequent annual payments of \$784,786 are due beginning on February 1, 2013 and ending on February 1, 2025. The lease provides for a purchase price, which may be exercised by the District anytime during the period of the lease, equivalent to the outstanding principal balance on the lease revenue bonds.

MBA Lease Revenue Refunding Bonds, Series 2016

On May 4, 2016 the Municipal Building Authority of Uintah School District issued \$3,022,000 of Lease Revenue Refunding Bonds, Series 2016 with an average interest rate of 2.000 percent to advance refund \$2,926,000 of outstanding Municipal Building Authority of Uintah School District Lease Revenue Refunding Bonds, Series 2008 with an average interest rate of 3.593 percent. The net proceeds of \$2,978,566 (after payment of \$53,000 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the \$2,926,000 of outstanding 2008 Series bonds. As a result, these 2008 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets.

On June 30, 2020, the District had \$20,125,000 of general obligation bonds outstanding considered defeased, and the MBA had \$1,022,000 MBA lease revenue refunding bonds considered defeased.

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 6. LONG-TERM OBLIGATIONS (Continued)**

Long-term debt activity for the year is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 335,930	\$ 20,895	\$ -	\$ 356,825	\$ 356,825
Accrued termination benefits	1,831,734	144,886	-	1,976,620	1,976,620
Net pension liability	29,077,667	-	(10,622,188)	18,455,479	-
G.O. QZAB Series 2005	5,977,000	-	-	5,977,000	5,977,000
G.O. Series 2013	11,145,000	-	(1,240,000)	9,905,000	1,320,000
G.O. Series 2014	10,345,000	-	(915,000)	9,430,000	950,000
Total Governmental Activities	<u>\$ 58,712,331</u>	<u>\$ 165,781</u>	<u>\$ (12,777,188)</u>	<u>\$46,100,924</u>	<u>\$ 10,580,445</u>
Business-type activities:					
MBA Qualified School Construction Bonds, Series 2009	\$ 10,000,000	\$ -	\$ -	\$10,000,000	\$ -
MBA Lease Revenue Refunding Bonds Series 2016	1,351,000	-	(495,000)	856,000	498,000
Total Business-type Activities	<u>\$ 11,351,000</u>	<u>\$ -</u>	<u>\$ (495,000)</u>	<u>\$10,856,000</u>	<u>\$ 498,000</u>

Interest expense for the year ended June 30, 2020 was:

Governmental activities:	\$ 809,818
Business-type activities:	<u>158,945</u>
Total	<u>\$ 968,763</u>

Following is the reconciliation of interest expense as reported above to interest paid for interest:

	Business-type activities	Governmental activities
Accrued interest change	\$ (4,125)	\$ (44,896)
Amortization of bond premium and deferred interest on refunding	-	(73,856)
Interest paid	<u>163,070</u>	<u>928,570</u>
	<u>\$ 158,945</u>	<u>\$ 809,818</u>

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 6. LONG-TERM OBLIGATIONS (Continued)**

The annual debt service requirements of general obligation debt to maturity are as follows:

QZAB Taxable General Obligation School Building Bond, Series 2005:

Year	Principal	Interest	Total
2021	\$ 5,977,000	\$ -	\$ 5,977,000
	<u>\$ 5,977,000</u>	<u>\$ -</u>	<u>\$ 5,977,000</u>

General Obligation Refunding Bonds, Series 2013:

Year	Principal	Interest	Total
2021	\$ 1,320,000	\$ 366,625	\$ 1,686,625
2022	1,580,000	300,625	1,880,625
2023	1,665,000	221,625	1,886,625
2024	1,730,000	138,375	1,868,375
2025	1,770,000	99,450	1,869,450
2025-2026	1,840,000	55,200	1,895,200
	<u>\$ 9,905,000</u>	<u>\$ 1,181,900</u>	<u>\$ 11,086,900</u>

General Obligation Refunding Bonds, Series 2014:

