

NEW ISSUE

Rating: Moody's "Aaa" (State of Utah Guaranty; underlying "Aa1")
See "STATE OF UTAH GUARANTY" and "MISCELLANEOUS—Bond Ratings" herein.

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the 2020 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the 2020 Bonds is exempt from State of Utah individual income taxes. See "TAX MATTERS" herein.



Davis School District
Learning First

\$55,170,000

**Board of Education of
Davis School District, Utah**

**General Obligation Bonds
(Utah School District Bond Guaranty Program), Series 2020**

The \$55,170,000 General Obligation Bonds (Utah School District Bond Guaranty Program), Series 2020 are issuable by the Board of Education of Davis School District, Utah, as fully-registered bonds and, when initially issued, will be in book-entry only form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York. DTC will act as securities depository for the 2020 Bonds.

Principal of and interest on the 2020 Bonds (interest payable June 1 and December 1 of each year, commencing December 1, 2020) are payable by U.S. Bank National Association, as Paying Agent, to the registered owners thereof, initially DTC. See "THE 2020 BONDS—Book-Entry System" herein.

The 2020 Bonds are subject to optional redemption prior to maturity. See "THE 2020 BONDS—Redemption Provisions"—herein.

The 2020 Bonds will be general obligations of the Board payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all taxable property in Davis School District, Utah, fully sufficient to pay the 2020 Bonds as to both principal and interest.

Payment of the principal of and interest on the 2020 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the

State of Utah

under the provisions of the Utah school district bond guaranty. See "STATE OF UTAH GUARANTY" herein.

Dated: Date of Delivery¹

Due: June 1, as shown on inside front cover

See the inside front cover for the maturity schedule of the 2020 Bonds

The 2020 Bonds were awarded pursuant to competitive bidding received by means of the *PARITY*® electronic bid submission system on April 16, 2020 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated as of the date of the PRELIMINARY OFFICIAL STATEMENT) to the successful bidder at a "true interest rate" of 2.08%.

Zions Public Finance, Inc., Salt Lake City, Utah, acted as Municipal Advisor.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.

This OFFICIAL STATEMENT is dated April 16, 2020, and the information contained herein speaks only as of that date.

¹ The anticipated date of delivery is Thursday, April 30, 2020.

Davis School District, Utah

\$55,170,000

General Obligation Bonds (Utah School District Bond Guaranty Program), Series 2020

Dated: Date of Delivery¹

Due: June 1, as shown below

Due June 1	CUSIP® 239019	Principal Amount	Interest Rate	Yield
2021.....	3B6	\$16,120,000	5.00 %	0.86%
2022.....	3C4	1,340,000	5.00	0.88
2023.....	3D2	1,405,000	5.00	0.90
2024.....	3E0	1,475,000	5.00	0.91
2025.....	3F7	1,550,000	5.00	0.95
2026.....	3G5	1,625,000	5.00	0.97
2027.....	3H3	1,710,000	5.00	1.00
2028.....	3J9	1,795,000	5.00	1.04
2029.....	3K6	1,885,000	5.00	1.11
2030.....	3L4	1,975,000	5.00	1.20 ^c
2031.....	3M2	2,075,000	4.00	1.38 ^c
2032.....	3N0	2,160,000	4.00	1.53 ^c
2033.....	3P5	2,245,000	4.00	1.68 ^c
2034.....	3Q3	2,335,000	3.00	2.00 ^c
2035.....	3R1	2,405,000	3.00	2.10 ^c
2036.....	3S9	2,475,000	3.00	2.16 ^c
2037.....	3T7	2,550,000	2.50	2.51
2038.....	3U4	2,615,000	2.50	2.55
2039.....	3V2	2,680,000	2.50	2.59
2040.....	3W0	2,750,000	2.625	2.63

¹ The anticipated date of delivery is Thursday, April 30, 2020.

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^c Priced to par call on June 1, 2029.

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This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, the 2020 Bonds (as defined herein), by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by any of: the Board of Education of Davis School District, Utah (the “Board”); Zions Public Finance, Inc., Salt Lake City, Utah (as Municipal Advisor); U.S. Bank National Association, (as Paying Agent); the State of Utah; the successful bidder(s); or any other entity. The information contained herein has been obtained from the Board, The Depository Trust Company, New York, New York, the State of Utah, and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery or exchange of the 2020 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the Board, since the date hereof.

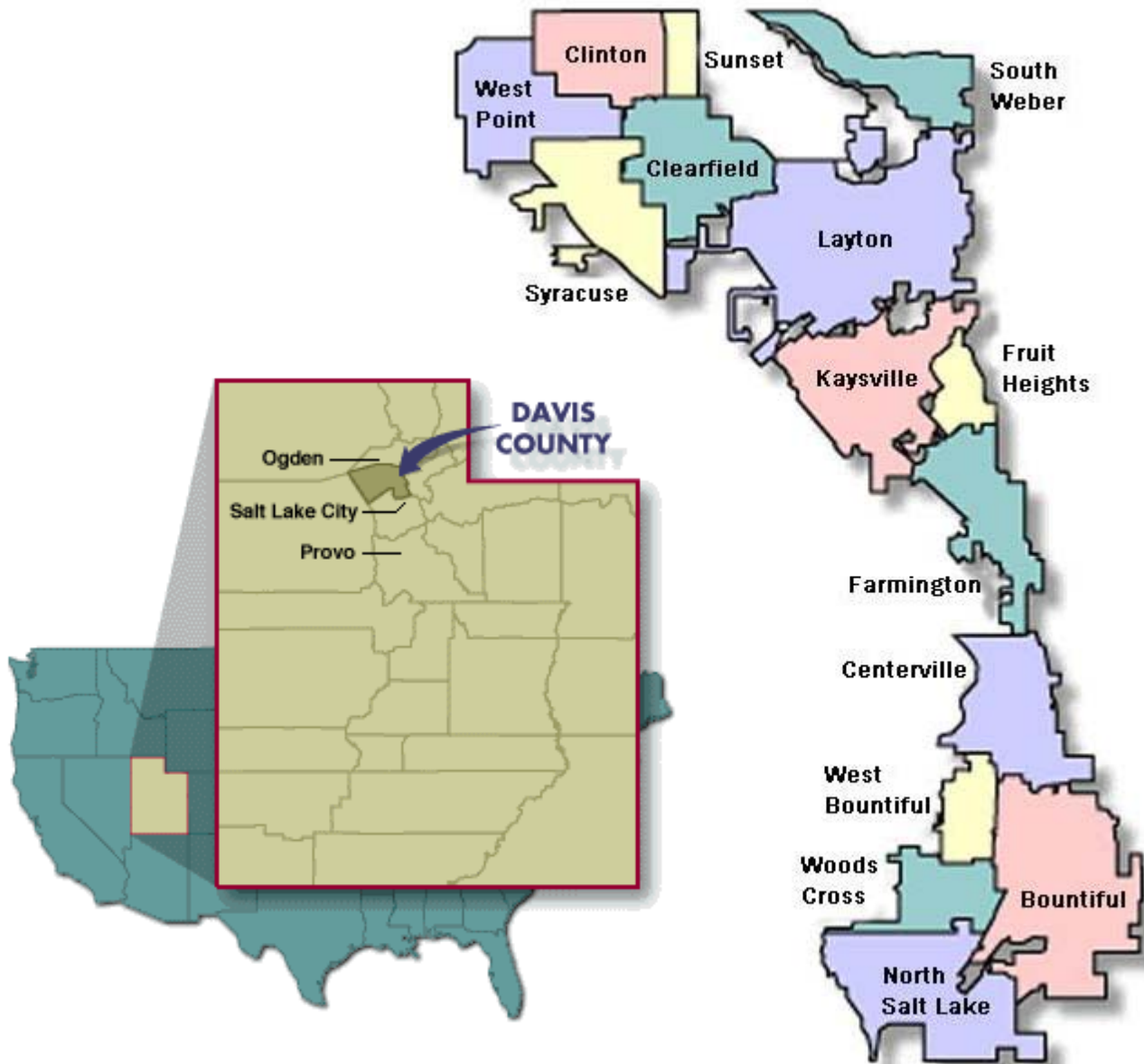
The 2020 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

The yields/prices at which the 2020 Bonds are offered to the public may vary from the initial reoffering yields/prices on the inside cover page of this OFFICIAL STATEMENT. In addition, the successful bidder(s) may allow concessions or discounts from the initial offering prices of the 2020 Bonds to dealers and others. With any offering of the 2020 Bonds, the successful bidder(s) may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2020 Bonds. Such transactions may include overallotments in connection with the purchase of 2020 Bonds to stabilize their market price and to cover the successful bidder’s short positions. Such transactions, if commenced, may be discontinued at any time.

Forward-Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT may constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as “plan,” “project,” “forecast,” “expect,” “estimate,” “budget” or other similar words. ***The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Board does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.***

The CUSIP® (Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover page of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders only, and the Board does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® numbers are subject to being changed after the issuance of the 2020 Bonds because of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2020 Bonds.

The information available at web sites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided relating to the offering of the 2020 Bonds and is not a part of this OFFICIAL STATEMENT.



OFFICIAL STATEMENT RELATED TO

\$55,170,000

Board of Education of Davis School District, Utah

General Obligation Bonds (Utah School District Bond Guaranty Program), Series 2020

INTRODUCTION

This introduction is only a brief description of the 2020 Bonds, as hereinafter defined, the security and source of payment for the 2020 Bonds and certain information regarding the Board of Education (the “Board”) of Davis School District, Utah (the “District”). The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT, including the appendices. Investors are urged to make a full review of the entire OFFICIAL STATEMENT.

See the following appendices that are attached hereto and incorporated herein by reference: “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019;” “APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL;” “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING;” and “APPENDIX D—BOOK-ENTRY SYSTEM.”

When used herein the terms “Fiscal Year[s] 20YY” or “Fiscal Year[s] End[ed][ing] June 30, 20YY” shall refer to the year ended or ending on June 30 of the year indicated and beginning on July 1 of the preceding calendar year. The terms “Calendar Year[s] 20YY” or “Tax Year[s] 20YY” shall refer to the year beginning on January 1 and ending on December 31 of the year indicated. Capitalized terms used but not otherwise defined herein have the same meaning as given to them in the Resolution, as hereinafter defined.

Public Sale/Electronic Bid

The 2020 Bonds were awarded pursuant to competitive bidding received by means of the PARITY® electronic bid submission system on April 16, 2020 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated as of the date of the PRELIMINARY OFFICIAL STATEMENT) to J.P. Morgan Securities, New York, New York at a “true interest rate” of 2.08%.

Davis School District, Utah

The District was established in 1911 and shares common boundaries with Davis County, Utah (the “County”). The County, incorporated in 1853, covers an area of approximately 304 (land area) square miles and is in the north central portion of the State of Utah (the “State”). See the location map above. The southern boundary of the County adjoins the northern boundary of Salt Lake City, Utah and Salt Lake County, Utah. The northern boundary is approximately eight miles south of Ogden City, Utah. The County had 351,713 residents per the 2018 population estimate by the U.S. Census Bureau, ranking the County as the third largest populated county in the State (out of 29 counties).

The 2020 Bonds

This OFFICIAL STATEMENT, including the cover page, introduction and appendices, provides information about the issuance and sale by the Board of its \$55,170,000 General Obligation Bonds (Utah School District Bond Guaranty Program), Series 2020 (the “2020 Bond” or “2020 Bonds”), initially issued in book–entry form only.

Security

The 2020 Bonds will be general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all taxable property in the District, fully sufficient to pay the 2020 Bonds as to both principal and interest. See “SECURITY AND SOURCES OF PAYMENT” and “FINANCIAL INFORMATION REGARDING DAVIS SCHOOL DISTRICT, UTAH—Ad Valorem Tax Levy And Collection” below.

Payment of the principal of and interest on the 2020 Bonds when due is guaranteed by the full faith and credit and unlimited taxing power of the State under the provisions of Title 53G, Chapter 4, Part 8 (the “Guaranty Act”), Utah Code Annotated 1953, as amended (the “Utah Code”). See “STATE OF UTAH GUARANTY” below.

Authorization For And Purpose Of The 2020 Bonds

Authorization. The 2020 Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14 (the “Local Government Bonding Act”), Utah Code, (ii) the resolution of the Board adopted on March 3, 2020 (the “Resolution”), which provides for the issuance of the 2020 Bonds, and (iii) other applicable provisions of law.

The 2020 Bonds were authorized at a special bond election held for that purpose on November 3, 2015 (the “2015 Bond Election”). The proposition submitted to the voters of the District was as follows:

Shall the Board of Education of Davis School District, Utah, be authorized to issue general obligation bonds in an amount not to exceed Two Hundred Ninety Eight Million Dollars (\$298,000,000) for the purpose of defraying all or a portion of the costs of acquiring land, acquiring, constructing, furnishing and equipping new school facilities, and improving existing facilities; and related improvements; and authorization and issuance of the Bonds; said Bonds to be due and payable in not to exceed twenty–one (21) years from the date of issuance of the bonds?

At the 2015 Bond Election there were 31,821 votes cast in favor of the issuance of bonds and 19,859 votes cast against the issuance of bonds, for a total vote count of 51,680, with approximately 62% in favor of the issuance of bonds.

The 2020 Bonds are the fifth and final block of bonds to be issued from the 2015 Bond Election. After the sale and delivery of the 2020 Bonds, the Board will have no remaining authorized unissued bonds from the 2015 Bond Election.

Purpose. The 2020 Bonds are being issued to fund various equipment, acquisition and construction projects as set forth in the 2015 Bond Election propositions and to pay certain costs of issuance. See “THE 2020 BONDS—Sources And Uses Of Funds” below.

Redemption Provisions

The 2020 Bonds are subject to optional redemption prior to maturity. See “THE 2020 BONDS—Redemption Provisions” herein.

Registration, Denominations, Manner Of Payment

The 2020 Bonds are issuable only as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the 2020 Bonds. Purchases of 2020 Bonds will be made in book–entry form only, in the principal amount of \$5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC’s Direct Participants (as defined herein). Beneficial Owners (as defined herein) of the 2020 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2020 Bonds. “Direct Participants,” “Indirect Participants” and “Beneficial Owners” are defined under “APPENDIX D—BOOK–ENTRY SYSTEM.”

Principal of and interest on the 2020 Bonds (interest payable June 1 and December 1 of each year, commencing December 1, 2020) are payable by U.S. Bank National Association, Corporate Trust Services (“U.S. Bank”), as paying agent (the “Paying Agent”) for the 2020 Bonds, to the registered owners of the 2020 Bonds. So long as Cede & Co. is the registered owner of the 2020 Bonds, DTC will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2020 Bonds, as described in “APPENDIX D—BOOK–ENTRY SYSTEM.”

So long as DTC or its nominee is the registered owner of the 2020 Bonds, neither the Board nor the Paying Agent will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2020 Bonds. Under these same circumstances, references herein and in the Resolution to the “Bondowners” or “Registered Owners” of the 2020 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2020 Bonds.

Tax–Exempt Status Of The 2020 Bonds

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on the 2020 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the 2020 Bonds is exempt from State of Utah individual income taxes. See “TAX MATTERS” below. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the 2020 Bonds.

Professional Services

In connection with the issuance of the 2020 Bonds, the following have served the Board in the capacity indicated.

Attorneys for the Board

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Conditions Of Delivery, Anticipated Date, Manner, And Place Of Delivery

The 2020 Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s), subject to the approval of legality of the 2020 Bonds by Gilmore & Bell, P.C., Bond Counsel to the Board, and certain other conditions. Certain legal matters will be passed on for the Board by the attorneys for the Board, Fabian VanCott, Salt Lake City, Utah. It is expected that the 2020 Bonds, in book–entry form only, will be available for delivery in Salt Lake City, Utah for deposit with U.S. Bank, a “fast agent” of DTC, on or about Thursday, April 30, 2020.

Continuing Disclosure Undertaking

The Board will enter a continuing disclosure undertaking for the benefit of the Beneficial Owners of the 2020 Bonds. For a detailed discussion of this disclosure undertaking, previous undertakings and timing of submissions see “CONTINUING DISCLOSURE UNDERTAKING” below and “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the Board, the District, the 2020 Bonds, and the Resolution are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Resolution are qualified in their entirety by reference to such document and references herein to the 2020 Bonds are qualified in their entirety by reference to the form thereof included in the Resolution. The “basic documentation” which includes the Resolution, the closing documents and other documentation, authorizing the issuance of the 2020 Bonds and establishing the rights and responsibilities of the Board and other parties to the transaction, may be obtained from the “contact persons” as indicated below.

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Salt Lake City, Utah (the “Municipal Advisor”) to the Board:

Johnathan Ward, Senior Vice President, johnathan.ward@zionsbancorp.com
Cara Bertot, Vice President, cara.bertot@zionsbancorp.com

Zions Public Finance, Inc.
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7373 | f 801.844.4484

As of the date of this OFFICIAL STATEMENT, the chief contact person for the Board concerning the 2020 Bonds is:

Craig A. Carter, Business Administrator
ccarter@dsdmail.net
Davis School District Administration Center
PO Box 588 (45 E State St)
Farmington UT 84025-0588
801.402.5256 | f 801.402.5249

As of the date of this OFFICIAL STATEMENT, the chief contact person for the State concerning the State guaranty for the 2020 Bonds is:

David Damschen, Utah State Treasurer, ddamschen@utah.gov
Utah State Treasurer's Office
350 N State St Ste C-180
(PO Box 142315)
Salt Lake City UT 84114-2315
801.538.1042 | f 801.538.1465

SECURITY AND SOURCES OF PAYMENT

The 2020 Bonds will be general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all the taxable property in the District, fully sufficient to pay the 2020 Bonds as to both principal and interest.