Year	Principal	Interest	Total
2021	\$ 950,000	\$ 471,500	\$ 1,421,500
2022	980,000	424,000	1,404,000
2023	1,035,000	375,000	1,410,000
2024	1,085,000	323,250	1,408,250
2025	1,140,000	269,000	1,409,000
2025-2027	4,240,000	363,000	4,603,000
	<u>\$ 9,430,000</u>	<u>\$ 2,225,750</u>	<u>\$ 11,655,750</u>

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 6. LONG-TERM OBLIGATIONS (Continued)**

The annual debt service requirements of the MBA to maturity are as follows:

MBA Qualified School Construction Bonds, Series 2009

Year	Principal	Interest	Total
2021	\$ -	\$ 141,000	\$ 141,000
2022	-	141,000	141,000
2023	-	141,000	141,000
2024	-	141,000	141,000
2025	10,000,000	141,000	10,141,000
	<u>\$ 10,000,000</u>	<u>\$ 705,000</u>	<u>\$ 10,705,000</u>

MBA Lease Revenue Refunding Bonds, Series 2016:

Year	Principal	Interest	Total
2021	\$ 498,000	\$ 12,140	\$ 510,140
2022	358,000	3,580	361,580
	<u>\$ 856,000</u>	<u>\$ 15,720</u>	<u>\$ 871,720</u>

**NOTE 7. NET ASSETS RESTRICTED BY ENABLING LEGISLATION**

The government-wide statement of net assets reports \$44,564,547 of restricted net assets, of which \$42,169,664 is restricted by enabling legislation.

**NOTE 8. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

For the year ended June 30, 2020, fund expenditures were less than the appropriated amount for all funds in the District.

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 9. RETIREMENT PLANS**

***General Information about the Pension Plan***

**Plan Description.** Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

**Defined Benefit Plans**

- Public Employees Noncontributory Retirement System (Noncontributory System)
- Public Employees Contributory Retirement System (Contributory System) are multiple employer, cost sharing, retirement systems.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer cost sharing public employee retirement system.

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

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

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

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 9. RETIREMENT PLANS (Continued)**

**Summary of Benefits by System**

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

Retirement benefits are as follows:

<b>System</b>	<b>Final Average Salary</b>	<b>Years of service required and/or age eligible for benefit</b>	<b>Benefit percent per year of service</b>	<b>COLA**</b>
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to Present	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

\* with actuarial reductions

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

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 9. RETIREMENT PLANS (Continued)**

**Contribution Rate Summary**

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2020 are as follows:

	<b>Employee Paid</b>	<b>Paid by Employer for Employee</b>	<b>Employer Contribution Rates</b>	<b>Employer Rate for 401(k) Plan</b>
<b>Contributory System</b>				
12 – State School Div - Tier 1	1.00%	5.00%	17.70%	N/A
112 – State School Div - Tier 2	N/A	N/A	18.99%	1.03%
<b>Noncontributory System</b>				
16 – State School Div - Tier 1	N/A	N/A	22.19%	1.50%
<b>Tier 2 DC Only</b>				
212 – State and School	N/A	N/A	10.02%	10.00%

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

For fiscal year ended June 30, 2020, the employer and employee contributions to the Systems were as follows:

<b>System</b>	<b>Employer Contributions</b>	<b>Employee Contributions</b>
Noncontributory System	\$4,515,176	N/A
Contributory System	22,225	\$7,534
Tier 2 Public Employees System	1,890,818	-
Tier 2 DC Only System	161,074	N/A
<b>Total Contributions</b>	<b>\$6,589,293</b>	<b>\$7,534</b>

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



UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 9. RETIREMENT PLANS (Continued)**

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

At June 30, 2020, we reported a net pension asset of \$0 and a net pension liability of \$18,455,476.

(Measurement Date): December 31, 2019	Proportionate Share	Net Pension Liability
Noncontributory System	0.8208611%	\$18,237,086
Contributory System	1.0497351%	72,472
Tier 2 Public Employees System	0.6487925%	145,918
Total Net Pension Asset / Liability		<u>\$18,455,476</u>

December 31, 2018	Proportionate Share	Change (Decrease)
Noncontributory System	0.7603328%	0.0605283%
Contributory System	0.6978786%	0.3518565%
Tier 2 Public Employees System	0.6861385%	(0.0373460)%

The net pension asset and liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2020 we recognized pension expense of \$7,609,375.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$324,340	\$161,959
Changes in assumptions	1,119,441	4,193
Net difference between projected and actual earnings on pension plan investments	-	6,047,005
Changes in proportion and differences between contributions and proportionate share of contributions	93,183	258,457
Contributions subsequent to the measurement date	3,404,274	-
Total	<u>\$4,941,238</u>	<u>\$6,471,614</u>

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 9. RETIREMENT PLANS (Continued)**

\$3,404,274 reported as deferred outflows of resources related to pensions, results from contributions made by the District prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended December 31,</b>	<b>Deferred Outflows (inflows) of Resources</b>
2020	\$(1,175,184)
2021	(1,637,590)
2022	80,483
2023	(2,289,176)
2024	13,806
Thereafter	73,012

**Actuarial assumptions**

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25 – 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, Including inflation

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

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

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

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 9. RETIREMENT PLANS (Continued)**

<b>Asset Class</b>	<b><u>Expected Return Arithmetic Basis</u></b>	
	<b>Target Asset Allocation</b>	<b>Real Return Arithmetic Basis</b>
Equity securities	40%	6.15%
Debt securities	20%	0.40%
Real assets	15%	5.75%
Private equity	9%	9.95%
Absolute return	16%	2.85%
Cash and cash equivalents	0%	0%
Totals	100%	4.75%
Inflation		2.50%
Expected arithmetic nominal return		7.25%

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

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

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

<b>System</b>	<b>1% Decrease (5.95%)</b>	<b>Discount Rate (6.95%)</b>	<b>1% Increase (7.95%)</b>
Noncontributory System	\$41,140,747	\$18,237,086	\$(961,974)
Contributory System	705,877	72,472	(470,552)
Tier 2 Public Employees System	1,258,318	145,918	(713,762)
Total	\$43,104,942	\$18,455,476	\$(2,146,288)

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 9. RETIREMENT PLANS (Continued)**

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

**Defined Contribution Savings Plans**

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

Uintah School District participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan
- Traditional IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

	<b>2020</b>	<b>2019</b>	<b>2018</b>
401(k) Plan			
Employer Contributions	\$593,022	\$568,711	\$562,145
Employee Contributions	\$466,599	\$385,188	\$322,864
457 Plan			
Employer Contributions	\$0	\$0	\$10,000
Employee Contributions	\$43,662	\$43,088	\$40,254
Roth IRA Plan			
Employer Contributions	NA	NA	NA
Employee Contributions	\$93,801	\$64,785	\$59,506
Traditional IRA Plan			
Employer Contributions	NA	NA	NA
Employee Contributions	\$1,250	\$2,358	\$3,339

UINTAH SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 10. COMMITMENTS**

On May 15, 2020, Uintah School District entered into an agreement to purchase real property. This property will be acquired to address facility needs and improvements for the district. The purchased real estate will serve as the new transportation facility, allow a central location for the technology department, provide a new district office for administration, provide training space and will also allow for expansion in the future, if necessary. The final cost of this property is still in the process of being finalized; however, in August 2020 Uintah School District budgeted 9 million dollars to cover the cost of the property, and additional expenses associated with this overall project. The closing date on this property is expected to take place in early in the year 2021.

**NOTE 11. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the auditor's report date, which is the date the financial statements were available to be issued. There were no subsequent events to disclose.