Payment of the principal of and interest on the 2020 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State under the provisions of the Guaranty Act. See "STATE OF UTAH GUARANTY" below.

See "FINANCIAL INFORMATION REGARDING DAVIS SCHOOL DISTRICT, UTAH—Property Tax Matters" and "STATE OF UTAH SCHOOL FINANCE" below.

STATE OF UTAH GUARANTY

Guaranty Provisions

Payment of the principal of and interest on the 2020 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State under the provisions of the Guaranty Act. The Guaranty Act establishes the default avoidance program (the "Program" or the "School District Bond Guaranty"). The State's guaranty is contained in Section 53G-4-802 (2)(a) of the Guaranty Act, which provides as follows:

The full faith and credit and unlimited taxing power of the state is pledged to guarantee full and timely payment of the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, bonds as such payments shall become due (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration).

In addition, the Guaranty Act provides that the State pledges to and agrees with the holders of bonds guaranteed under the Guaranty Act that the State will not alter, impair, or limit the rights vested by the Program with respect to said bonds until said bonds, together with applicable interest, are fully paid and discharged. However, this pledge does not preclude an alteration, impairment, or limitation if adequate provision is made by law for the protection of the holders of the bonds.

The Guaranty Act further provides that (i) the guaranty of the State does not extend to the payment of any redemption premium due on any bonds guaranteed under the Guaranty Act and (ii) bonds which are guaranteed by the State for which payment is provided by the deposit of direct obligations of the United States government under the provisions of the Refunding Bond Act, Title 11, Chapter 27, Utah Code, will no longer be secured by the State's guaranty subsequent to such provision for payment. This is likely to occur only if such bonds are refunded in advance of their maturity. In such an event, such bonds would then be secured solely by the obligations pledged for their payment and not by the State's guaranty.

Guaranty Procedures

Under the Guaranty Act, the Business Administrator of the Board (the "Business Administrator") is required to transfer moneys sufficient for scheduled debt service payments on the 2020 Bonds to the Paying Agent at least 15 days before any principal or interest payment date for the 2020 Bonds. If the Business Administrator is unable to transfer the scheduled debt service payment to the Paying Agent at least 15 days before the payment date, the Business Administrator must immediately notify the Paying Agent and the Utah State Treasurer (the "State Treasurer") by (i) telephone and (ii) a writing sent by (a) facsimile transmission and (b) first-class United States mail. In addition, if the Paying Agent has not received the scheduled debt service payment at least 15 days prior to the scheduled debt service payment date for the 2020 Bonds, then the Paying Agent must at least 10 days before the scheduled debt service payment notify the State Treasurer of that failure by (i) telephone and (ii) a writing sent by (a) facsimile transmission and (b) first-class United States mail. The Guaranty Act further provides that if sufficient moneys to pay the scheduled debt service payment have not been transferred to the Paying Agent, then the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the Paying Agent to make the scheduled debt service payment. Payment by the State of a debt service payment on the 2020 Bonds discharges the obligation of the Board to the bondholders for that payment, to the extent of the State's payment, and transfers the Board's obligation for that payment to the State.

In the event the State is called upon to make payment of principal of or interest on the 2020 Bonds on behalf of the Board, the State will use cash on hand (or from other legally available moneys) to make the payment. Under the Guaranty Act, the State Treasurer is required to immediately intercept any payments from the Uniform School Fund or from any other source of operating moneys provided by the State to the Board. The intercepted payments will be used to reimburse the State until all obligations of the Board to the State, including interest and penalties, are paid in full. The State does not currently expect to have to advance moneys to the Board pursuant to its guaranty. If, however, at the time the State is required to make a debt service payment under its guaranty on behalf of the Board, sufficient moneys are not on hand and available for that purpose, then the Guaranty Act provides that the State may seek a short-term loan from the Permanent School Fund sufficient to make the required payment (the Permanent School Fund is not required to make such a loan) or issue short-term State debt in the form of general obligation notes as provided in the Guaranty Act. The provisions of the Guaranty Act relating to short-term debt provide that such debt will carry the full faith and credit of the State and will be issued with a maturity of not more than 18 months so that the State could, if necessary, obtain liquidity financing on short notice. Under the State Constitution, debt incurred for this purpose does not count toward the constitutional debt limit of the State.

As of the date of this OFFICIAL STATEMENT, the State has guaranteed the following (statistics include this issuer but not this bond issue) under the Guaranty Act:

Number of school districts (out of 41 school districts in the State).....	40
Number of total bond issues	360
Aggregate total principal amount outstanding	\$3,748,575,000

The approximate aggregate total annual principal and interest payments (interest payments include anticipated federal interest subsidies on “Build America Bonds” and “Qualified School Construction Bonds”) due on bonds guaranteed by the State under the Program during Fiscal Years 2020 through 2025, inclusive, is as follows (currently, the Program’s annual principal and interest payments extend to Fiscal Year 2040):

Fiscal Year 2020	\$473,472,636
Fiscal Year 2021	442,843,607
Fiscal Year 2022	398,435,905
Fiscal Year 2023	367,894,597
Fiscal Year 2024	353,628,596
Fiscal Year 2025	339,017,166

(Source: Municipal Advisor.)

Purpose Of The Guaranty

The Guaranty Act is for the protection of the bondholders. Ultimate liability for the payment of the 2020 Bonds remains with the Board. Accordingly, the Guaranty Act contains provisions, including interception of State aid to the Board, possible action to compel levy of a tax sufficient to reimburse the State for any payments made to bondholders pursuant to its guaranty and various oversight provisions to assure that the Board, and not the State, will ultimately be responsible for debt service on the 2020 Bonds.

The Guaranty Act also charges the State Superintendent of Public Instruction with the responsibility to monitor and evaluate the fiscal solvency of each school board under the Program. He or she must immediately report to the Governor and the State Treasurer any circumstances suggesting that a school district will be unable to timely meet its debt service obligations and recommend a course of remedial action.

No Call On State Guaranty

According to the State Treasurer’s office, since the Guaranty Act’s inception in January 1997, the State has not been called upon to pay the principal of and interest on any bonds guaranteed under the Guaranty Act.

State Of Utah–Financial And Operating Information

The CAFR of the State for Fiscal Year 2019 (the “State CAFR”), its most recent official statements and current continuing disclosure information for its general obligation (CUSIP®917542) and lease revenue (CUSIP®917547) bond debt are currently on file with EMMA (emma.msrb.org), herein defined. The financial and operating information with respect to the State contained in the State CAFR, such official statements and continuing disclosure information, and the Master Agreement, as hereinafter defined, are hereby included by reference in this OFFICIAL STATEMENT; provided, however, the Board has not reviewed or approved and taken the responsibility for such financial and operating information incorporated herein by reference.

As of the date of this OFFICIAL STATEMENT, the outstanding general obligation bonds of the State are rated “AAA” by Fitch Ratings (“Fitch”), “Aaa” by Moody’s Investors Service, Inc. (“Moody’s”), and “AAA” by S&P Global Ratings (“S&P”).

CONTINUING DISCLOSURE UNDERTAKING

Continuing Disclosure Undertaking For 2020 Bonds

The Board will enter into a Continuing Disclosure Undertaking (the “Disclosure Undertaking”) for the benefit of the Beneficial Owners of the 2020 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) pursuant to the requirements of paragraph (b)(5) of Rule 15c2–12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment and remedies, are set forth in the proposed form of Disclosure Undertaking in “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

The Board represents that during the five years prior to the date of this OFFICIAL STATEMENT, the Board HAS NOT failed to comply in all material respects with its prior undertakings pursuant to the Rule.

Based on prior disclosure undertakings the Board submits its comprehensive annual financial report for each Fiscal Year Ending June 30 (the “CAFR”) and other operating and financial information on or before January 31 (seven months from the end of the Fiscal Year). The Board will submit the Fiscal Year 2020 CAFR and other required operating and financial information for the 2020 Bonds on or before January 31, 2021, and annually thereafter on or before each January 31.

A failure by the Board to comply with the Disclosure Undertaking will not constitute a default under the Resolution and Beneficial Owners of the 2020 Bonds are limited to the remedies described in the Disclosure Undertaking. See “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.” A failure by the Board to comply with the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2020 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2020 Bonds and their market price.

The Board is responsible for continuing disclosure under the Rule for all other matters relating to the 2020 Bonds.

Bond Counsel expresses no opinion as to whether the Disclosure Undertaking or the Master Agreement complies with the requirements of the Rule.

State of Utah Continuing Disclosure

The State has entered into a Master Continuing Disclosure Agreement (2019) (the “Master Agreement”) for the benefit of the Beneficial Owners of bonds guaranteed by the State pursuant to the Guaranty Act, including the 2020 Bonds. See “STATE OF UTAH GUARANTY” above. In the Master Agreement, the State has undertaken to send certain information annually and to provide notice of certain events to the MSRB through EMMA pursuant to the Rule, but solely as to its responsibilities under its guaranty. See “STATE OF UTAH GUARANTY—State Of Utah—Financial And Operating Information” above. For a copy of the Master Agreement, see treasurer.utah.gov/investor-information/school-bond-guarantee-program. Based on prior disclosure undertakings, the State submits its Fiscal Year Ending June 30 CAFR

and other operating and financial information on or before January 15 (on or before 199 days from the end of the Fiscal Year). See emma.msrb.org/StateofUtahhomepage.

THE 2020 BONDS

General

The 2020 Bonds will be dated the date of their original issuance and delivery¹ (the “Dated Date”) and will mature on June 1 of the years and in the amounts as set forth on the inside cover page of this OFFICIAL STATEMENT. The 2020 Bonds will bear interest from their Dated Date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2020 Bonds is payable semiannually on each June 1 and December 1, commencing December 1, 2020. Interest on the 2020 Bonds will be computed based on a 360-day year comprised of 12, 30-day months.

U.S. Bank is the Bond Registrar (the initial “Bond Registrar”) and Paying Agent for the 2020 Bonds under the Resolution.

The 2020 Bonds will be issued as fully-registered bonds, initially in book-entry form, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

The 2020 Bonds are being issued within the constitutional debt limit imposed on boards of education of school districts in the State. See “DEBT STRUCTURE OF DAVIS SCHOOL DISTRICT, UTAH—General Obligation Legal Debt Limit And Additional Debt Incurring Capacity” below.

Redemption Provisions

Optional Redemption. The 2020 Bonds maturing on and after June 1, 2030 are subject to redemption prior to maturity in whole or in part at the option of the Board on June 1, 2029, or on any date thereafter, from such maturities or parts thereof as shall be selected by the Board at the redemption price of 100% of the principal amount of the 2020 Bonds to be redeemed plus accrued interest (if any) thereon to the redemption date.

Should the Board elect to advance refund the 2020 Bonds and create an escrow fund for such refunding, the Board covenants and agrees that such escrow, to the extent not maintained in cash, shall be invested in direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same.

Selection for Redemption. If less than all 2020 Bonds of any maturity are to be redeemed, the 2020 Bonds or portion of 2020 Bonds of such maturity to be redeemed will be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. The portion of any registered 2020 Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or a whole multiple thereof, and in selecting portions of such 2020 Bonds for redemption, the Bond Registrar will treat each such 2020 Bond as representing that number of 2020 Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such 2020 Bond by \$5,000.

Notice of Redemption. Notice of redemption will be given by the Bond Registrar by registered or certified mail, not less than 30 nor more than 60 days prior to the redemption date, to the owner, as of the Record Date, as defined under “THE 2020 BONDS—Registration And Transfer; Record Date” below, of each 2020 Bond that is subject to redemption, at the address of such owner as it appears on the registration books of the Board kept by the Bond Registrar, or at such other address as is furnished to the Bond

¹ The anticipated date of delivery is Thursday, April 30, 2020.

Registrar in writing by such owner on or prior to the Record Date. Each notice of redemption will state the Record Date, the principal amount, the redemption date, the place of redemption, the redemption price and, if less than all of the 2020 Bonds are to be redeemed, the distinctive numbers of the 2020 Bonds or portions of 2020 Bonds to be redeemed, and will also state that the interest on the 2020 Bonds in such notice designated for redemption will cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of the 2020 Bonds to be redeemed the principal thereof and interest accrued thereon to the redemption date.

Each notice of optional redemption may further state that such redemption will be conditioned upon the receipt by the Paying Agent, on or prior to the date fixed for redemption, of moneys sufficient to pay the principal of and premium, if any, and interest on such 2020 Bonds to be redeemed and that if such moneys have not been so received the notice will be of no force or effect and the Board will not be required to redeem such 2020 Bonds. If such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made, and the Bond Registrar will within a reasonable time thereafter give notice, in the way the notice of redemption was given, that such moneys were not so received.

Any notice of redemption mailed as provided in the Resolution will be conclusively presumed to have been duly given, whether the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any 2020 Bond will not affect the validity of the proceedings for redemption with respect to any other 2020 Bond.

In addition to the foregoing notice, further notice of such redemption will be given by the Bond Registrar by posting to EMMA as provided in the Resolution.

For so long as a book-entry system is in effect with respect to the 2020 Bonds, the Bond Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants or any failure of the Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency of the notice or the validity of the redemption of 2020 Bonds. See "THE 2020 BONDS—Book-Entry System" below.

Registration And Transfer; Record Date

Registration and Transfer. In the event the book-entry system is discontinued, any 2020 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner's duly authorized attorney, upon surrender of such 2020 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any 2020 Bond is surrendered for transfer, the Bond Registrar will authenticate and deliver a new fully registered 2020 Bond or 2020 Bonds of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the Board, for a like aggregate principal amount.

The 2020 Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of fully registered 2020 Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the 2020 Bonds, the Bond Registrar must make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer of the 2020 Bonds.

Record Date. The term "Record Date" means (i) with respect to each interest payment date, the day that is 15 days immediately preceding such interest payment date and (ii) with respect to any redemption of any 2020 Bond such Record Date as is specified by the Bond Registrar in the notice of redemption,

provided that such Record Date will be not less than 15 calendar days before the mailing of such notice of redemption. The Bond Registrar will not be required to transfer or exchange any 2020 Bond (a) after the Record Date with respect to any interest payment date to and including such interest payment date, or (b) after the Record Date with respect to any redemption of such 2020 Bond.

The Board, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2020 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

Book–Entry System

DTC will act as securities depository for the 2020 Bonds. The 2020 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2020 Bond certificate will be issued for each maturity of the 2020 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See “APPENDIX D—BOOK–ENTRY SYSTEM” for a more detailed discussion of the book–entry system and DTC.

In the event the book–entry system is discontinued, interest on the 2020 Bonds will be payable by check or draft of the Paying Agent, mailed to the registered owners thereof at the addresses shown on the registration books of the Board kept for that purpose by the Bond Registrar. The principal of all 2020 Bonds will be payable at the principal corporate trust office of the Paying Agent.

Sources And Uses Of Funds

The proceeds from the sale of the 2020 Bonds are estimated to be applied as set forth below:

Sources:

Par amount of 2020 Bonds.....	\$55,170,000.00
Original issue premium.....	<u>6,132,595.45</u>
Total	<u>\$61,302,595.45</u>

Uses:

Deposit to Construction Account.....	\$60,990,991.75
Costs of Issuance (1).....	149,000.00
Successful bidder’s discount.....	101,800.90
Original issue discount.....	<u>60,802.80</u>
Total	<u>\$61,302,595.45</u>

(1) Includes legal fees, Municipal Advisor fees, rating agency fees, Bond Registrar and Paying Agent fees, rounding amounts and other miscellaneous costs of issuance.

(Source: Municipal Advisor.)

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Debt Service On The 2020 Bonds

Payment Date	The 2020 Bonds		Period Total	Fiscal Total
	Principal	Interest		
December 1, 2020.....	\$ 0.00	\$ 1,341,000.24	\$ 1,341,000.24	
June 1, 2021.....	16,120,000.00	1,143,981.25	17,263,981.25	\$18,604,981.49
December 1, 2021.....	0.00	740,981.25	740,981.25	
June 1, 2022.....	1,340,000.00	740,981.25	2,080,981.25	2,821,962.50
December 1, 2022.....	0.00	707,481.25	707,481.25	
June 1, 2023.....	1,405,000.00	707,481.25	2,112,481.25	2,819,962.50
December 1, 2023.....	0.00	672,356.25	672,356.25	
June 1, 2024.....	1,475,000.00	672,356.25	2,147,356.25	2,819,712.50
December 1, 2024.....	0.00	635,481.25	635,481.25	
June 1, 2025.....	1,550,000.00	635,481.25	2,185,481.25	2,820,962.50
December 1, 2025.....	0.00	596,731.25	596,731.25	
June 1, 2026.....	1,625,000.00	596,731.25	2,221,731.25	2,818,462.50
December 1, 2026.....	0.00	556,106.25	556,106.25	
June 1, 2027.....	1,710,000.00	556,106.25	2,266,106.25	2,822,212.50
December 1, 2027.....	0.00	513,356.25	513,356.25	
June 1, 2028.....	1,795,000.00	513,356.25	2,308,356.25	2,821,712.50
December 1, 2028.....	0.00	468,481.25	468,481.25	
June 1, 2029.....	1,885,000.00	468,481.25	2,353,481.25	2,821,962.50
December 1, 2029.....	0.00	421,356.25	421,356.25	
June 1, 2030.....	1,975,000.00	421,356.25	2,396,356.25	2,817,712.50
December 1, 2030.....	0.00	371,981.25	371,981.25	
June 1, 2031.....	2,075,000.00	371,981.25	2,446,981.25	2,818,962.50
December 1, 2031.....	0.00	330,481.25	330,481.25	
June 1, 2032.....	2,160,000.00	330,481.25	2,490,481.25	2,820,962.50
December 1, 2032.....	0.00	287,281.25	287,281.25	
June 1, 2033.....	2,245,000.00	287,281.25	2,532,281.25	2,819,562.50
December 1, 2033.....	0.00	242,381.25	242,381.25	
June 1, 2034.....	2,335,000.00	242,381.25	2,577,381.25	2,819,762.50
December 1, 2034.....	0.00	207,356.25	207,356.25	
June 1, 2035.....	2,405,000.00	207,356.25	2,612,356.25	2,819,712.50
December 1, 2035.....	0.00	171,281.25	171,281.25	
June 1, 2036.....	2,475,000.00	171,281.25	2,646,281.25	2,817,562.50
December 1, 2036.....	0.00	134,156.25	134,156.25	
June 1, 2037.....	2,550,000.00	134,156.25	2,684,156.25	2,818,312.50
December 1, 2037.....	0.00	102,281.25	102,281.25	
June 1, 2038.....	2,615,000.00	102,281.25	2,717,281.25	2,819,562.50
December 1, 2038.....	0.00	69,593.75	69,593.75	
June 1, 2039.....	2,680,000.00	69,593.75	2,749,593.75	2,819,187.50
December 1, 2039.....	0.00	36,093.75	36,093.75	
June 1, 2040.....	<u>2,750,000.00</u>	<u>36,093.75</u>	<u>2,786,093.75</u>	2,822,187.50
Totals.....	<u>\$55,170,000.00</u>	<u>\$17,015,418.99</u>	<u>\$72,185,418.99</u>	

(Source: Municipal Advisor.)