In March 2020, Coronavirus Disease 2019 (COVID-19) began spreading throughout the United States. Due to the projected widespread impact of this virus critical actions were taken by the Federal government, State governments, and local governments to reduce the spread. Some of these actions included closing businesses, requesting people to remain home, and other actions intended to help slow the declared pandemic. These actions have resulted in a widespread contraction of the world and local economy as businesses are being disrupted. Management of Uintah School District has evaluated the District's ability to maintain operations for at least the twelve-month period after the issuance of this audit. Based on a combination of their available liquid assets and other strategic plans in dealing with the pandemic, the management of Uintah School District is comfortable that it will be able to continue operations. However, as the actions of Federal, State, and local authorities in response to COVID 19 are still ongoing, the full effects of this pandemic on the ability of the Organization to maintain operations is not fully able to be determined at this time.

UTAH RETIREMENT SYSTEMS  
REQUIRED SUPPLEMENTARY INFORMATION

UINTAH SCHOOL DISTRICT  
 SCHEDULE OF THE PROPORTIONATE SHARE  
 OF THE NET PENSION LIABILITY  
 UTAH RETIREMENT SYSTEMS  
 FOR THE YEAR ENDED JUNE 30, 2020  
 LAST 10 FISCAL YEARS\*

	As of Fiscal Year Ended June 30,	Noncontributory System	Contributory Retirement System	Tier 2 Public Employees System
Proportion of the net pension liability (asset)	2020	0.8208611%	1.0497351%	0.6487925%
	2019	0.7603328%	0.6978786%	0.6861385%
	2018	0.7635878%	0.7600335%	0.7414185%
	2017	0.7755395%	0.8407068%	0.8830167%
	2016	0.8058319%	0.7507234%	1.0064740%
	2015	0.8134165%	0.6922830%	1.0085858%
Proportionate share of the net pension liability (asset)	2020	\$18,237,086	\$72,472	\$145,918
	2019	\$28,288,312	\$495,497	\$293,858
	2018	\$18,672,487	\$50,013	\$65,369
	2017	\$25,134,591	\$460,672	\$98,500
	2016	\$25,313,488	\$470,442	(\$2,197)
	2015	\$20,437,323	\$75,908	(\$30,565)
Covered employee payroll	2020	\$19,488,881	\$117,113	\$9,035,834
	2019	\$19,116,477	\$135,440	\$8,067,296
	2018	\$18,942,660	\$172,929	\$7,286,455
	2017	\$19,192,853	\$225,366	\$7,241,479
	2016	\$19,960,149	\$237,812	\$6,499,311
	2015	\$21,072,693	\$253,538	\$4,935,313
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2020	93.58%	61.88%	1.61%
	2019	147.98%	365.84%	3.64%
	2018	98.57%	28.92%	0.90%
	2017	130.96%	204.41%	1.36%
	2016	126.82%	197.82%	(0.03%)
	2015	97.0%	29.9%	(0.6%)
Plan fiduciary net position as a percentage of the total pension liability	2020	90.1%	98.9%	96.5%
	2019	84.1%	91.4%	90.8%
	2018	89.2%	99.2%	97.4%
	2017	84.9%	93.4%	95.1%
	2016	84.5%	92.4%	100.2%
	2015	87.2%	98.7%	103.5%

\*Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of their proportionate share of the net pension liability (asset) in RSI. This schedule provides the annual information since adoption of GASB 68.

UINTAH SCHOOL DISTRICT  
SCHEDULE OF CONTRIBUTIONS  
UTAH RETIREMENT SYSTEMS  
FOR THE YEAR ENDED JUNE 30, 2020  
LAST 10 FISCAL YEARS

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	\$4,184,958	\$4,184,958	\$-	\$20,954,542	19.97%
	2015	4,479,911	4,479,911	-	20,657,790	21.69%
	2016	4,318,402	4,318,402	-	19,608,335	22.02%
	2017	4,191,569	4,191,569	-	18,992,580	22.07%
	2018	4,151,345	4,151,345	-	18,825,633	22.05%
	2019	4,250,767	4,250,767	-	19,310,901	22.01%
	2020	4,515,176	4,515,176	-	20,502,304	22.02%
Contributory System	2014	\$39,463	\$39,463	\$-	\$252,004	15.66%
	2015	45,008	45,008	-	258,470	17.41%
	2016	40,412	40,412	-	228,716	17.67%
	2017	36,763	36,763	-	207,702	17.70%
	2018	25,482	25,482	-	143,965	17.70%
	2019	21,193	21,193	-	119,734	17.70%
	2020	22,225	22,225	-	125,564	17.70%
*Tier 2 Public Employees System	2014	\$694,480	\$694,480	\$-	\$4,210,090	16.51%
	2015	1,014,965	1,014,965	-	5,608,809	18.10%
	2016	1,347,512	1,347,512	-	7,385,919	18.24%
	2017	1,282,891	1,282,891	-	7,036,004	18.23%
	2018	1,392,182	1,392,182	-	7,569,257	18.39%
	2019	1,631,068	1,631,068	-	8,671,461	18.81%
	2020	1,890,818	1,890,818	-	9,974,915	18.96%
*Tier 2 Public Employees DC Only System	2014	\$62,561	\$62,561	\$-	\$756,025	8.27%
	2015	112,160	112,160	-	1,140,080	9.84%
	2016	126,954	126,954	-	1,262,381	10.03%
	2017	141,610	141,610	-	1,393,191	10.16%
	2018	148,471	148,471	-	1,481,746	10.02%
	2019	151,787	151,787	-	1,514,836	10.02%
	2020	161,074	161,074	-	1,607,517	10.02%



UINTAH SCHOOL DISTRICT  
SCHEDULE OF CONTRIBUTIONS  
UTAH RETIREMENT SYSTEMS  
FOR THE YEAR ENDED JUNE 30, 2020  
LAST 10 FISCAL YEARS

\*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

**Changes in Assumptions**

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

## OTHER SUPPLEMENTARY INFORMATION

UINTAH SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

	Food Service Fund	Tax Increment Financing	Student Activity Fund	Total
Assets:				
Cash and investments	\$ 913,039	\$ -	\$ 737,470	\$ 1,650,509
Accounts receivable				
Property taxes	-	597,373	-	597,373
State	115,257	-	-	115,257
Federal	111,076	-	-	111,076
Inventory	578,811	-	-	578,811
Total assets	<u>\$ 1,718,183</u>	<u>\$ 597,373</u>	<u>\$ 737,470</u>	<u>\$ 3,053,026</u>
Liabilities:				
Accounts payable	\$ 2,678	\$ -	\$ -	\$ 2,678
Accrued salaries and benefits	52,506	-	-	52,506
Unearned revenue	-	-	5,586	5,586
Total liabilities	<u>55,184</u>	<u>-</u>	<u>5,586</u>	<u>60,770</u>
Deferred inflows of resources:				
Property taxes available in future years	-	597,373	-	597,373
Total deferred inflows of resources	<u>-</u>	<u>597,373</u>	<u>-</u>	<u>597,373</u>
Fund balances:				
Nonspendable				
Inventory	578,811	-	-	578,811
Restricted				
Food Service	1,084,188	-	-	1,084,188
Assigned				
Student Activity Fund	-	-	731,884	731,884
Total fund balances	<u>1,662,999</u>	<u>-</u>	<u>731,884</u>	<u>2,394,883</u>
Total Liabilities, Deferred inflows of resources and Fund balances	<u>\$ 1,718,183</u>	<u>\$ 597,373</u>	<u>\$ 737,470</u>	<u>\$ 3,053,026</u>

The accompanying notes are an integral part of this schedule.