DAVIS SCHOOL DISTRICT, UTAH

General

The District was established in 1911 and shares common boundaries with the County. The County, incorporated in 1853, covers an area of approximately 304 (land area) square miles and is in the north central portion of the State. See the location map above. The southern boundary of the County adjoins the northern boundary of Salt Lake City, Utah and Salt Lake County, Utah. The northern boundary is approx-

imately eight miles south of Ogden City, Utah. The County had 351,713 residents per the 2018 population estimate by the U.S. Census Bureau, ranking the County as the third largest county by population in the State (out of 29 counties).

The District’s headquarters are in Farmington City and Farmington City serves as the county seat. The Board maintains a website at <http://www.davis.k12.ut.us>.

The cities in the District are Bountiful City, Centerville City, Clearfield City, Clinton City, Farmington City, Fruit Heights City, Kaysville City, Layton City, North Salt Lake City, South Weber City, Sunset City, Syracuse City, West Bountiful City, West Point City, and Woods Cross City.

The District presently operates 92 schools (consisting of 61 elementary schools, 17 junior high schools, nine traditional high schools, two alternative high schools and three special purpose schools). For a 10–year Fiscal Year history of District facilities see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–District Facilities and Personnel Positions” (CAFR page 108).

The District also operates the Davis School District Foundation (the “Foundation”). The Foundation is a separate legal 501(c)(3) entity and is reported as a special revenue fund in the District’s financial statements. The Foundation is a not–for–profit entity that solicits financial support of public education through local school communities and community business partners.

The historical October 1 enrollment within the District is as follows:

<u>October 1</u>	<u>Total</u>	<u>% Change Over Prior Year</u>
2019	72,897	0.9
2018	72,264	0.5
2017	71,908	1.2
2016	71,021	1.6
2015	69,879	1.1
2014	69,139	0.8
2013	68,571	0.3
2012	68,342	0.9
2011	67,736	2.6
2010	66,019	0.9

(Source: State Office of Education.)

Charter Schools. There are 13 operating charter schools located within the boundaries of the District. October 1 enrollment within these 13 charter schools is approximately 8,000 students. Students who attend charters schools in the District may live outside the boundaries of the District and the District cannot determine the number of charter school students who live outside the boundaries of the District.

Funding for charter schools comes directly from the State based on student attendance. Beginning in Fiscal Year 2017, the State imposed a tax rate levy for the funding of charter schools, including within the District. Property tax revenues from the charter school tax rate levy is not received by the District but paid by the County to the State. Also, see “FINANCIAL INFORMATION REGARDING DAVIS SCHOOL DISTRICT, UTAH—Historical Tax Rates Of The District” below.

Additional Information. Student Enrollment Projections. For a history of Fiscal Year average daily membership, October 1 student enrollments and for student enrollment projections through 2039 see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DIS-

TRICT, UTAH FOR FISCAL YEAR 2019–District Facilities and Personnel Positions” (CAFR page 108) and “–Student Enrollment Projections” (CAFR page 113).

Form Of Government

Board of Education. The determination of policies for the management of the District is the responsibility of the Board, the members of which are elected by the qualified electors within the District. The District is divided into seven representative precincts, and a member of the Board is elected from each precinct. Members serve four–year terms, which are staggered to provide continuity.

The Board is empowered, among other things, to: (i) implement core curriculum; (ii) administer tests which measure the progress of each student, and create plans to improve the student’s progress; (iii) implement training programs for school administrators; (iv) purchase, sell and improve school sites, buildings and equipment; (v) construct and furnish school buildings; (vi) establish, locate and maintain elementary, secondary and applied technology schools; (vii) maintain school libraries; (viii) make and enforce all necessary rules and regulations for the control and management of the public schools in the District; (ix) adopt bylaws and rules for its own procedure; and (x) appoint a superintendent of schools, business administrator, and such officers or employees as are deemed necessary for the promotion of the interests of the schools.

Superintendent. The Superintendent of Schools (the “Superintendent”) is appointed by the Board and is responsible for the actual administration of the schools in the District. The powers and duties of the Superintendent are prescribed by the Board. Pursuant to State law, the Superintendent is required to prepare and submit to the Board an annual budget itemizing anticipated revenues and expenditures for the next school year. The Superintendent is appointed for a two–year term and until a successor is appointed.

Business Administrator. The Business Administrator is appointed by the Board and reports to the Superintendent. The duties of the Business Administrator, among others, are to (i) attend all meetings of the Board and keep a journal of the proceedings, (ii) countersign all warrants drawn upon the District treasury, (iii) keep an account and prepare and publish an annual statement of moneys received by the District and amounts paid out of the treasury, and (iv) have custody of the records and papers of the Board. The Business Administrator is the custodian of all moneys belonging to the District and is required to prepare and submit to the Board a monthly report of the receipts and disbursements of the Business Administrator’s office. The Business Administrator is appointed for a two–year term and until a successor is appointed.

Current members of the Board, the Superintendent, the Business Administrator, and other administrators and their respective terms in office are as follows:

Office	Person	Years in Position	Expiration of Current Term
President.....	John L. Robison	3	January 2021
Vice President.....	Liz Mumford	3	January 2021
Member.....	Gordon S. Eckersley	5	January 2023
Member.....	Brigit Gerrard	3	January 2021
Member.....	Cheryl Lynn Phipps	1	January 2023
Member.....	Marie Stevenson	1	January 2023
Member.....	Julie Tanner	5	January 2023
Superintendent	Reid P. Newey	3	Appointed/July 2020
Business Administrator.....	Craig A. Carter	10	Appointed/July 2021
Finance Director.....	Tim Leffel	9	At Will
Ben Onofrio	Legal Issues Specialist	3	At Will

Employee Workforce And Retirement System; No Post–Employment Benefits; Early Retirement Incentive

Employee Workforce and Retirement System. As of Fiscal Year 2019 the District employed approximately 6,494 full–time equivalent employees. The District participates in cost–sharing multiple employer public employee retirement systems which are defined benefit pension plans and defined contribution plans covering public employees of the State and employees of participating local government entities administered by the Utah State Retirement Systems (“URS”). The retirement system provides refunds, retirement benefits, annual cost of living adjustment and death benefits to plan members and beneficiaries in accordance with retirement statutes. The District also participates in deferred compensation plans with URS. The retirement and deferred compensation plans are administered by the URS under the direction of the URS board, which consists of six members appointed by the Governor of the State and the State Treasurer. For a detailed discussion regarding retirement benefits and contributions see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–Notes to Basic Financial Statements–Note 6. Retirement Plans” (CAFR page 58).

No Post–Employment Benefits. The District does not provide post–employment benefits (under the Governmental Accounting Standards Board “GASB” definition) and has no annual required contribution. As of the date of this OFFICIAL STATEMENT, the Board currently does not expect its current or future policies regarding post–employment benefits to have a negative financial impact on the District.

Early Retirement Payable. The District does provide early retirement incentive benefits for those who retire before age 65. These benefits are paid from on–going revenues within the program from which the employee retired. The District has reserved \$4.5 million in the general fund in the unlikely event that termination benefits savings were not sufficient to cover the liability. For Fiscal Year 2019 the District’s direct payments to retirees was \$3,426,036 and payments of insurance premiums on behalf of retirees was \$2,196,987. For a discussion regarding the District’s early retirement incentive program see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–Notes to Basic Financial Statements–8. Long–Term Liabilities–Early Retirement payable” (CAFR page 68).

Risk Management And Cybersecurity

Risk Management. The District is a member of a risk pool through which the State self–insures portions of certain property and liability claims and purchases commercial insurance for claims above the self–insured retention amounts. This is done through the State’s Administrative Services Risk Management Fund. The fund is maintained via premiums charged to its members—State agencies, institutions of higher education, school districts and charter schools.

As of Fiscal Year 2019, the Administrative Services Risk Management Fund contained approximately \$63.558 million in reserve available to pay for claims incurred.

For a general discussion of insurance coverage, limits of coverage, health insurance benefits, dental insurance benefits, unemployment compensation and payment claims see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–Notes to Basic Financial Statements–Note. 7. Risk Management” (CAFR page 64).

Cybersecurity. The District maintains cyber liability insurance and has implemented policy measures to help offset any financial risks that may result from a cybersecurity breach. As with all risks to which the District is exposed, loss or breach can result in legal and/or regulatory claims. The District’s comprehensive insurance policies are in place to protect the District in those circumstances.

Investment Of Funds

The State Money Management Act. The State Money Management Act, Title 51, Chapter 7 of the Utah Code (the “Money Management Act”), governs and establishes criteria for the investment of all public funds held by public treasurers in the State. The Money Management Act provides a limited list of approved investments, including qualified in-state and permitted out-of-state financial institutions, obligations of the State and political subdivisions of the State, U.S. Treasury and approved federal government agency and instrumentality securities, certain investment agreements and repurchase agreements and investments in corporate securities meeting certain ratings requirements. The Money Management Act establishes the State Money Management Council (the “Money Management Council”) to exercise oversight of public deposits and investments. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The Board is currently complying with all the provisions of the Money Management Act for all Board operating funds.

The Utah Public Treasurers’ Investment Fund. A significant portion of Board funds may be invested in the Utah Public Treasurers Investment Fund (“PTIF”). The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. All investments in the PTIF must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer’s safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the Money Management Council and is audited by the State Auditor. The PTIF is not rated.

See “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019—Notes to Basic Financial Statements—Note 2. Deposits and Investments” (CAFR page 52).

Investment of 2020 Bond Proceeds. The proceeds of the 2020 Bonds will be held by the Board and invested to be readily available. The 2020 Bond proceeds may also be invested in the PTIF or other investments authorized under the Money Management Act.

Population

The following population information is provided for the County and the State.

	<u>Davis County</u>	<u>% Change From Prior Period</u>	<u>State of Utah</u>	<u>% Change From Prior Period</u>
2019 Estimate (1).....	355,481	16.0	3,205,958	16.0
2010 Census.....	306,479	28.2	2,763,885	23.8
2000 Census.....	238,994	27.2	2,233,169	29.6
1990 Census.....	187,941	28.3	1,722,850	17.9
1980 Census.....	146,540	48.0	1,461,037	37.9
1970 Census.....	99,028	52.9	1,059,273	18.9
1960 Census.....	64,760	109.8	890,627	29.3
1950 Census.....	30,867	95.6	688,862	25.2
1940 Census.....	15,784	12.6	550,310	8.4
1930 Census.....	14,021	22.5	507,847	13.0
1920 Census.....	11,450	12.4	449,396	20.4
1910 Census.....	10,191	27.5	373,351	34.9

(1) U.S. Bureau of the Census estimates for July 1, 2019. Percentage change is calculated from the 2010 Census.

(Source: U.S. Department of Commerce, Bureau of the Census.)

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Employment, Income, Construction, And Sales Taxes Within Davis County And The State of Utah

Labor Force, Nonfarm Jobs and Wages within Davis County

	Calendar Year (1)						% change from prior year				
	2019	2018	2017	2016	2015	2014	2018-19	2017-18	2016-17	2015-16	2014-15
Civilian labor force (2).....	176,593	170,592	170,335	164,656	160,089	156,266	3.5	0.2	3.4	2.9	2.4
Employed persons.....	173,251	165,587	165,116	159,474	154,772	150,671	4.6	0.3	3.5	3.0	2.7
Unemployed persons.....	3,342	5,005	5,219	5,182	5,317	5,595	(33.2)	(4.1)	0.7	(2.5)	(5.0)
Total private sector (average) (3).....	104,584	101,793	98,078	94,078	92,336	88,161	2.7	3.8	4.3	1.9	4.7
Agriculture, forestry, fishing and hunting.....	451	386	393	379	365	366	16.8	(1.8)	3.7	3.8	(0.3)
Mining.....	94	131	128	134	157	196	(28.2)	2.3	(4.5)	(14.6)	(19.9)
Utilities.....	86	100	117	121	115	96	(14.0)	(14.5)	(3.3)	5.2	19.8
Construction.....	11,187	10,703	10,216	9,931	9,177	8,379	4.5	4.8	2.9	8.2	9.5
Manufacturing.....	13,951	13,739	12,087	11,786	12,031	11,304	1.5	13.7	2.6	(2.0)	6.4
Wholesale trade.....	2,469	2,453	2,627	2,518	2,703	2,640	0.7	(6.6)	4.3	(6.8)	2.4
Retail trade.....	15,135	15,101	15,276	14,770	14,095	13,726	0.2	(1.1)	3.4	4.8	2.7
Transportation and warehousing.....	5,104	4,972	5,064	4,580	4,321	4,036	2.7	(1.8)	10.6	6.0	7.1
Information.....	1,094	1,061	1,208	1,171	1,246	1,338	3.1	(12.2)	3.2	(6.0)	(6.9)
Finance and insurance.....	3,056	2,991	2,639	2,529	2,508	2,411	2.2	13.3	4.3	0.8	4.0
Real estate, rental and leasing.....	1,501	1,461	1,342	1,335	1,345	1,217	2.7	8.9	0.5	(0.7)	10.5
Professional, scientific, and technical services.....	9,183	8,867	8,657	8,212	8,190	8,062	3.6	2.4	5.4	0.3	1.6
Management of companies and enterprises.....	1,076	1,114	957	1,002	885	848	(3.4)	16.4	(4.5)	13.2	4.4
Admin., support, waste mgmt., remediation.....	5,425	5,331	5,528	5,476	6,142	5,897	1.8	(3.6)	0.9	(10.8)	4.2
Education services.....	3,200	3,201	2,747	2,514	2,256	1,893	(0.0)	16.5	9.3	11.4	19.2
Health care and social assistance.....	14,127	13,681	13,172	12,339	11,850	11,606	3.3	3.9	6.8	4.1	2.1
Arts, entertainment and recreation.....	3,983	3,029	3,055	2,810	2,896	2,716	31.5	(0.9)	8.7	(3.0)	6.6
Accommodation and food services.....	10,231	10,125	9,662	9,261	8,977	8,570	1.0	4.8	4.3	3.2	4.7
Other services.....	3,682	3,733	3,599	3,588	3,440	3,228	(1.4)	3.7	0.3	4.3	6.6
Total public sector (average).....	29,498	28,476	28,302	27,287	26,364	26,163	3.6	0.6	3.7	3.5	0.8
Federal.....	13,664	13,279	13,443	13,282	12,574	12,259	2.9	(1.2)	1.2	5.6	2.6
State.....	1,846	1,761	1,719	1,167	1,016	1,068	4.8	2.4	47.3	14.9	(4.9)
Local.....	13,988	13,436	13,140	12,838	12,773	12,837	4.1	2.3	2.4	0.5	(0.5)
Total payroll (in millions) (4)..... \$	6,106	\$ 5,944	\$ 5,545	\$ 5,186	\$ 4,840	\$ 4,591	2.7	7.2	6.9	7.1	5.4
Average monthly wage..... \$	3,912	\$ 3,802	\$ 3,656	\$ 3,561	\$ 3,398	\$ 3,346	2.9	4.0	2.7	4.8	1.6
Average employment.....	134,082	130,269	126,380	121,365	118,700	114,325	2.9	3.1	4.1	2.2	3.8
Establishments.....	8,911	8,675	8,306	8,057	7,852	7,651	2.7	4.4	3.1	2.6	2.6

(1) Utah Department of Workforce Services.

(2) As of October 2019; seasonally adjusted.

(3) As of 2019 second quarter data.

(4) Annualized based on 2019 first and second quarter data.