UINTAH SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	Food Service	Tax Increment	Student	
	Fund	Financing	Activity Fund	Total
Revenues:				
Property taxes	\$ -	\$ 690,319	\$ -	\$ 690,319
Earnings on investment	15,820	-	13,526	29,346
Local school lunch sales	602,456	-	-	602,456
Other revenue	23,122	-	928,689	951,811
State aid	639,814	-	1,277	641,091
Federal aid	2,043,753	-	-	2,043,753
Total revenues	<u>3,324,965</u>	<u>690,319</u>	<u>943,492</u>	<u>4,958,776</u>
Expenditures:				
Current:				
Instructional services	-	-	981,430	981,430
Supporting services:				
Instructional staff	-	-	78,638	78,638
School administration	-	-	2,430	2,430
Student transportation	-	-	5,999	5,999
Non-instructional services	-	690,319	3,105	693,424
School lunch services	<u>3,242,242</u>	<u>-</u>	<u>-</u>	<u>3,242,242</u>
Total expenditures	<u>3,242,242</u>	<u>690,319</u>	<u>1,071,602</u>	<u>5,004,163</u>
Net change in fund balances	<u>82,723</u>	<u>-</u>	<u>(128,110)</u>	<u>(45,387)</u>
Fund balances - beginning	<u>1,580,276</u>	<u>-</u>	<u>859,994</u>	<u>2,440,270</u>
Fund balances - ending	<u>\$ 1,662,999</u>	<u>\$ -</u>	<u>\$ 731,884</u>	<u>\$ 2,394,883</u>

The accompanying notes are an integral part of this schedule.

## STATE COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
AS REQUIRED BY THE *UTAH STATE COMPLIANCE AUDIT GUIDE*

To the Board of Education, Audit Committee  
and the Superintendent  
Uintah School District  
Vernal, Utah

**Report on Compliance**

We have audited Uintah School District's compliance with the following applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material affect on Uintah School District for the year ended June 30, 2020.

State compliance requirements were tested for the year ended June 30, 2020 in the following areas:

- Budgetary Compliance
- Fund Balance
- Restricted Taxes and Related Restricted Revenue
- Open and Public Meetings Act
- Fraud Risk Assessment
- Tax Levy Revenue Recognition
- Minimum School Program – Unrestricted Programs
- Minimum School Program – Restricted Programs: Special Education, Teacher and Student Success Act and Dual Immersion

***Management's Responsibility***

Management is responsible for compliance with the state requirements referred to above.

***Auditor's Responsibility***

Our responsibility is to express an opinion on Uintah School District's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about Uintah School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of Uintah School District's compliance with those requirements.

### ***Opinion on Compliance***

In our opinion, Uintah School District, complied, in all material respects, with the state requirements referred to above for the year ended June 30, 2020.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying schedule of findings and questioned costs as item 2020-02. Our opinion on compliance is not modified with respect to these matters.

Uintah School District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Uintah School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report On Internal Control Over Compliance**

Management of Uintah School District is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered Uintah School District's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Uintah School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over

compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Wiggins & Co., P.C.

Ogden, Utah  
October 30, 2020



AUDITOR'S REPORTS AND SUPPLEMENTAL SCHEDULES REQUIRED BY  
THE SINGLE AUDIT ACT AND *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education, Audit Committee  
and the Superintendent  
Uintah School District  
Vernal, Utah

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Uintah School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Uintah School District's basic financial statements and have issued our report thereon dated October 30, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Uintah School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Uintah School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Uintah School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain

deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-01 that we consider to be significant deficiencies.

### **Compliance and Other Matters**

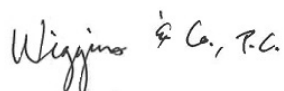
As part of obtaining reasonable assurance about whether Uintah School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Uintah School District's Response to Findings**

Uintah School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Uintah School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wiggins & Co., P.C.

Ogden, Utah  
October 30, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education, Audit Committee  
and the Superintendent  
Uintah School District  
Vernal, Utah

**Report on Compliance for Each Major Federal Program**

We have audited Uintah School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Uintah School District's major federal programs for the year ended June 30, 2020. Uintah School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Uintah School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Uintah School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Uintah School District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Uintah School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

### **Report on Internal Control over Compliance**

Management of Uintah School District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Uintah School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Uintah School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Wiggins & Co., P.C.*

Ogden, Utah  
October 30, 2020

**UINTAH SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Expenditures
<b>U. S. DEPARTMENT OF EDUCATION</b>			
<b>Direct Programs</b>			
Impact Aid Title VII (PL-874)	84.041	N/A	\$ 671,483
Indian Education Title IV	84.060	N/A	124,815
Total Direct			796,298
<b>Passed Through State Department of Education</b>			
Title 1 Grants to Local Educational Agencies/Administration	84.010A	08	725,116
Title 1 Comprehensive School Improvement	84.010A	08	9,307
School Improvement Grant T122-1003(g)	84.010A	08	68
		*	734,491
Special Education Cluster			
Special Education - State Grants	84.027A	19	1,394,234
Special Education - Results Driven	84.027A		15,000
Special Education - Preschool Grants	84.173A	52	80,290
Total Special Education Cluster			1,489,524
Kindergarten Supplement Enrichment Federal	95.558	85	90,728
AEFLA Supplemental summer 18ELC	84.002A	33	52,303
Vocational Education - Basic Grants to States	84.048A	21	82,748
Vocational Education - Perkins Leadership	84.048A	21	5,771
Vocational Education - Regional Formula	84.048A	21	48,563
FR Perkins Special Proj Veterinary	84.048A	22	28,836
FR Perkins Special Proj Green House	84.048A	23	19,500
FR Spec Project Photography	84.048A		35,000
Improving Teacher Quality	84.367A	74	235,406
Title III - English Language Acquisition and Immigrant	84.365A	73	19,143
21st Century Eagle View	84.287C	60	38,613
21st Century Supplemental Eagle View	84.287	60	18,686
Title IV Student Support & Academic Enrichment Grants	84.424A		46,659
Total passed through Utah State Department of Education			2,945,971
Total U.S. Department of Education			3,742,269
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<b>Passed Through State Department of Education</b>			
Child Nutrition Cluster			
National School Lunch Program/Special Assistance Program	10.555	46	1,470,652
School Breakfast Program	10.553	46	258,031
NSLP (Commodities)	10.555	46	285,736
Federal Other Child Nutrition Grant	10.579	46	29,334
Total passed through Utah State Department of Education		*	2,043,753
<b>Passed through Utah State Division of Finance</b>			
Forest Reserve	10.665	SRS2017	159,188
Total passed through Utah State Division of Finance			159,188
Total U.S. Department of Agriculture			2,202,941
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b>Passed through Utah Division of Workforce Services</b>			
Kindergarten Match Partnerships	93.575	141044	46,815
Total passed through Utah Division of Workforce Services			46,815
Total U.S. Department of Health and Human Services			46,815
<b>FEDERAL COMMUNICATIONS COMMISSION</b>			
<b>Passed through the Universal Service Program</b>			
E-Rate	32.004	*	193,204
Total passed through Universal Service Program			193,204
Total Federal Communications Commission			193,204
Total Expenditures of Federal Awards			\$ 6,185,229

\* – Major Programs

The accompanying notes are an integral part of this schedule.

UINTAH SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 1. PURPOSE OF SCHEDULE**

The accompanying Schedule of Expenditures of Federal Awards is a supplementary schedule to the District's financial statements and is presented for purposes of additional analysis.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

- A. **Basis of Presentation** - The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Uintah School District under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Uintah School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Uintah School District. The Schedule presents the activity of all federal award programs of the District. Of the federal expenditures reported in the schedule, the District provided no federal awards to subrecipients.

Federal Financial Assistance - Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, non-monetary federal awards, including federal surplus property, are included in federal awards and, therefore, are reported on the Schedule. Federal awards do not include direct federal cash assistance to individuals. Solicited contracts between the State and Federal Government for which the Federal Government procures tangible goods or services are not considered to be federal awards.

Major and Nonmajor Programs – Uniform Guidance establishes the levels of expenditures or expenses to be used in defining major and nonmajor federal awards programs.

- B. **Reporting Entity** - The reporting entity is fully described in the footnotes of Uintah School District's financial statements.