Employment, Income, Construction, And Sales Taxes Within Davis County And The State Of Utah—continued

Personal Income; Per Capita Personal Income; Median Household Income within Davis County and the State of Utah

	Calendar Year (1)						% change from prior year				
	2018	2017	2016	2015	2014	2013	2017–18	2016–17	2015–16	2014–15	2013–14
Total Personal Income (in \$1,000's):											
Davis County.....	\$ 16,279,515	\$ 15,332,970	\$ 14,557,301	\$13,645,145	\$12,761,021	\$12,121,270	6.2	5.3	6.7	6.9	5.3
State of Utah.....	146,422,529	134,803,819	128,407,025	121,876,444	113,230,001	106,612,905	8.6	5.0	5.4	7.6	6.2
Total Per Capita Personal Income:											
Davis County.....	46,286	44,106	42,649	40,752	38,817	37,608	4.9	3.4	4.7	5.0	3.2
State of Utah.....	46,320	43,459	42,176	40,831	38,531	36,764	6.6	3.0	3.3	6.0	4.8
Median Household Income:											
Davis County.....	84,381	80,433	77,095	72,268	70,797	70,456	4.9	4.3	6.7	2.1	0.5
State of Utah.....	71,381	68,395	65,931	62,961	60,943	59,715	4.4	3.7	4.7	3.3	2.1

Construction within Davis County (2)

	Calendar Year						% change from prior year				
	2019	2018	2017	2016	2015	2014	2018–19	2017–18	2016–17	2015–16	2014–15
Number new dwelling units.....	1,689	2,225	1,707	1,721	1,693	1,643	(24.1)	30.3	(0.8)	1.7	3.0
New (in \$1,000's):											
Residential value.....	\$ 412,402.3	\$ 473,386.2	\$ 354,331.4	\$ 377,935.2	\$ 366,998.2	\$ 316,597.1	(12.9)	33.6	(6.2)	3.0	15.9
Non-residential value.....	111,758.9	147,385.1	152,508.9	172,821.1	370,979.7	139,615.9	(24.2)	(3.4)	(11.8)	(53.4)	165.7
Additions, alterations, repairs (in \$1,000's):											
Residential value.....	33,180.0	41,358.7	21,823.9	29,958.4	28,639.5	25,622.3	(19.8)	89.5	(27.2)	4.6	11.8
Non-residential value.....	64,186.6	47,308.9	42,171.3	73,250.4	52,720.3	40,291.6	35.7	12.2	(42.4)	38.9	30.8
Total construction value (in \$1,000's).....	<u>\$ 621,527.8</u>	<u>\$ 709,438.9</u>	<u>\$ 570,835.5</u>	<u>\$ 653,965.1</u>	<u>\$ 819,337.7</u>	<u>\$ 522,126.9</u>	(12.4)	24.3	(12.7)	(20.2)	56.9

Sales Taxes Within Davis County and the State of Utah (3)

	Calendar Year						% change from prior year				
	2018	2017	2016	2015	2014	2013	2017–18	2016–17	2015–16	2014–15	2013–14
Taxable Sales (in \$1,000's):											
Davis County.....	\$ 5,689,030	\$ 5,483,478	\$ 5,141,617	\$ 4,897,829	\$ 4,550,828	\$ 4,268,195	3.7	6.6	5.0	7.6	6.6
State of Utah.....	64,982,524	61,031,692	56,502,434	53,933,277	51,709,163	49,404,046	6.5	8.0	4.8	4.3	4.7
	Fiscal Year						% change from prior year				
	2018	2017	2016	2015	2014	2013	2017–18	2016–17	2015–16	2014–15	2013–14
Local Sales and Use Tax Distribution:											
Davis County (and all cities).....	\$ 61,459,271	\$ 57,264,199	\$ 54,122,907	\$51,284,441	\$47,953,175	\$45,626,942	7.3	5.8	5.5	6.9	5.1

(1) Source: U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.

(2) Source: University of Utah Kem C. Gardner Policy Institute, Ivory-Boyer Utah Report and Database.

(3) Source: Utah State Tax Commission.

Additional Information. A 10-year history of the District's presentation of demographic and economic statistics (CAFR page 105) and labor market data (CAFR page 106) are provided in "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019."

Largest Employers

The following is a list of the largest employers in the County with employment over 500 individuals.

<u>Firm/Location</u>	<u>Business</u>	<u>Employees</u>
Hill Air Force Base (Clearfield)	National security	10,000–15,000
Davis School District (county-wide).....	Educational services	7,000–10,000
ATK Space Systems (Clearfield).....	Manufacturing	2,000–3,000
Kroger Group Cooperative	Warehouse clubs and supercenters	2,000–3,000
Lifetime Products (Clearfield).....	Manufacturing	1,000–2,000
Wal-Mart (county-wide).....	Warehouse clubs and supercenters	1,000–2,000
Ralcorp Frozen Bakery Products (North Salt Lake)....	Cookie and cracker manufacturing	1,000–2,000
Lagoon Corporation Inc. (Farmington)	Arts, entertainment, and recreation	1,000–2,000
Utility Trailer and Manufacturing (Clearfield).....	Manufacturing	1,000–2,000
Davis Hospital and Medical Center (Layton).....	Health care and social assistance	500–1,000
Davis County Government	Public administration	500–1,000
Progrexion (North Salt Lake)	Administrative management	500–1,000
State of Utah (county-wide).....	State government	500–1,000
AAA of Northern California, Nevada (Layton).....	Telemarketing bureaus	500–1,000
Farmington Health Center	Outpatient care center	500–1,000
Tanner Memorial Clinic (Farmington)	Health care and social assistance	500–1,000
Target Corporation	Warehouse clubs and supercenters	500–1,000
FedEx Ground	Transportation and warehousing	500–1,000
Pluralsight (Farmington).....	Computer training	500–1,000
Zions Bank Management Services (Bountiful).....	Commercial Banking	500–1,000
May Trucking Co. (Layton).....	Transportation and warehousing	500–1,000
John Heath & Michael Jones (North Salt Lake)	Offices of lawyers	500–1,000
Layton City (Layton).....	Municipal government	500–1,000
South Davis Community Hospital (Bountiful)	Health care and social assistance	500–1,000
Management & Training Corporation (Clearfield).....	Admin., support, waste mgmt., remediation	500–1,000

(Source: Utah Department of Workforce Services. Updated September 2018.)

Additional Information. For a presentation of the largest employers in the District in Calendar Years 2018 and 2010 see "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019—Principal Employers" (CAFR page 107).

Rate Of Unemployment—Annual Average

<u>Year</u>	<u>Davis County</u>	<u>State of Utah</u>	<u>United States</u>
2019 (1).....	1.9%	2.5%	3.7% (2)
2018	2.9	3.1	3.9
2017	3.1	3.2	4.3
2016	3.1	3.4	4.9
2015	3.4	3.6	5.3
2014	3.6	3.8	6.2

(1) Preliminary, subject to change. As of October 2019 (seasonally adjusted) for the Davis County and the State of Utah.

(2) Source: Bureau of Labor Statistics; annual unemployment rate.

(Source: Utah Department of Workforce Services.)

DEBT STRUCTURE OF DAVIS SCHOOL DISTRICT, UTAH

Outstanding General Obligation Bonded Indebtedness

Series (1)	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2020 (a)	School building	\$55,170,000	June 1, 2040	\$ 55,170,000
2019B	Refunding	43,565,000	June 1, 2030	43,565,000
2019A	School building	50,000,000	June 1, 2039	50,000,000
2018	School building	69,375,000	June 1, 2038	66,875,000
2017B	Refunding	36,805,000	June 1, 2031	36,805,000
2017	School building	80,000,000	June 1, 2037	78,175,000
2016	School building	68,500,000	June 1, 2036	63,900,000
2015C (2)	Refunding	53,010,000	June 1, 2022	27,050,000
2015B	Refunding	67,025,000	June 1, 2029	58,275,000
2015A	School building	40,000,000	June 1, 2035	34,890,000
2014	School building	25,000,000	June 1, 2034	25,000,000
2013B	Refunding	20,550,000	April 1, 2020	4,420,000
2013A	School building	20,000,000	June 1, 2033	18,940,000
2012	School building	35,000,000	June 1, 2032	33,035,000
2011A (3)	School building	45,000,000	June 1, 2020 (4)	<u>2,645,000</u>
Total direct general obligation debt				<u>\$598,745,000</u>

- (a) For purposes of this OFFICIAL STATEMENT the 2020 Bonds will be considered issued and outstanding.
- (1) Unless otherwise indicated herein, all bonds of the Board are rated “Aaa” (State of Utah Guaranty; underlying “Aa1”) by Moody’s, as of the date of this OFFICIAL STATEMENT.
- (2) Issued through a direct purchase. *The 2015C Bonds are not rated; no rating was applied for.* The 2015C Bonds are issued under the Guaranty Act.
- (3) Portions of these bonds were refunded by the 2017B Bonds.
- (4) Final maturity date after portions of these bonds were refunded by the 2017B Bonds.

(Source: Municipal Advisor.)

Additional Information. For the Board’s general obligation debt outstanding as of Fiscal Year 2019 see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019—Notes to Basic Financial Statements—8. Long-Term Liabilities—General Obligation Bonds” (CAFR page 66).

Future Issuance Of Debt

Future Issuance of Debt. With the issuance of the 2020 Bonds, the Board will have no remaining general obligation bond authorization and does not anticipate the issuance of any other general obligation debt (other than the 2020 Bonds and any refunding opportunities) until new authorization is provided by voters. However, the Board reserves the right to issue any bonds or other obligations as its capital needs may require.

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Debt Service Schedule Of Outstanding General Obligation Bonds By Fiscal Year

Fiscal Year Ending June 30	Series 2020 \$55,170,000		Series 2019B \$43,565,000		Series 2019A \$50,000,000		Series 2018 \$69,375,000		Series 2017B \$36,805,000		Series 2017 \$80,000,000	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,500,000	\$ 3,099,211	\$ 0	\$ 1,344,725	\$ 500,000	\$ 3,028,531
2020.....	0	0	3,240,000	1,530,826	11,925,000	2,444,518	700,000	2,433,981	0	1,344,725	500,000	3,003,531
2021.....	16,120,000	2,484,981	3,205,000	2,016,250	500,000	1,550,156	700,000	2,398,981	2,680,000	1,344,725	500,000	2,978,531
2022.....	1,340,000	1,481,963	3,365,000	1,856,000	1,375,000	1,525,156	2,800,000	2,363,981	2,800,000	1,210,725	3,450,000	2,953,531
2023.....	1,405,000	1,414,963	3,535,000	1,687,750	1,450,000	1,456,406	2,950,000	2,223,981	2,950,000	1,070,725	3,625,000	2,781,031
2024.....	1,475,000	1,344,713	3,710,000	1,511,000	1,525,000	1,383,906	3,100,000	2,076,481	3,075,000	923,225	3,825,000	2,599,781
2025.....	1,550,000	1,270,963	3,900,000	1,325,500	1,600,000	1,307,656	3,250,000	1,921,481	3,225,000	769,475	4,000,000	2,408,531
2026.....	1,625,000	1,193,463	4,095,000	1,130,500	1,675,000	1,227,656	3,400,000	1,758,981	3,400,000	608,225	4,200,000	2,208,531
2027.....	1,710,000	1,112,213	4,295,000	925,750	1,750,000	1,143,906	3,550,000	1,622,981	3,575,000	438,225	4,425,000	1,998,531
2028.....	1,795,000	1,026,713	4,510,000	711,000	1,850,000	1,056,406	3,675,000	1,480,981	3,650,000	366,725	4,625,000	1,777,281
2029.....	1,885,000	936,963	4,735,000	485,500	1,925,000	963,906	3,800,000	1,370,731	3,725,000	286,425	4,775,000	1,638,531
2030.....	1,975,000	842,713	4,975,000	248,750	2,025,000	867,656	3,700,000	1,256,731	3,825,000	197,025	4,925,000	1,495,281
2031.....	2,075,000	743,963	-	-	2,125,000	766,406	3,825,000	1,145,731	3,900,000	101,400	5,075,000	1,335,219
2032.....	2,160,000	660,963	-	-	2,250,000	660,156	3,950,000	1,030,981	-	-	5,250,000	1,163,938
2033.....	2,245,000	574,563	-	-	2,350,000	547,656	4,075,000	912,481	-	-	5,425,000	980,188
2034.....	2,335,000	484,763	-	-	2,425,000	477,156	4,375,000	785,138	-	-	5,600,000	803,875
2035.....	2,405,000	414,713	-	-	2,500,000	404,406	4,525,000	648,419	-	-	5,800,000	621,875
2036.....	2,475,000	342,563	-	-	2,575,000	329,406	4,675,000	496,831	-	-	5,975,000	426,125
2037.....	2,550,000	268,313	-	-	2,650,000	252,156	4,825,000	339,050	-	-	6,200,000	217,000
2038.....	2,615,000	204,563	-	-	2,725,000	172,656	5,000,000	175,000	-	-	-	-
2039.....	2,680,000	139,188	-	-	2,800,000	87,500	-	-	-	-	-	-
2040.....	2,750,000	72,188	-	-	-	-	-	-	-	-	-	-
Totals....	<u>\$55,170,000</u>	<u>\$17,015,419</u>	<u>\$43,565,000</u>	<u>\$13,428,826</u>	<u>\$50,000,000</u>	<u>\$18,624,831</u>	<u>\$69,375,000</u>	<u>\$29,542,136</u>	<u>\$36,805,000</u>	<u>\$10,006,350</u>	<u>\$78,675,000</u>	<u>\$34,419,844</u>

Fiscal Year Ending June 30	Series 2016 \$68,500,000		Series 2015C \$53,010,000		Series 2015B \$67,025,000		Series 2015A \$40,000,000		Series 2014 \$25,000,000		Series 2013B \$20,550,000	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019.....	\$ 3,125,000	\$ 1,755,781	\$ 10,190,000 (1)	\$ 640,528	\$ 4,985,000	\$ 2,465,850	\$ 1,665,000	\$ 1,209,575	\$ 0	\$ 816,300	\$ 4,245,000	\$ 368,263
2020.....	2,200,000	1,693,281	10,340,000 (1)	465,260	5,220,000	2,216,600	1,750,000	1,126,325	0	816,300	4,420,000	187,850
2021.....	3,225,000	1,649,281	10,540,000 (1)	287,412	5,470,000	1,955,600	1,785,000	1,091,325	1,435,000	816,300	-	-
2022.....	3,300,000	1,584,781	6,170,000 (1)	106,124	5,605,000	1,846,200	1,820,000	1,055,625	1,480,000	773,250	-	-
2023.....	3,375,000	1,518,781	-	-	5,895,000	1,565,950	1,875,000	1,001,025	1,515,000	739,950	-	-
2024.....	3,425,000	1,451,281	-	-	6,185,000	1,271,200	1,920,000	954,150	1,590,000	664,200	-	-
2025.....	3,500,000	1,382,781	-	-	6,495,000	961,950	1,970,000	906,150	1,650,000	600,600	-	-
2026.....	3,575,000	1,312,781	-	-	6,735,000	702,150	2,030,000	847,050	1,700,000	551,100	-	-
2027.....	3,650,000	1,241,281	-	-	6,935,000	500,100	2,090,000	786,150	1,755,000	500,100	-	-
2028.....	3,725,000	1,168,281	-	-	7,145,000	292,050	2,155,000	723,450	1,805,000	447,450	-	-
2029.....	3,800,000	1,075,156	-	-	2,590,000	77,700	2,240,000	637,250	1,860,000	393,300	-	-
2030.....	3,925,000	965,906	-	-	-	-	2,310,000	567,250	1,915,000	337,500	-	-
2031.....	4,050,000	848,156	-	-	-	-	2,400,000	474,850	1,975,000	277,656	-	-
2032.....	4,150,000	726,656	-	-	-	-	2,500,000	378,850	2,040,000	213,469	-	-
2033.....	4,275,000	602,156	-	-	-	-	2,580,000	294,475	2,105,000	147,169	-	-
2034.....	4,425,000	463,219	-	-	-	-	2,685,000	191,275	2,175,000	76,125	-	-
2035.....	4,575,000	313,875	-	-	-	-	2,780,000	97,300	-	-	-	-
2036.....	4,725,000	159,469	-	-	-	-	-	-	-	-	-	-
2037.....	-	-	-	-	-	-	-	-	-	-	-	-
2038.....	-	-	-	-	-	-	-	-	-	-	-	-
2039.....	-	-	-	-	-	-	-	-	-	-	-	-
2040.....	-	-	-	-	-	-	-	-	-	-	-	-
Totals....	<u>\$67,025,000</u>	<u>\$19,912,906</u>	<u>\$37,240,000</u>	<u>\$1,499,324</u>	<u>\$63,260,000</u>	<u>\$13,855,350</u>	<u>\$36,555,000</u>	<u>\$12,342,075</u>	<u>\$25,000,000</u>	<u>\$8,170,769</u>	<u>\$8,665,000</u>	<u>\$556,113</u>

Debt Service Schedule Of Outstanding General Obligation Bonds By Fiscal Year--continued

Fiscal Year Ending June 30	Series 2013A \$20,000,000		Series 2012 \$35,000,000		Series 2011A \$45,000,000		Series 2010A (1) \$68,500,000		Totals		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total Debt Service
2019.....	\$ 1,060,000	\$ 625,513	\$ 1,965,000	\$ 1,218,956	\$ 2,540,000	\$ 207,400	\$ 0	\$ 1,342,613 (3)	\$ 32,775,000	\$ 18,123,245	\$ 50,898,245
2020.....	1,100,000	583,113	2,005,000	1,179,656	2,645,000	105,800	0	0 (4)	46,045,000	19,131,766	65,176,766
2021.....	1,145,000	539,113	2,085,000	1,099,456	0	0 (2)	0	0 (4)	49,390,000	20,212,112	69,602,112
2022.....	1,190,000	493,313	2,170,000	1,016,056	0	0 (2)	0	0 (4)	36,865,000	18,266,705	55,131,705
2023.....	1,230,000	457,613	2,255,000	929,256	0	0 (2)	0	0 (4)	32,060,000	16,847,431	48,907,431
2024.....	1,255,000	433,013	2,345,000	839,056	0	0 (2)	0	0 (4)	33,430,000	15,452,006	48,882,006
2025.....	1,280,000	406,344	2,440,000	745,256	0	0 (2)	0	0 (4)	34,860,000	14,006,688	48,866,688
2026.....	1,320,000	367,944	2,535,000	647,656	0	0 (2)	0	0 (4)	36,290,000	12,556,038	48,846,038
2027.....	1,355,000	328,344	2,640,000	546,256	0	0 (2)	0	0 (4)	37,730,000	11,143,838	48,873,838
2028.....	1,400,000	287,694	2,745,000	440,656	0	0 (2)	0	0 (4)	39,080,000	9,778,688	48,858,688
2029.....	1,440,000	245,694	2,825,000	358,306	0	0 (2)	0	0 (4)	35,600,000	8,469,463	44,069,463
2030.....	1,485,000	202,494	2,910,000	273,556	0	0 (2)	0	0 (4)	33,970,000	7,254,863	41,224,863
2031.....	1,530,000	156,088	2,995,000	186,256	0	0 (2)	-	-	29,950,000	6,035,725	35,985,725
2032.....	1,580,000	106,363	3,085,000	96,406	-	-	-	-	26,965,000	5,037,781	32,002,781
2033.....	1,630,000	55,013	-	-	-	-	-	-	24,685,000	4,113,700	28,798,700
2034.....	-	-	-	-	-	-	-	-	24,020,000	3,281,550	27,301,550
2035.....	-	-	-	-	-	-	-	-	22,585,000	2,500,588	25,085,588
2036.....	-	-	-	-	-	-	-	-	20,425,000	1,754,394	22,179,394
2037.....	-	-	-	-	-	-	-	-	16,225,000	1,076,519	17,301,519
2038.....	-	-	-	-	-	-	-	-	10,340,000	552,219	10,892,219
2039.....	-	-	-	-	-	-	-	-	5,480,000	226,688	5,706,688
2040.....	-	-	-	-	-	-	-	-	2,750,000	72,188	2,822,188
Totals....	<u>\$20,000,000</u>	<u>\$ 5,287,650</u>	<u>\$35,000,000</u>	<u>\$ 9,576,788</u>	<u>\$ 5,185,000</u>	<u>\$ 313,200</u>	<u>\$ 0</u>	<u>\$ 1,342,613</u>	<u>\$ 631,520,000</u>	<u>\$ 195,894,192</u>	<u>\$ 827,414,192</u>

(1) This bond issue has been included in this table because final principal and interest payments occurred in Fiscal Year 2019.