UINTAH SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (continued)**

- C.      **Basis of Accounting** - The expenditures in the Schedule are recognized as incurred based on the modified accrual basis of accounting and the cost accounting principles contained in the Uniform Guidance. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Costs - The schedule includes a portion of costs associated with general School District activities which are allocated to federal awards under negotiated formulas commonly referred to as indirect cost rates. Uintah School District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Matching Costs - The Schedule does not include matching expenditures.

Non-monetary Assistance - The District received non-monetary assistance during the fiscal year in the means of federal food distribution (commodities).



UINTAH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of Auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	_____ yes <u>X</u> no
Significant deficiency(ies) identified not considered to be a material	<u>X</u> yes    _____ no
Noncompliance material to financial statements noted?	_____ yes <u>X</u> no

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	_____ yes <u>X</u> no
Significant deficiency(ies) identified not considered to be a material	_____ yes <u>X</u> no
Type of Auditors' report on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____ yes <u>X</u> no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010A	Title 1 Grants to Local Educational Agencies/Administration
10.555	National School Lunch Program/Special Assistance Program
10.553	School Breakfast Program
10.555	NSLP (Commodities)
10.579	Federal Other Child Nutrition Grant
32.004	E-Rate

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u>X</u> yes    _____ no

UINTAH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020

**Section II - Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding 2020-01 Fund Balances

*Condition:* The General Fund fund balance required an adjustment of \$129,965.

*Criteria:* The beginning fund balance should agree to the prior year audited balance.

*Cause of condition:* The closing process did not identify and correct the difference.

*Potential effect of condition:* The beginning fund balance did not agree to the prior year audited balance.

*Recommendation:* The District should provide additional procedures in the closing process in order to verify that the fund balances are correctly reported.

**Section III - Federal Award Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with the Uniform Guidance.

There are no current year federal award findings.

**Section IV – State Compliance**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with the Utah State Compliance Audit Guide.

Finding 2020-02 Fraud Risk Assessment

*Condition:* The Utah State Auditor's Office Fraud Risk Assessment was not completed and presented to the governing body by the end of the 2020 fiscal year.

*Criteria:* The Utah State Auditor's Office has developed a Fraud Risk Assessment for all local governments in evaluating their respective fraud risks. The state Auditor requires the assessment to be completed and presented to the governing body by the end of the 2020 fiscal year. Further, the assessment must be certified by the Chief Administrative Officer and the Chief Financial Officer and submitted to the state Auditor's Office within six months after the end of the fiscal year.

*Cause of condition:* This is a new requirement of the Utah State Auditor's Office. Nearly the same time as the assessment was published, the COVID-19 pandemic created significant pressing challenges for the District.

*Potential effect of condition:* The District assessment was not completed prior to the 2020 fiscal year end.

*Recommendation:*

The District should adopt procedures for completion and review of the assessment.

UINTAH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020

There were no prior year findings.



# Uintah School District

## *Board of Education*

Kurt Case, President • Robin McClellan, Vice President  
Dave Chivers, Member • Sarah Lamb, Member • Harlan "Scoot" Wilkins, Member

**To: Members, Board of Education**

**From: Jason Johnson**  
**Business Administrator**

**Date: November 11, 2020**

**Re: FY2019-2020 Audit Review Memo**

For year end June 30, 2020 there were two audit findings which management has been asked to address:

1. Finding 2020-01 Fund Balances
  - a. This finding occurred because in closing out the trial balance, fund balance was incorrectly posted to revenue. USD sent a preliminary trial balance to the auditors to begin the audit and discovered that revenues were out of balance.
  - b. Remedy: The USD finance department will close the trial balance at least one week before the audit begins. USD will also create a "Closing Financial Statements Checklist". This will assist USD in assuring that the trial balance is ready for the audit.
2. Finding 2020-01 Fraud Risk Assessment
  - a. This finding occurred because USD management was unaware that an assessment had to be completed and have Board Approval before June 30, 2020.
  - b. This Assessment will be part of the USD June Year-end Board Meeting Agenda.