(2) Principal and interest have been refunded by the 2017B Bonds.

(3) Principal and a portion of interest have been refunded by the 2019B Bonds.

(4) Principal and interest have been refunded by the 2019B Bonds.

(Source: Municipal Advisor.)

Additional Information. For the schedule of annual debt service requirement of the District as of Fiscal Year 2020 for Fiscal Years 2020 through 2039 see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019—Schedule of Annual Debt Service Requirements” (CAFR page 103).

Overlapping And Underlying General Obligation Debt

Taxing Entity	2019 Taxable Value (1)	Board's Portion of Tax- able Value	Board's Per- centage	Entity's General Obligation Debt	Board's Portion of G.O. Debt
<i>Overlapping:</i>					
State of Utah	\$315,430,304,180	\$26,857,222,763	8.5%	\$2,273,275,000	\$170,308,125
WBWCD (2)	68,757,244,073	26,857,222,763	39.1	11,650,000	4,555,150
Davis County	26,857,222,763	26,857,222,763	100.0	10,010,000	<u>10,010,000</u>
Total overlapping					<u>184,873,275</u>
<i>Underlying:</i>					
North Davis Sewer					
District (3).....	13,665,966,893	11,768,511,637	86.1	17,115,000	14,736,015
South Davis Rec.					
District (4).....	9,820,122,205	9,820,122,205	100.0	7,875,000	7,875,000
Farmington City	2,195,708,908	2,195,708,908	100.0	5,210,000	5,210,000
Clearfield City	2,129,343,853	2,129,343,853	100.0	1,510,000	<u>1,510,000</u>
Total underlying					<u>29,331,015</u>
Total overlapping and underlying general obligation debt					<u>\$214,204,290</u>
Total <i>overlapping</i> general obligation debt (excluding the State) (5)					\$ 14,565,150
Total <i>direct</i> general obligation bonded indebtedness.....					<u>598,745,000</u>
Total <i>direct and overlapping</i> general obligation debt (excluding the State) (5)					<u>\$613,310,150</u>

This table excludes any additional principal amounts attributable to unamortized original issue bond premium.

- (1) Taxable value used in this table *excludes* the taxable value used to determine uniform fees on tangible personal property and valuation on semiconductor manufacturing equipment.
- (2) Weber Basin Water Conservancy District (“WBWCD”) overlaps into the County and almost covers the entire County; for purposes of this table WBWCD will be considered as overlapping debt. WBWCD covers all of Morgan County, almost all the County and Weber County, and portions of Box Elder and Summit Counties. Principal and interest on WBWCD’s outstanding general obligation bonds are limited ad valorem tax bonds. Certain portions of the principal of and interest on WBWCD’s general obligation bonds are paid from revenues received from the sales of water.
- (3) A portion of this entity is in Weber County.
- (4) South Davis Recreation District members are the cities of: Bountiful, Centerville, North Salt Lake, Woods Cross, and West Bountiful.
- (5) The State’s general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.

(Source: Municipal Advisor.)

Additional Information. For the overlapping and underlying general obligation debt of the District as of Fiscal Year 2019 see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019—Overlapping and Underlying General Obligation Debt June 30, 2019” (CAFR page 101).

Debt Ratios Regarding General Obligation Debt

The following table sets forth the ratios of general obligation debt (excluding any additional principal amounts attributable to unamortized original issue bond premium) that is expected to be paid from taxes levied specifically for such debt and not from other revenues over the taxable value of property within the District, the estimated market value of such property and the population of the District. *The State's general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.*

	To 2019 Est. Taxable <u>Value (1)</u>	To 2019 Est. Market <u>Value (2)</u>	To 2018 Population Estimate Per <u>Capita (3)</u>
<i>Direct</i> general obligation debt.....	2.20%	1.41%	\$1,677
<i>Direct and overlapping</i> general obligation debt	2.28	1.47	1,744

(1) Based on an estimated 2019 Taxable Value of \$26,857,222,763, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.

(2) Based on an estimated 2019 Market Value of \$41,713,854,288, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.

(3) Based on the 2018 population estimate of 351,713 from the U.S. Census Bureau.

(Source: Municipal Advisor.)

Additional Information. For a 10-year history of various debt ratios calculated by the District see APPENDIX A—"COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019—Ratios of Outstanding Debt Last Ten Fiscal Years December 31, 2010 through 2019" (CAFR page 100).

General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

The general obligation indebtedness of the Board is limited by State law to 4% of the fair market value of taxable property in the District (*based on the last equalized property tax assessment roll*). The legal debt limit and additional debt incurring capacity of the Board are based on the fair market value for 2018 and the calculated valuation value from 2018 uniform fees, and are calculated as follows:

2018 "Fair Market Value"	\$37,838,838,422
2018 valuation from uniform fees (1).....	<u>850,694,674</u>
2018 "Fair Market Value for Debt Incurring Capacity"	<u>\$38,042,536,770</u>
"Fair Market Value for Debt Incurring Capacity" times 4% (the "Debt Limit").....	\$1,547,581,324
Less: current outstanding general obligation debt (2).....	<u>(623,981,121)</u>
Estimated additional debt incurring capacity.....	<u>\$ 923,600,203</u>

(1) 2019 final information is not available. For debt incurring capacity only, in computing the fair market value of taxable property in the District, the value of all motor vehicles and state-assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) will be included as a part of the fair market value of the taxable property in the District.

(2) For legal debt limit purposes, the outstanding general obligation debt as shown above is increased by the premium associated with debt issued that is reported in the long-term debt notes of the Board's financial statements. Thus, for accounting purposes, the total unamortized bond premium was \$25,236,121 (as of June 30, 2019), and together with current outstanding debt of \$598,745,000, results in total outstanding debt of \$614,981,121.

(Source: Municipal Advisor.)

Additional Information. For a 10-year Fiscal Year history of the Board's legal debt limit and debt capacity see "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS

No Defaulted Obligations

The Board has never failed to pay principal of and interest on its financial obligations when due.

FINANCIAL INFORMATION REGARDING DAVIS SCHOOL DISTRICT, UTAH

Fund Structure; Accounting Basis

The accounting policies of the District conform to all generally accepted accounting principles for governmental units in general and the State’s school districts.

The accounts of the District are organized based on funds or groups of accounts, each of which is a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and how spending activities are controlled. The various funds are grouped by type in the combined financial statements. See “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019—Notes to Basic Financial Statements—Note 1. Summary of Significant Accounting Policies” (CAFR page 46).

Budgets And Budgetary Accounting

The District operates within the budget requirements for school districts as specified by State law and as interpreted by the State Superintendent of Public Instruction. The superintendent of each school district is the budget officer of each respective district.

For the fiscal year beginning July 1, the Business Administrator under the supervision of the Superintendent prepares a tentative budget for all funds which is presented to the Board by the Superintendent on or before June 1. State law requires budgets for all governmental fund types and the Board has adopted budgets for those funds.

After a public hearing has been held, the Board, by resolution, legally adopts the final budget prior to June 30. If the tax rate in the proposed budget exceeds the “certified tax rate,” the Board shall, if required by State law, comply with the notice and hearing requirements contained in the Property Tax Act, Chapter 2, Title 59, Utah Code (the “Property Tax Act”) in adopting the budget. See in this section “Ad Valorem Tax Levy And Collection” and “Public Hearing On Certain Tax Increases” below.

Once adopted, the budget can be amended by subsequent Board action. Reductions in appropriations can be approved by the Board upon recommendation of the Superintendent; however, increased appropriations require a public hearing prior to amending the budget.

Adjustments in estimated revenue and revisions of appropriations due to operational changes in categorical program funding are integrated into the amended budget approved by the Board.

A final amended budget is legally approved by the Board prior to the end of the fiscal year.

The total budgeted expenditures of a given fund may not exceed the revenues expected to be received for the fiscal year plus the fund balance. Control of the budget is exercised at the fund level.

All governmental funds are prepared using the modified accrual basis of accounting, adjusted for encumbrances. Unencumbered appropriations lapse at year end.

Undistributed Reserve in School Board Budget. A local school board may adopt a budget with an undistributed reserve. The reserve may not exceed 5% of the maintenance and operation budget adopted by each local board in accordance with a scale developed by the State Board of Education. The scale is based on the size of the school district's budget.

Each local board may appropriate all or a part of the undistributed reserve made to any expenditure classification in the maintenance and operation budget by written resolution adopted by majority vote of such board setting forth the reasons for the appropriation.

The board may not use undistributed reserves in the negotiation or settlement of contract salaries for school district employees.

Limits on Appropriations—Estimated Expendable Revenue. A local school board may not make any appropriation more than its estimated expendable revenue, including undistributed reserves, for the following fiscal year.

In determining the estimated expendable revenue, any existing deficits arising through excessive expenditures from former years are deducted from the estimated revenue for the ensuing year to the extent of at least 10% of the entire tax revenue of the school district for the previous year.

In the event of financial hardships, a local board may deduct from the estimated expendable revenue for the ensuing year, by fund, at least 25% of the deficit amount.

All estimated balances available for appropriations at the end of the fiscal year shall revert to the funds from which they were appropriated and shall be fund balances available for appropriation in the budget of the following year.

A local school board may reduce a budget appropriation at its regular meeting if notice of the proposed action is given to all board members and the district superintendent at least one week prior to the meeting.

An increase in an appropriation may not be made by a local school board unless the following steps are taken: (a) the local school board receives a written request from the district superintendent that sets forth the reasons for the proposed increase; (b) notice of the request is published in a newspaper of general circulation within the school district at least one week prior to a local school board meeting at which the request will be considered; and (c) the local school board holds a public hearing on the request prior to the board's acting on the request.

School District Interfund Transfers. The State Board of Education may authorize school district interfund transfers for financially distressed districts if the State Board of Education determines the following: (a) the school district has a significant deficit in its maintenance and operations fund which has resulted from circumstances not subject to the administrative decisions of the school district and which cannot be reasonably reduced under Section 53G-7-305 of the Utah Code; and (b) without the transfer, the school district will not be capable of meeting statewide educational standards adopted by the State Board of Education.

Adoption of Ad Valorem Tax Levy. The governing body of each taxing entity shall, before June 22 of each year, adopt a proposed or, if the tax rate is not more than the certified tax rate, a final tax rate for the taxing entity. The governing body shall report the rate and levy, and any other information prescribed by rules of the county commission for the preparation, review, and certification of the rate, to the county auditor of the county in which the taxing entity is located.

Additional Information. See “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019—Notes to Basic Financial Statements—1. Summary of Significant Accounting Policies—Budgetary Data” (CAFR page 48).

Management’s Discussion And Analysis

The administration of the District prepared a narrative discussion, overview, and analysis of the financial activities of the District for Fiscal Year 2019. For the complete discussion see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019—Management’s Discussion and Analysis” (CAFR page 26).

Economic Stabilization Fund. As directed by the Board, the District has increased its fund balance commitment to economic stabilization in the General Fund. For Fiscal Year 2019, the District has committed \$28 million of the General Fund balance to economic stabilization. For Fiscal Year 2019, the District has approximately \$27.1 million of unassigned fund balances in the General Fund. As defined in State law as an “undistributed reserve,” the District maintains up to 5% of General Fund budgeted expenditures for economic stabilization. Potential State budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. Additionally, the commitment is necessary to maintain liquidity (i.e., reducing any disparity between when financial resources are available to make payments and the maturity of related liabilities). Also defined by State law, the commitment is not to be used “in the negotiation or settlement of contract salaries for school district employees” and the use of this reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and the Utah State Auditor.

The Management’s Discussion and Analysis for Fiscal Year 2020 is not available. Under State law the Board must complete its annual financial report for Fiscal Year 2020 by November 30, 2020.

Financial Summaries

The summaries contained herein were extracted from the District’s basic financial statements. The summaries have not been audited.

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Davis School District

Statement of Net Position

Primary Government

(This summary has not been audited)

	As of June 30				
	2019	2018	2017	2016	2015
Assets and deferred outflows of resources					
Assets					
Capital assets					
Other capital assets, net of depreciation.....	\$ 643,575,446	\$ 508,578,075	\$ 526,809,385	\$ 508,160,063	\$ 518,964,140
Land and construction in progress.....	117,871,117	228,115,333	135,850,544	105,636,796	62,663,733
Cash and investments.....	261,125,565	247,651,762	258,529,746	221,561,699	174,675,319
Receivables					
Property taxes.....	207,021,040	189,337,943	164,157,698	160,144,325	157,530,714
Federal government.....	8,186,845	6,778,695	8,896,103	5,975,181	4,163,746
State of Utah.....	3,862,175	2,634,688	4,112,484	2,676,006	1,839,115
Other local.....	1,012,282	984,930	1,158,157	801,252	1,612,870
Inventories.....	7,495,334	7,157,777	7,225,468	7,636,215	8,177,478
Net pension asset.....	—	—	—	8,889	122,081
Total assets.....	1,250,149,804	1,191,239,203	1,106,739,585	1,012,600,426	929,749,196
Deferred outflows of resources					
Related to pensions.....	112,730,827	112,302,393	102,124,377	88,168,581	27,989,590
Deferred charge on refunding.....	7,282,935	8,539,364	7,594,893	9,072,317	2,098,125
Total deferred outflows of resources.....	120,013,762	120,841,757	109,719,270	97,240,898	30,087,715
Total assets and deferred outflows of resources.....	\$ 1,370,163,566	\$ 1,312,080,960	\$ 1,216,458,855	\$ 1,109,841,324	\$ 959,836,911
Liabilities, deferred inflows of resources and net position					
Liabilities					
Noncurrent liabilities					
Due or payable after one year.....	\$ 833,620,150	\$ 722,367,673	\$ 743,322,739	\$ 684,107,968	\$ 596,310,783
Due or payable within one year.....	57,235,775	46,882,151	43,956,810	43,640,688	40,087,767
Accrued salaries and benefits.....	49,523,092	46,661,930	44,373,102	40,855,094	38,936,582
Accounts payable.....	32,971,539	44,750,661	40,111,231	32,602,359	19,560,276
Unearned revenue					
State of Utah.....	2,962,186	3,672,842	6,546,532	6,715,150	4,460,313
Federal government.....	—	91,159	—	—	—
Other local.....	—	7,001	30,693	506	26,974
Accrued interest.....	1,354,919	1,277,321	1,389,292	1,250,360	1,352,882
Total liabilities.....	977,667,661	865,710,738	879,730,399	809,172,125	700,735,577
Deferred inflows of resources					
Property taxes levied for future year.....	198,519,561	180,065,720	160,188,542	155,079,687	149,354,784
Related to pensions.....	4,753,224	93,880,896	31,307,448	24,565,873	17,514,718
Total deferred inflows of resources.....	203,272,785	273,946,616	191,495,990	179,645,560	166,869,502
Net position					
Net investment in capital assets.....	220,340,047	202,178,288	188,547,896	186,950,288	180,418,550
Restricted for					
Capital projects.....	38,650,353	42,902,452	48,626,267	39,613,308	35,719,823
School food services.....	8,824,842	10,149,312	10,292,237	8,424,421	6,128,878
Debt service.....	15,480,206	5,668,373	3,008,715	3,646,207	2,589,904
Scholarships and awards.....	—	—	1,703,846	—	—
Unrestricted (1).....	(94,072,328)	(88,474,819)	(106,946,495)	(117,610,585)	(132,625,323)
Total net position.....	189,223,120	172,423,606	145,232,466	121,023,639	92,231,832
Total liabilities, deferred inflows of resources and net position.....	\$ 1,370,163,566	\$ 1,312,080,960	\$ 1,216,458,855	\$ 1,109,841,324	\$ 959,836,911

(1) For Fiscal Years 2019 through 2015, this balance includes the District's proportionate share of the unfunded obligation of the defined benefit pension plans administered by URS. The existence of an unrestricted net position deficit indicates the District's overall economic net position, but it does not necessarily reflect positively or negatively on the District's ability to meet its obligations as they come due.

(Source: Information taken from the District's audited basic financial statements. Compiled by Municipal Advisor.)

Davis School District

Statement of Activities (1)

Primary Government

(This summary has not been audited)

	Net (Expense) Revenue and Changes in Net Position				
	June 30				
	2019	2018	2017	2016	2015
Primary government					
Governmental activities					
Instructional services.....	\$ (344,820,882)	\$ (314,563,707)	\$ (295,569,209)	\$ (272,984,269)	\$ (244,980,956)
Supporting services					
Operation and maintenance of facilities.....	(55,086,049)	(51,084,173)	(44,539,007)	(43,139,792)	(39,915,373)
School administration.....	(41,123,282)	(35,868,862)	(34,599,605)	(27,757,321)	(25,584,901)
Instructional staff.....	(19,108,779)	(16,631,431)	(16,387,572)	(14,915,876)	(13,428,319)
Central.....	(16,756,238)	(14,827,472)	(14,086,906)	(12,659,090)	(11,396,865)
Students.....	(14,726,915)	(12,237,056)	(11,828,916)	(10,491,609)	(9,532,669)
Student transportation.....	(6,266,136)	(7,778,204)	(6,529,643)	(6,222,463)	(6,603,973)
District administration.....	(3,275,995)	(3,322,281)	(3,174,064)	(3,353,586)	(2,881,653)
School food service.....	(1,633,194)	(351,422)	1,572,838	2,245,298	1,805,829
Interest on long-term liabilities.....	(19,170,017)	(17,546,012)	(16,107,519)	(14,182,733)	(16,265,030)
Total governmental activities.....	(521,967,487)	(474,210,620)	(441,249,603)	(403,461,441)	(368,783,910)
Business-type activities					
Pioneer Adult Rehabilitation Center.....	1,067,615	(477,293)	(1,705,529)	(497,181)	1,365,703
Total primary government.....	(520,899,872)	(474,687,913)	(442,955,132)	(403,958,622)	(367,418,207)
General revenues					
Federal and state aid not restricted to specific purposes.....	301,156,982	287,384,030	265,470,952	246,318,610	227,240,368
Property taxes levied for					
Debt service.....	65,350,647	54,462,817	50,008,667	48,146,166	46,572,252
Board local.....	45,874,319	44,214,689	40,543,348	37,634,821	35,641,999
Basic.....	42,356,759	37,368,682	34,696,977	32,610,097	25,651,071
Voted local.....	23,723,683	25,196,458	24,861,073	24,571,553	24,671,393
Capital outlay.....	16,629,549	16,722,138	18,162,423	17,337,683	16,930,993
Tax increment.....	10,617,278	9,763,113	7,471,295	6,860,325	6,599,320
Miscellaneous.....	25,009,102	22,630,075	22,121,843	17,895,542	18,165,848
Earnings on investments.....	6,981,067	4,137,051	2,426,899	1,375,631	681,166
Total general revenues.....	537,699,386	501,879,053	465,763,477	432,750,428	402,154,410
Change in net position.....	16,799,514	27,191,140	22,808,345	28,791,806	34,736,203
Net position—beginning (as restated) (2).....	172,423,606	145,232,466	122,424,121	92,231,832	57,495,629
Net position—ending.....	\$ 189,223,120	\$ 172,423,606	\$ 145,232,466	\$ 121,023,638	\$ 92,231,832

(1) This report is presented in summary format concerning the single item of “Net (Expense) Revenue and Changes in Net Position” and is not intended to be complete.

(2) The restatement beginning in Fiscal Year 2015 was a result of Statement 68, Accounting and Financial Reporting for Pensions.

(Source: Information taken from the District’s audited basic financial statements. Compiled by Municipal Advisor.)

Davis School District

Balance Sheet—Governmental Funds

Major Funds—General Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Assets					
Cash and investments.....	\$ 115,863,362	\$ 105,333,480	\$ 95,404,811	\$ 119,028,286	\$ 69,895,863
Receivables					
Property taxes.....	114,161,853	103,291,768	92,588,484	90,597,102	88,295,678
Federal government.....	8,064,115	6,635,082	8,724,768	5,762,366	3,940,138
State of Utah.....	2,614,512	1,616,995	2,266,297	1,002,036	728,352
Other local.....	360,233	293,814	243,685	288,726	287,494
Inventories.....	5,538,597	5,651,863	5,568,408	6,002,494	5,671,302
Total assets.....	\$ 246,602,672	\$ 222,823,002	\$ 204,796,453	\$ 222,681,010	\$ 168,818,827
Liabilities and fund balances					
Liabilities					
Accrued salaries and benefits.....	\$ 49,523,092	\$ 46,661,930	\$ 44,373,102	\$ 40,855,094	\$ 38,936,582
Unearned revenue					
State of Utah.....	2,962,186	3,672,842	6,546,532	6,715,150	4,460,313
Federal government.....	—	91,159	—	—	—
Accounts payable.....	1,408,471	1,401,455	1,318,241	6,919,809	1,060,567
Due to other funds.....	—	—	—	33,197,475	—
Total liabilities.....	53,893,749	51,827,386	52,237,875	87,687,528	44,457,462
Deferred inflows of resources					
Property taxes levied for future year.....	109,335,539	97,856,826	90,281,299	87,656,511	83,645,267
Unavailable property tax revenue.....	1,401,505	1,207,556	1,219,733	1,272,840	1,509,042
Total deferred inflows of resources...	110,737,044	99,064,382	91,501,032	88,929,351	85,154,309
Fund balances					
Committed to					
Economic stabilization.....	28,000,000	25,000,000	23,000,000	20,000,000	4,500,000
Termination benefits.....	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Workers compensation.....	1,000,000	500,000	500,000	500,000	500,000
Unassigned.....	27,108,282	20,954,371	15,947,138	11,625,750	18,497,093
Assigned to					
Employee compensation.....	4,000,000	5,000,000	4,000,000	—	—
Programs.....	6,500,000	5,500,000	2,742,000	635,887	788,661
Medical insurance.....	2,500,000	2,500,000	2,500,000	2,500,000 (1)	4,500,000
Textbook reserve.....	2,500,000	2,000,000	2,000,000	—	—
Schools.....	325,000	325,000	300,000	300,000	250,000
Nonspendable					
Inventories.....	5,538,597	5,651,863	5,568,408	6,002,494	5,671,302
Total fund balances.....	81,971,879	71,931,234	61,057,546	46,064,131	39,207,056
Total liabilities, deferred inflows of resources, and fund balances.....	\$ 246,602,672	\$ 222,823,002	\$ 204,796,453	\$ 222,681,010	\$ 168,818,827

(1) In Fiscal Year 2016, \$2 million of the medical insurance general fund were transferred to the self-insurance fund, which was established to pay self-insurance claims for health and dental coverage provided to qualified District employees.

(Source: Information taken from the District's audited basic financial statements. Compiled by Municipal Advisor.)

Davis School District

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Funds—Major Governmental Funds

General Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Revenues:					
State of Utah.....	\$ 373,443,987	\$ 361,689,641	\$ 332,463,144	\$ 310,405,731	\$ 292,128,732
Property taxes.....	111,760,812	106,792,006	100,154,506	95,052,673	86,041,055
Federal government.....	31,079,117	32,042,146	32,582,867	31,631,894	29,530,441
Other local sources.....	11,477,927	9,246,187	8,584,633	8,736,925	9,410,030
Earnings on investments.....	3,895,894	2,137,243	1,670,298	620,624	372,656
Total revenues.....	<u>531,657,737</u>	<u>511,907,223</u>	<u>475,455,448</u>	<u>446,447,847</u>	<u>417,482,914</u>
Expenditures:					
Current:					
Instruction.....	352,816,908	336,237,490	314,917,995	302,319,756	282,326,073
Support services:					
Operation and maintenance of facilities....	53,118,262	51,134,507	43,193,068	43,268,575	40,514,129
School administration.....	40,201,664	37,375,321	34,455,761	28,518,964	26,766,307
Instructional staff.....	23,027,859	22,001,747	20,886,518	20,244,708	18,445,968
Students.....	19,104,242	17,708,229	16,015,062	15,573,759	14,694,917
Central.....	17,108,743	16,935,865	15,079,440	14,277,804	12,960,814
Student transportation.....	13,171,601	16,928,910	13,142,063	12,881,560	13,168,618
District administration.....	3,067,813	2,711,466	2,772,126	2,505,646	2,325,792
Total expenditures.....	<u>521,617,092</u>	<u>501,033,535</u>	<u>460,462,033</u>	<u>439,590,772</u>	<u>411,202,618</u>
Revenues over (under) expenditures.....	<u>10,040,645</u>	<u>10,873,688</u>	<u>14,993,415</u>	<u>6,857,075</u>	<u>6,280,296</u>
Other financing sources (uses):					
Transfers.....	—	—	—	—	(95,035)
Total other financing sources (uses).....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(95,035)</u>
Net change in fund balances.....	10,040,645	10,873,688	14,993,415	6,857,075	6,185,261
Fund balances—beginning.....	<u>71,931,234</u>	<u>61,057,546</u>	<u>46,064,131</u>	<u>39,207,056</u>	<u>33,021,795</u>
Fund balances—ending.....	<u>\$ 81,971,879</u>	<u>\$ 71,931,234</u>	<u>\$ 61,057,546</u>	<u>\$ 46,064,131</u>	<u>\$ 39,207,056</u>

(Source: Information taken from the District's audited basic financial statements. Compiled by Municipal Advisor.)

Additional Information. For a 10-year financial history of various District funds see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019” at the indicated pages as set forth below.

- (i) “Net Position by Component Last Ten Fiscal Years June 30, 2010 to 2019” (CAFR page 92);
- (ii) “Expenses, Program Revenue, and Net (Expense) Revenue Last Ten Fiscal Years—Years Ended June 30, 2010 to 2019” (CAFR page 93);
- (iii) “Fund Balances—Governmental Funds Last Ten Fiscal Years—Years Ended June 30, 2010 to 2019” (CAFR page 94);
- (iv) “Changes in Fund Balances—Governmental Funds Last Ten Fiscal Years—Years Ended June 30, 2010 to 2019” (CAFR page 95); and
- (iv) “Expenditures by Function—General Fund Last Ten Fiscal Years—Years Ended June 30, 2010 to 2019” (CAFR page 110).

Ad Valorem Tax Levy And Collection

The Utah State Tax Commission (the “State Tax Commission”) must assess all centrally assessed property (as defined under “Property Tax Matters” below) by May 1 of each year. County assessors must assess all locally assessed property (as defined under “Property Tax Matters” below) before May 22 of each year. The State Tax Commission apportions the value of centrally assessed property to the various taxing entities within each county and reports such values to county auditors before June 8. The governing body of each taxing entity must adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate before June 22; provided if the governing body has not received the taxing entity’s certified tax rate at least seven days prior to June 22, the governing body of the taxing entity must, no later than 14 days after receiving the certified tax rate from the county auditor, adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate. County auditors must forward to the State Tax Commission a statement prepared by the legislative body of each taxing entity showing the amount and purpose of each levy. Upon determination by the State Tax Commission that the tax levies comply with applicable law and do not exceed maximum permitted rates, the State Tax Commission notifies county auditors to implement the levies. If the State Tax Commission determines that a tax levy established by a taxing entity exceeds the maximum levy permitted by law, the State Tax Commission must lower the levy to the maximum levy permitted by law, notify the taxing entity that the rate has been lowered and notify the county auditor (of the county in which the taxing entity is located) to implement the rate established by the State Tax Commission.

On or before July 22 of each year, the county auditors must mail to all owners of real estate shown on their assessment rolls notice of, among other things, the value of the property, itemized tax information for all taxing entities and the date their respective county boards of equalization will meet to hear complaints. Taxpayers owning property assessed by a county assessor may file an application within statutorily defined time limits based on the nature of the contest with the appropriate county board of equalization for contesting the assessed valuation of their property. The county board of equalization must render a decision on each appeal in the time frame prescribed by the Property Tax Act. Under certain circumstances, the county board of equalization must hold a hearing regarding the application, at which the taxpayer has the burden of proving that the property sustained a decrease in fair market value. Decisions of the county board of equalization may be appealed to the State Tax Commission, which must decide all appeals relating to real property by March 1 of the following year. Owners of centrally-assessed property or any county showing reasonable cause, may, on or before the later of August 1 or a day within 90 days of the date the notice of assessment is mailed by the State Tax Commission, apply to the State Tax Commission for a hearing to contest the assessment of centrally-assessed property. The State Tax Commission must render a written decision within 120 days after the hearing is completed and all post-hearing briefs are submitted. The county auditor makes a record of all changes, corrections and orders, and delivers be-

fore November 1 the corrected assessment rolls to the county treasurers. On or before November 1, each county treasurer furnishes each taxpayer a notice containing, among other things, the kind and value of the property assessed to the taxpayer, the street address of the property, where applicable, the amount of the tax levied on the property and the year the property is subject to a detailed review.

Without an extension by a County legislative body, taxes are due November 30 (and if a Saturday, Sunday or holiday, the next business day). Each county treasurer is responsible for collecting all taxes levied on real property within that county. There are no prior claims to such taxes. As taxes are collected, each county treasurer must pay to the State and each taxing entity within the county its proportionate share of the taxes, on or before the tenth day of each month. Delinquent taxes are subject to a penalty of 2.5% of the amount of the taxes or \$10 whichever is greater (delinquent taxes paid on or before January 31 immediately following the delinquency date the penalty is 1% of the amount of the delinquent tax or \$10 whichever is greater). Unless the delinquent taxes and penalty are paid before January 31 of the following year, the amount of delinquent taxes and penalty bears interest at the federal funds rate target established by the Federal Open Market Committee plus 6% from the January 1 following the delinquency date until paid (said interest may not be less than 7% nor more than 10%). If delinquent taxes have not been paid by March 15 following the lapse of four years from the delinquency date, the affected county advertises and sells the property at a final tax sale held in May or June of the fifth year after assessment.

The process described above changes if a county or other taxing entity proposes a tax rate in excess of the certified tax rate (as described under “Public Hearing On Certain Tax Increases” below). If such an increase is proposed, the taxing entity must adopt a proposed tax rate before June 22. In addition, the county auditor must include certain information in the notices to be mailed by July 22, as described above, including information concerning the tax impact of the proposed increase on the property and the time and place of the public hearing described in “Public Hearing On Certain Tax Increases” below. In most cases, notice of the public hearing must also be advertised by publication. After the public hearing is held, the taxing entity may adopt a resolution levying a tax more than the certified tax rate. A resolution levying a tax more than the certified tax rate must be forwarded to the county auditor by August 17. The final tax notice is then mailed by November 1.

Public Hearing On Certain Tax Increases

Each taxing entity that proposes to levy a tax rate that exceeds the “certified tax rate” may do so (by resolution) only after holding a properly noticed public hearing. Generally, the certified tax rate is the rate necessary to generate the same property tax revenue that the taxing entity budgeted for the prior year, with certain exclusions. For purposes of calculating the certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of eligible new growth. With certain exceptions, the certified tax rate for the minimum school levy, debt service voted on by the public and certain state and county assessing and collecting levies are the actual levies imposed for such purposes and no hearing is required for these levies.

Among other requirements, on or before July 22 of the year in which such an increase is proposed, the county auditor must mail to all property owners a notice of the public hearing. In most cases, the taxing entity must advertise the notice of public hearing by publication in a newspaper. Such notices must state, among other things, the value of the property, the time and place of the public hearing, and the tax impact of the proposed increase.

Property Tax Matters

The Property Tax Act provides that all taxable property is required to be assessed and taxed at a uniform and equal rate based on its “fair market value” as of January 1 of each year, unless otherwise provided by law. “Fair market value” is defined in the Property Tax Act as “the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.” Pursuant to an exemption for

residential property provided for under the Property Tax Act and Article XIII of the State Constitution, the “fair market value” of residential property is reduced by 45%. The residential exemption is limited to one acre of land per residential unit and to one primary residence per household, except that an owner of multiple residential properties may exempt his or her primary residence and each residential property that is the primary residence of a tenant.

The Property Tax Act provides that the State Tax Commission shall assess certain types of property (“centrally-assessed property”), including (i) properties that operate as a unit across county lines that must be apportioned among more than one county or state, (ii) public utility (including railroad) properties, (iii) airline operating properties, (iv) geothermal resources and (v) mines, mining claims and appurtenant machinery, facilities and improvements. All other taxable property (“locally-assessed property”) is required to be assessed by the county assessor of the county in which such locally-assessed property is located. Each county assessor must update property values annually based upon a systematic review of current market data by using a State mandated mass appraisal system and must also complete a detailed review of property characteristics for each parcel of property at least once every five years. The Property Tax Act requires that the State Tax Commission conduct an annual investigation in each county to determine whether all property subject to taxation is on the assessment rolls and whether the property is being assessed at its “fair market value.”

The State Tax Commission and the county assessors utilize various valuation methods, as determined by statute, administrative regulation or accepted practice, to determine the “fair market value” of taxable property.

Uniform Fees. An annual statewide uniform fee is levied on certain tangible personal property in lieu of the ad valorem tax. Subject to certain exemptions, the current uniform fee on motor vehicles that weigh 12,001 pounds or more and certain watercraft is equal up to 1.5% of the market value. Motor vehicles weighing 12,000 pounds or less are subject to an “age based” fee that is due each time the vehicle is registered. Such fees range from \$5 to \$150. Various uniform fees are also levied against other types of tangible personal property required to be registered with the State, including recreational vehicles, in lieu of the ad valorem property tax. The revenues collected from the various uniform fees are distributed by the county of each taxing entity in which the property is located, in the same proportion in which revenue collected from ad valorem real property tax is distributed.

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Historical Tax Rates Of The District

		Tax Rate (Fiscal Year)				
	Maximum Tax Rate (1)	2019-20	2018-19	2017-18	2016-17	2015-16
General Fund						
Board local levy .....	.002500 (8)	.001995	.001806	.001855	.001957	.002009
Basic school levy (2)	formula	.001661	.001666	.001568	.001675	.001736
Voted local levy (3) .....	.001800	.000880	.000935	.001058	.001201	.001313
Totals .....		.004536	.004407	.004481	.004833	.005058
Debt service (general obligation bonds)						
Debt service (4)	none	.002569	.002569	.002285	.002415	.002571
Capital local levy (5) .....	.003000	.000616	.000655	.000703	.000877	.000926
Charter school levy (6)	(8)	.000087	.000070	.000106	—	—
Judgment recovery levy (7)	none	—	—	—	—	—
Total all funds .....		.007808	.007701	.007575	.008125	.008555

- (1) Maximum tax rate where applicable under current State law.
- (2) Set by law for the District's portion of the State Minimum School Program.
- (3) General maintenance and operation revenue.
- (4) This maximum limitation is not applicable to levies made to provide for payment of the principal of and interest on general obligation bonds authorized by vote of school district electors.
- (5) Construction remodeling projects and purchase of school sites/equipment, etc.
- (6) Charter school levy revenues to be directed to State Charter School program.
- (7) A "judgment levy" is levied for collecting additional revenues. The Board has the legal right to levy a "judgment levy" in the succeeding tax year to make up for any tax revenue shortfall due to tax or revaluation "judgment" circumstances that the Board had no control over.
- (8) The Board local levy and the Charter school levy are both included in calculating the maximum tax rate for the Board local levy of .002500.

(Source: From records of the Utah State Tax Commission, compiled by the Municipal Advisor.)

See "STATE OF UTAH SCHOOL FINANCE" below.

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Comparative Ad Valorem Total Property Tax Rates Within Davis County

Tax Levying Entity (1)	Total Tax Rate Within Taxing Area (Calendar Year)				
	2019	2018	2017	2016	2015
Davis School District:					
Bountiful City .....	.010254	.012402	.012502	.012621	.013103
Centerville City.....	.010609	.012778	.013009	.012480	.013210
Clearfield City .....	.011703	.014060	.014318	.014791	.015265
Clinton City .....	.011112	.013354	.013316	.014260	.014749
Farmington City.....	.010487	.012668	.012950	.013535	.014014
Fruit Heights City .....	.011045	.013275	.013508	.013698	.014533
Kaysville City .....	.009158	.012837	.012980	.013526	.013946
Layton City .....	.009158	.012769	.013026	.013614	.014092
North Salt Lake City .....	.010635	.012781	.013017	.013243	.013543
South Weber City .....	.008965	.011797	.011966	.012423	.012882
Sunset City.....	.010745	.013014	.013341	.013930	.014454
Syracuse City .....	.009158	.012760	.012964	.013382	.013803
West Bountiful City.....	.010566	.012769	.013022	.013181	.013702
West Point City.....	.010560	.013682	.013902	.014344	.014888
Woods Cross City .....	.010331	.012457	.012673	.012788	.013073
Unincorporated areas (2) .....	.010388	.012339	.012529	.012789	.013156

(1) These tax rates represent a taxing district within the city or town with the highest combined total tax rates of all overlapping taxing districts.

(2) These tax rates represent a taxing district within the unincorporated areas within the County with the highest combined total tax rates of all overlapping taxing districts.

(Source: Reports from the Utah State Tax Commission, compiled by the Municipal Advisor.)

Additional Information. For the District's presentation of property tax rates based on a Calendar Year see "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019—Direct and Overlapping Property Tax Rates Last Ten Tax Years—December 31, 2009 through December 31, 2018" (CAFR page 97).

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Taxable, Fair Market And Market Value Of Property

Calendar Year	Taxable Value (1)	% Change Over Prior Year	Fair Market/ Market Value (2)	% Change Over Prior Year
2019 *	\$ 26,857,222,763	9.6	\$ 41,713,854,288	10.2
2018	24,508,404,457	9.0	37,838,838,422	9.6
2017	22,484,975,086	10.0	34,509,059,662	10.1
2016	20,438,391,365	8.3	31,335,522,851	8.5
2015	18,870,014,310	4.8	28,876,517,167	4.4

* Preliminary; subject to change. Fair Market/Market Value calculated by the Municipal Advisor.

(1) Taxable valuation includes redevelopment agency valuation but excludes semi-conductor manufacturing equipment ("SCME"). The estimated redevelopment agency valuation for Calendar Year 2019 was approximately \$1,321 million; for Calendar Year 2018 was approximately \$1,177 million; for Calendar Year 2017 was approximately \$999.4 million; for Calendar Year 2016 was approximately \$949 million; and for Calendar Year 2015 was approximately \$920.9 million.

(2) Estimated fair market values were calculated by dividing the taxable value of primary residential property by 55%, which eliminates the 45% exemption on primary residential property granted under the Property Tax Act. Does not include market valuation for SCME.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Historical Summaries Of Taxable Values Of Property

	Calendar Year					
	2019		2018	2017	2016	2015
	Taxable	% of	Taxable	Taxable	Taxable	Taxable
	Value*	T.V.	Value	Value	Value	Value
Set by State Tax Commission (centrally assessed)						
Total centrally assessed.....	\$ 774,170,701	2.9 %	\$ 753,007,055	\$ 624,208,339	\$ 592,604,866	\$ 569,514,497
Set by County Assessor (locally assessed)						
Real property (land and buildings)						
Primary residential.....	18,120,853,679	67.5	16,265,353,706	14,672,152,406	13,295,836,522	12,207,442,841
Secondary residential.....	149,966,787	0.6	132,014,427	122,907,659	102,502,946	102,730,674
Commercial and industrial.....	4,957,555,316	18.5	4,622,570,761	4,238,949,901	3,884,792,475	3,562,140,710
FAA (greenbelt).....	6,413,538	0.0	5,908,830	6,527,560	6,518,520	6,874,859
Unimproved non FAA (vacant)...	511,169,771	1.9	501,973,727	528,960,817	413,285,289	432,338,326
Agricultural.....	10,226,414	0.0	10,161,154	7,828,335	6,796,426	6,711,192
Total real property.....	23,756,185,505	88.5	21,537,982,605	19,577,326,678	17,709,732,178	16,318,238,602
Personal property						
Primary mobile homes.....	37,251,518	0.1	27,398,918	23,950,965	22,879,739	22,727,318
Secondary mobile homes.....	718,387	0.0	544,995	717,750	880,569	480,373
Other business.....	2,288,896,652	8.5	2,189,470,884	2,258,771,354	2,112,294,013	1,959,053,520
SCME.....	0	0.0	0	0	0	0
Total personal property.....	2,326,866,557	8.7	2,217,414,797	2,283,440,069	2,136,054,321	1,982,261,211
Total locally assessed.....	26,083,052,062	97.1	23,755,397,402	21,860,766,747	19,845,786,499	18,300,499,813
Total taxable value.....	\$ 26,857,222,763	100.0 %	\$ 24,508,404,457	\$ 22,484,975,086	\$ 20,438,391,365	\$ 18,870,014,310

* Preliminary; subject to change.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Additional Information. For the District’s presentation of a 10–year history of taxable valuations and estimated actual valuations based on a Calendar Year see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–Assessed Value and Estimated Actual Value of Taxable Property Last Ten Tax Years December 31, 2009 through 2018” (CAFR page 96).

Tax Collection Record

Ad valorem property taxes are due on November 30th of each year. Final Fiscal Year 2019 (Tax Year or Calendar Year 2018) tax collections (due November 30, 2018) are not available.

Tax Year End 12/31	(1) Total Taxes Levied	(2) Trea- surer’s Relief	Net Taxes Assessed	Current Col- lections	(3) Deliq., Personal Property and Miscel- leous Col- lections	(4) Total Col- lections	% of Current Collec- tions to Net Taxes Assessed	% of Total Collec- tions to Net Taxes Assessed
2019	\$209,452,125	\$4,664,043	\$204,788,083	\$199,132,655	\$7,160,486	\$206,293,141	97.2%	100.7%
2018	188,459,858	4,045,328	184,414,501	179,147,899	14,439,392 ⁽⁵⁾	193,587,290	97.1	105.0
2017	173,027,369	3,528,019	169,499,350	163,905,269	3,897,532 ⁽⁵⁾	167,802,801	96.7	99.0
2016	166,980,433	3,347,151	163,633,282	159,543,862	7,960,410	167,504,272	97.5	102.4
2015	160,846,155	3,127,301	157,718,854	153,067,636	7,405,776	160,473,412	97.1	101.7

(1) Excludes redevelopment agencies valuation.

(2) Treasurer’s Relief includes abatements. These Treasurer’s Relief items are levied against the property but are never collected and paid to the entity.

(3) Delinquent Collections include interest; sales of real and personal property; and miscellaneous delinquent collections.

(4) In addition to the Total Collections indicated above, the District also collected Uniform Fees (fees-in-lieu payments) for tax year 2019 of \$13,206,698; for tax year 2018 of \$12,760,420; for tax year 2017 of \$11,891,239; for tax year 2016 of \$11,922,833; and for tax year 2015 of \$11,617,647; from tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State.

(5) The County’s accounting for certain miscellaneous collections for Fiscal Years 2017 is lower than prior years collections and for Fiscal Year 2018 is higher than prior years collections because of timing and distribution of certain larger taxpayer’s payment of taxes.

(Source: Information taken from the Utah State Tax Commission reports, compiled by the Municipal Advisor.)

Additional Information. For the District’s presentation of a 10–year history of property tax levies and collections see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–Property Tax levies and Collections Last Ten Tax Years December 31, 2009 through 2018” (CAFR page 99).

Some Of The Largest Taxpayers

Information for Fiscal Year 2020 (Calendar Year 2019) is currently not available. The District’s single largest property taxpayer in Fiscal Year 2019 (Calendar Year 2018) was Woods Cross Refining Comp. LLC, a petroleum refinery located in North Salt Lake City, Utah. The company comprised approximately 2.44% of the District’s total taxable valuation for Calendar Year 2017. The top 10 largest property taxpayers comprised approximately 9.72% of the District total taxable valuation for Calendar Year 2018.

For a list of the District’s 10 largest property taxpayers for Calendar Year 2018 and Calendar Year 2009 see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–Principal Property Taxpayers Current Year and Nine Years Ago December 31, 2018 and 2009” (CAFR page 98).

STATE OF UTAH SCHOOL FINANCE

Sources Of Funds

Funding for schools in the State is provided from local school district sources consisting of property taxes imposed by the local school district (“Local District Funding”), State sources that are funded primarily by State imposed personal income taxes and corporate franchise taxes (“State Funding”) and federal sources (“Federal Funding”). For Fiscal Year 2019, approximately 70.2% of the District’s funding was provided by State Funding, approximately 23.9% was provided by Local District Funding, and approximately 5.8% was provided from Federal Funding.

Local District Funding

School districts are authorized by State law to levy taxes, certain of which require voter approval, on real property for various purposes. Funding for operation and maintenance is derived primarily through a minimum tax levy (the “Minimum Tax Levy”) by each school district at a rate established each year by the State. Imposition of this Minimum Tax Levy is required for a school district to qualify for receipt of contributions by the State for such purposes. Additional tax levies for, among other things, educational programs and capital outlay and debt service to finance capital outlays may be made at the option of a school district. Certain of such levies will entitle a school district to State guaranteed levels of funding or receipt of specific additional contributions from the State. The Board has received all voter approval necessary for the taxes it currently levies. See “FINANCIAL INFORMATION REGARDING DAVIS SCHOOL DISTRICT, UTAH—Historical Tax Rates Of The District” above.

State Funding

Under its school funding program, the State guarantees that in connection with the Minimum Tax Levy and certain of a school district’s additional tax levies each school district will receive certain amounts based primarily on the number of students attending schools in such district. To the extent that such levies do not generate receipts at least equal to such guaranteed amounts, the State contributes funds to the school district in the amount of the shortfall. If a school district’s receipts from such levies reach such prescribed levels, there is no State contribution to such district. Further, school district receipts from the Minimum Tax Levy in excess of the guaranteed amounts are required to be paid over to the State for distribution to other school districts.

In addition to any contributions relating to shortfalls described above, the State annually appropriates fixed amounts to fund certain programs and services statewide. Funds for contributions to school districts and for other programs and services are appropriated from the State Uniform School Fund and the Education Fund, which are funded primarily from personal income taxes and corporate franchise taxes. State Funding is also available, under certain circumstances, to school districts for payment of a portion of capital costs.

Federal Funding

Federal funding is provided for various school programs including child nutrition, vocational education and special education.

Summary Of State And Federal Funding

During the past five years the District received the following in State and federal funding:

	Fiscal Year				
	2019	2018	2017	2016	2015
State Funds					
General.....	\$373,443,987	\$361,689,641	\$332,463,144	\$310,405,731	\$292,128,732
Other governmental.....	4,744,415	4,316,160	4,420,356	4,219,760	4,161,045
Capital projects	<u>4,936,681</u>	<u>5,378,592</u>	<u>6,197,356</u>	<u>5,349,248</u>	<u>297,469</u>
Total	<u>\$381,125,083</u>	<u>\$371,384,393</u>	<u>\$343,080,856</u>	<u>\$319,974,739</u>	<u>\$296,587,246</u>
% change over prior year	2.6%	8.2%	7.2%	7.9%	3.0%
Federal Funds					
General.....	\$31,079,117	\$32,042,146	\$32,582,867	\$31,631,894	\$29,530,441
Other governmental.....	11,065,491	11,922,557	12,530,921	11,730,006	11,126,718
Debt service	<u>937,091</u>	<u>983,196</u>	<u>1,026,288</u>	<u>1,027,390</u>	<u>1,021,879</u>
Total	<u>\$43,081,699</u>	<u>\$44,947,899</u>	<u>\$46,140,076</u>	<u>\$44,389,290</u>	<u>\$41,679,038</u>
% change over prior year	(4.2)%	(2.6)%	3.9%	6.5%	(2.2)%

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

Potential Impact Of The Coronavirus (COVID-19)

The spread of the strain of coronavirus commonly known as COVID-19 is causing significant volatility in financial markets and having negative effects on global, state and local economies. In order to slow the spread of the virus the State has ordered all K-12 public schools to discontinue in-person classes until May 1, 2020 and the District is complying with that directive. The Governor of the State and the State Superintendent of Schools continue to evaluate the situation to make a determination about the remaining school year.

Inasmuch as the funds of the District ability to timely pay debt service on the 2020 Bonds is materially dependent on funding received from property tax revenues, the Board notes that a prolonged negative impact on the State's economy could impact property values and the ability and willingness of taxpayers to make property tax payments in a timely manner. Furthermore, the District's overall budget is materially dependent on funding received from the State. The State's finances may be materially adversely affected by the continued spread of COVID-19, which could affect the amount of State funding appropriated to school districts, including the District. At this time, the Board does not possess enough information to assess the degree of the impact COVID-19 will have on the collection of property taxes or the State funding of the District; however, the Board does not believe that current events will impact its ability to pay its debts.

LEGAL MATTERS

Absence Of Litigation

The attorneys for the Board, Fabian VanCott, Salt Lake City, Utah, have advised that, to the best of their knowledge after due inquiry, there is no pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale or delivery of the 2020 Bonds.

General

The authorization and issuance of the 2020 Bonds are subject to the approval of Gilmore & Bell, P.C., Bond Counsel to the Board. Certain legal matters will be passed upon for the Board by the attorneys for the Board, Fabian VanCott, Salt Lake City, Utah. The approving opinion of Bond Counsel will be delivered with the 2020 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in "APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL" will be made available upon request from the contact persons as indicated under "INTRODUCTION—Contact Persons" above.

Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness, or sufficiency of the OFFICIAL STATEMENT or other offering material relating to the 2020 Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this OFFICIAL STATEMENT.

The various legal opinions to be delivered concurrently with the delivery of the 2020 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the 2020 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the 2020 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the 2020 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the 2020 Bonds.

Opinion Of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Board, under the law currently existing as of the issue date of the 2020 Bonds:

Federal Tax Exemption. The interest on the 2020 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the 2020 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

State of Utah Tax Exemption. The interest on the 2020 Bonds is exempt from State of Utah individual income taxes.

Bond Counsel's opinions are provided as of the date of the original issue of the 2020 Bonds, subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the 2020 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Board has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the 2020 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the 2020 Bonds.

No Other Opinion. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the 2020 Bonds, except as expressly provided herein. Purchasers of the 2020 Bonds should consult their tax advisors as to the applicability of these tax consequences and

other income tax consequences of the purchase, ownership and disposition of the 2020 Bonds, including the possible application of state, local, foreign and other tax laws.

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a 2020 Bond over its issue price. The issue price of a 2020 Bond is generally the first price at which a substantial amount of the 2020 Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a 2020 Bond during any accrual period generally equals (1) the issue price of that 2020 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that 2020 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that 2020 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that 2020 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a 2020 Bond over its stated redemption price at maturity. The issue price of a 2020 Bond is generally the first price at which a substantial amount of the 2020 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the 2020 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the 2020 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the 2020 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a 2020 Bond, an owner of the 2020 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the 2020 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the 2020 Bond. To the extent a 2020 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the 2020 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the 2020 Bonds, and to the proceeds paid on the sale of the 2020 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the 2020 Bonds should be aware that ownership of the 2020 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the 2020 Bonds. Bond Counsel expresses no

opinion regarding these tax consequences. Purchasers of 2020 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the 2020 Bonds, including the possible application of state, local, foreign and other tax laws.

MISCELLANEOUS

Bond Ratings

As of the date of this OFFICIAL STATEMENT, the 2020 Bonds have been rated “Aaa” by Moody’s based upon the Guaranty Act. An explanation of the above rating may be obtained from Moody’s. The Board has not directly applied to Fitch or S&P for a rating on the 2020 Bonds.

Additionally, as of the date of this OFFICIAL STATEMENT, Moody’s has given the 2020 Bonds an underlying rating of “Aa1.”

Any explanation of the significance of these outstanding ratings may only be obtained from the rating service furnishing the same. There is no assurance that the ratings given the outstanding general obligation bonds will continue for any given period or that the ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2020 Bonds.

Municipal Advisor

The Board has entered into an agreement with the Municipal Advisor where under the Municipal Advisor provides financial recommendations and guidance to the Board with respect to preparation for sale of the 2020 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2020 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the Board, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The financial statements of the Board as of June 30, 2019 and for the year then ended, included in this OFFICIAL STATEMENT, have been audited by Squire & Company, PC, Orem, Utah (“Squire”), as stated in their report in “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019” (CAFR page 23).

Squire has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non-participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

Additional Information

All quotations contained herein from and summaries and explanations of the State Constitution, statutes, programs and laws of the State, court decisions and the Resolution, do not purport to be complete, and reference is made to said State Constitution, statutes, programs, laws, court decisions and the Resolution for full and complete statements of their respective provisions.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the Board.

Board of Education of Davis School District, Utah

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APPENDIX A

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019

The CAFR of the Board for Fiscal Year 2019 is contained herein. Copies of current and prior financial reports are available upon request from the contact persons as indicated under “INTRODUCTION—Contact Persons” above.

The District’s basic financial statements for Fiscal Year 2020 must be completed under State law by November 30, 2020.

Government Finance Officers Association—Financial Reporting

Certificate of Achievement for Excellence in Financial Reporting. The Government Finance Officers Association of the United States and Canada (“GFOA”) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Board for its CAFR for the 35th consecutive year, beginning with Fiscal Year 1982 through Fiscal Year 2018. For the Fiscal Year 2018 certificate see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF DAVIS SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019—Section 1. Introductory—Certificate of Achievement” (CAFR page 18).

To be awarded a certificate of achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A certificate of achievement is valid for a period of one year only.

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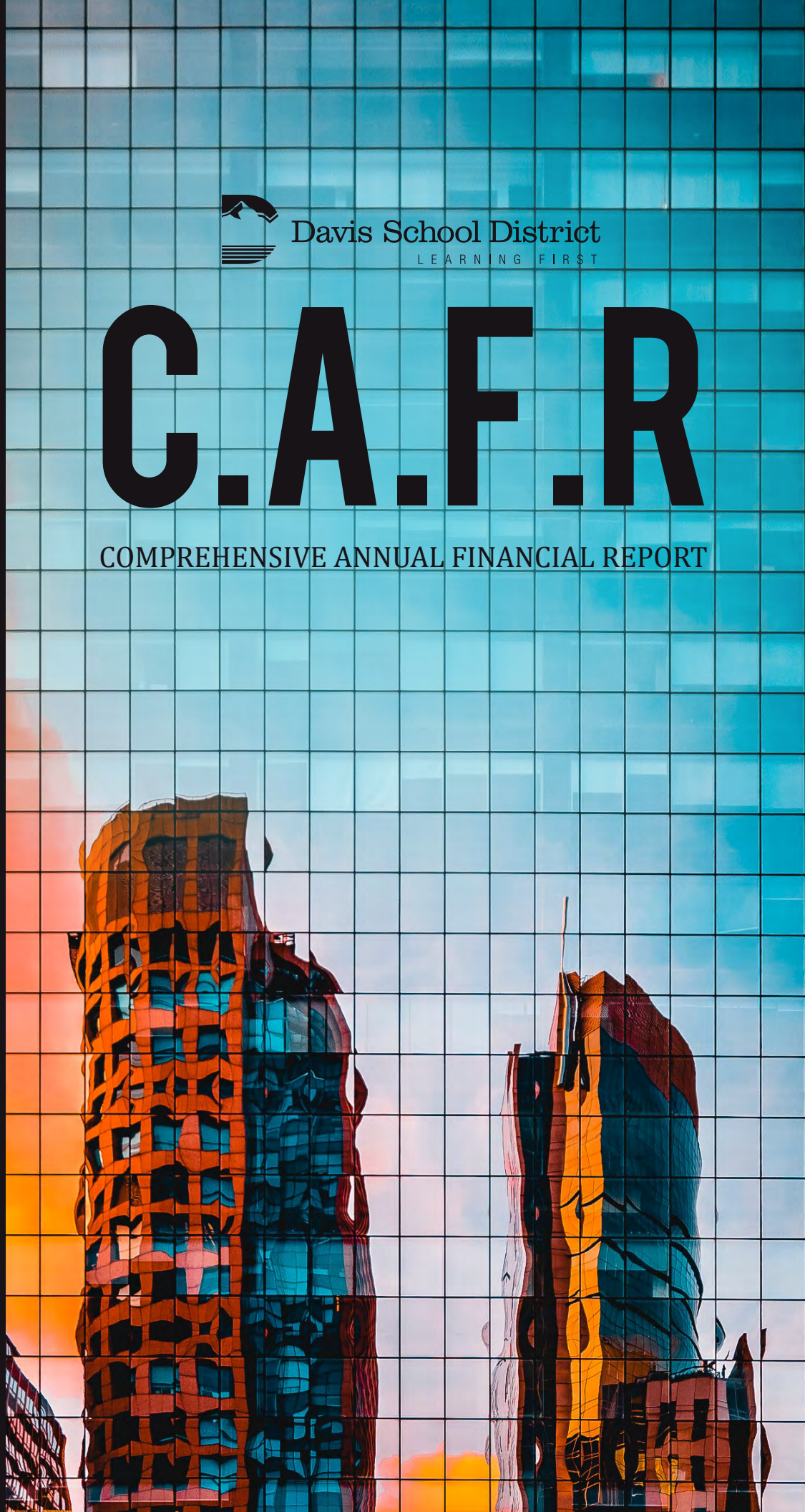
Davis School District
LEARNING FIRST

C.A.F.R

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR
ENDING JUNE 30

2019



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Comprehensive Annual Financial Report

of the

DAVIS SCHOOL DISTRICT

**45 East State Street
Farmington, Utah 84025**

For the Fiscal Year Ended June 30, 2019

**John Robison, President of the Board
Reid Newey, Superintendent
Craig Carter, Business Administrator**

**Prepared by:
Timothy Leffel, CPA
Steven Snow
Nathan Lee**

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DAVIS SCHOOL DISTRICT

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SECTION 1

INTRODUCTORY

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November 14, 2019

To President Robison, Members of the Board of Education, and the Citizens of the Davis School District:

State law requires that school districts publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants 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 of the United States. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Davis School District (District) for the fiscal year ended June 30, 2019.

Designed to meet the needs of a broad spectrum of readers of financial statements, this CAFR is divided into three major sections:

- **Introductory section** – Introduces the reader to the report and includes this transmittal letter, a map of School Board precinct boundaries, the list of elected and appointed officials, the organization chart of the District, certificate of excellence in financial reporting, and the District’s model for public education.
- **Financial section** – Consists of the independent auditor’s report, management’s discussion and analysis, the basic financial statements, and combining and individual fund statements and schedules.
- **Statistical section** – Contains substantial financial information, but presents tables that differ from financial statements in that they present non-accounting data, cover several years, and are designed to reflect social and economic data and financial and fiscal trends as well as the fiscal capacity of the District.

Internal controls. This report consists of management’s representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Independent audits. Squire & Company, PC, a firm of licensed certified public accountants, has audited the District’s financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion, and that the District’s financial statements for the fiscal year ended June 30, 2019 are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The District was also subject to and underwent a state compliance audit, the purpose of which is to examine general and major state program compliance with applicable state laws and regulations. These reports are available in the District’s separately issued Single Audit report.

Management’s discussion and analysis. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management’s discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District’s MD&A can be found immediately following the report of the independent auditors.

District profile. The District is located in the north central part of the state of Utah. The boundaries of the District are contiguous with those of Davis County, Utah. Davis County is largely an urban county with high concentrations of residential development. The District is a legally separate and fiscally independent entity enjoying all rights and privileges accorded political subdivisions in the state of Utah. Policymaking and legislative authority are vested in the Board of Education consisting of seven members. The Board is responsible for, among other things, developing policy, adopting the budget, levying taxes, incurring bonded debt, supervising committees, and hiring both the superintendent and business administrator. The superintendent and business administrator are responsible for carrying out the policies of the Board of Education and oversee the day-to-day operations of the District. The Board is elected on a non-partisan basis. Board members serve four-year staggered terms with no more than four board members elected every two years.

The major purpose of the District is to provide public education for those who reside within the boundaries of the District. To accomplish this purpose, as of fall 2019, the District operates nine traditional high schools, seventeen junior high schools, and 62 elementary schools. The District also offers three special purpose programs: Pioneer Adult Rehabilitation Center (a community rehabilitation program serving persons with disabilities), the Family Enrichment Center (providing preschool and Head Start programs), and Farmington Bay (a youth correctional facility). In addition, the District operates two alternative schools, Mountain High and the Renaissance Academy. The District serves 72,897 students based on the October 1, 2019 enrollment report.

The District also operates the Davis School District Foundation (Foundation). The Foundation is a separate legal 501(c)(3) entity, and is reported as a special revenue fund in the District’s financial statements. The Foundation is a not-for-profit entity that solicits financial support of public education through local school communities and community business partners.

Budgetary control. The District adopts an annual budget for its funds. This budget acts as the financial operating plan for the entire year. Revisions may be implemented during the year authorizing a larger appropriation of available resources through a public hearing and approval from the Board.

All annual appropriations lapse at fiscal year end with the exception of those reported as a commitment of fund balance resources. During 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. Included also is a final budget for the current year ending June 30.

If the District does not exceed the certified tax rate, a public hearing is held prior to June 22 at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate the budget is adopted in August after required advertisement of proposed tax rate increases and a public hearing. The level by which expenditures may not exceed appropriations has been interpreted by the State Superintendent of Public Instruction to be the total budgeted expenditures of a given fund.

Economic condition and outlook. The economic outlook of the District is tied to and dependent on the economic condition and outlook of the state of Utah since state aid provides approximately 70% of general fund revenues. Utah's economy maintained moderate growth over the last three years increasing funding for the weighted pupil unit by 3.0%, 4.0%, and 2.5%, respectively. For fiscal year 2020, the State increased the weighted pupil unit funding by 4.0%. Current revenue projections for fiscal year 2021 appear positive as well. The District projects student growth of over 800 in 2019-20 and approximately 500 in 2020-21 as well.

The District continues to monitor budgets and evaluate District programs. For the 2019-20 school year, the Board increased taxes above the certified rate to generate an additional \$7.6 million dollars for teacher salaries.

The District's taxing authority rests with property taxes on residential and commercial property within the District. For 2019, the District's taxable property values increased 8.5%. This is compared to an increase of 10.2% in 2018. Local taxation accounts for only 20% of general fund revenues, and 29% of all governmental fund revenues.

Long-term financial planning. State revenue projections appear to be increasing for fiscal year 2020. These funds will be utilized to offset district expenditures for state retirement and health insurance as well as employee compensation increases. The District actively examines all revenue and expenditure categories and programs to identify budget reductions. The driving force is to meet the demands of an ever changing budget without significant impact to our students and classrooms.

Dealing with the challenges and demands of budgets is further complicated by the fact that the student population of the District and the state of Utah is continuing to grow. The District projects moderate student growth and expects net migration into the County to remain positive. The District projects an additional 1,800 to 2,000 students over the next five years measured from October 2019 to October 2024. The state 2020 fiscal year school finance program is designed to provide every Utah school district with a basic operation program of \$3,532 per weighted pupil unit (WPU). Current budget projections indicate a moderate increase in the value of the WPU for 2021.

In response to continued student growth, the District went to the taxpayers on November 3, 2015 for a \$298.0 million bonding authorization. The authorization passed with 61.6% approval, which provided for facilities for student growth into 2021.

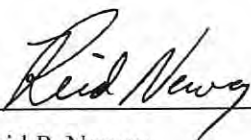
Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. *This is the thirty-sixth year that the District has received this prestigious award.* We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments. The efficient and dedicated staff of the business department accomplished the preparation of this report on a timely basis. We would like to express appreciation to all members of the department who assisted in the preparation of this report. Special appreciation is expressed to the District's Finance Department, who did most of the work in preparation of this report. We would also like to thank the members of the Board of Education for their interest and support in conducting the financial affairs of the District in a responsible and progressive manner.

Respectfully submitted,

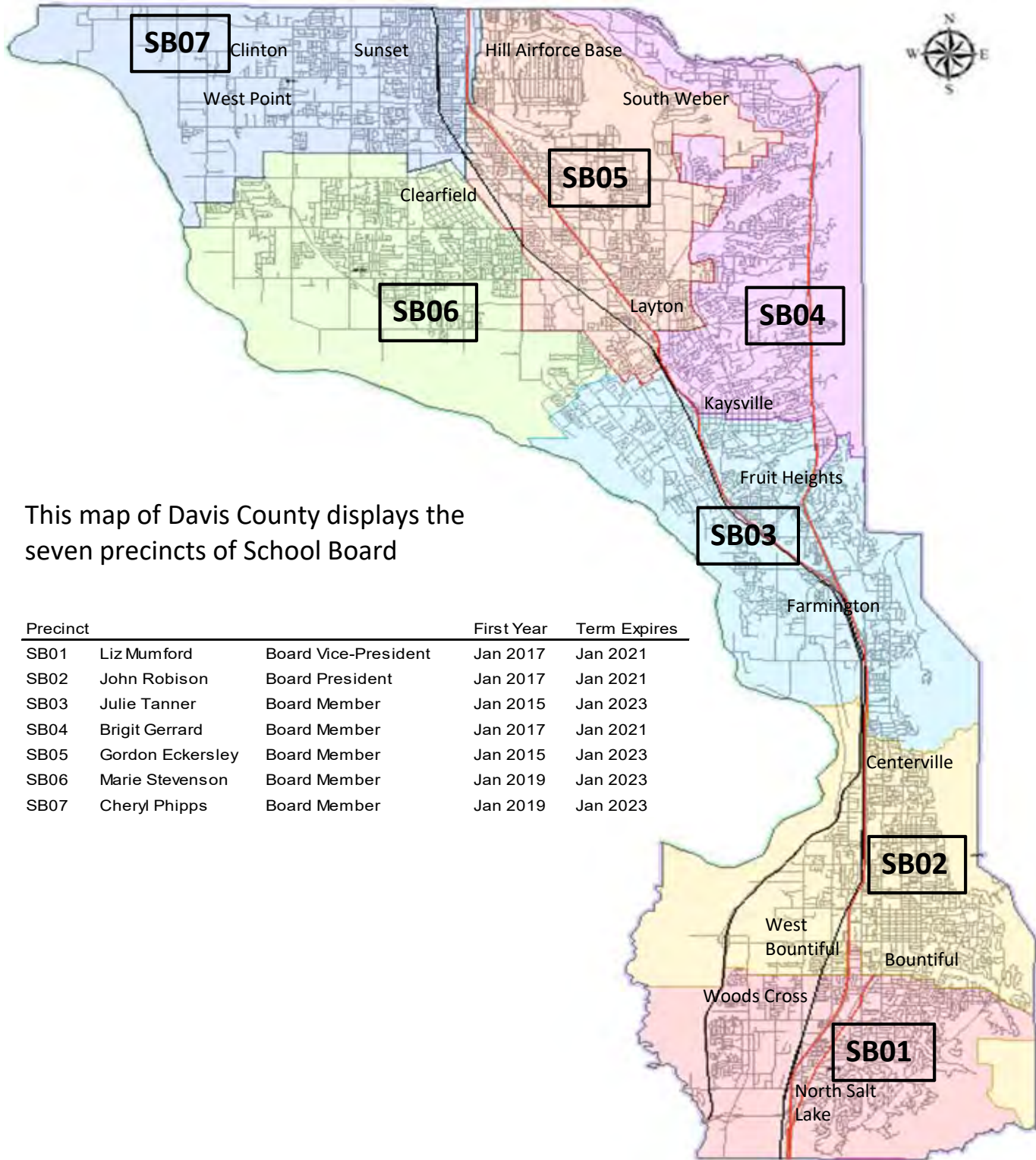
A handwritten signature in cursive script, reading "Reid Newey", written over a horizontal line.

Reid P. Newey
Superintendent

A handwritten signature in cursive script, reading "Craig Carter", written over a horizontal line.

Craig Carter
Business Administrator

DAVIS SCHOOL DISTRICT
School Board Precinct Boundaries
 Year Ended June 30, 2019



DAVIS SCHOOL DISTRICT

List of Elected and Appointed Officials Year Ended June 30, 2019

Elected Officials

<u>Members of the Board of Education</u>	<u>Present Term Began</u>	<u>Present Term Expires</u>	<u>Initial Appointment</u>
Liz Mumford Precinct 1	January 2017	January 2021	January 2017
John Robison Precinct 2	January 2017	January 2021	January 2017
Julie Tanner Precinct 3	January 2015	January 2023	January 2015
Brigit Gerrard Precinct 4	January 2017	January 2021	January 2017
Gordon Eckersley Precinct 5	January 2015	January 2023	January 2015
Marie Stevenson Precinct 6	January 2019	January 2023	January 2019
Cheryl Phipps Precinct 7	January 2019	January 2023	January 2019

The term of office for a board member is four years, beginning in January following the November election.

Appointed Officials

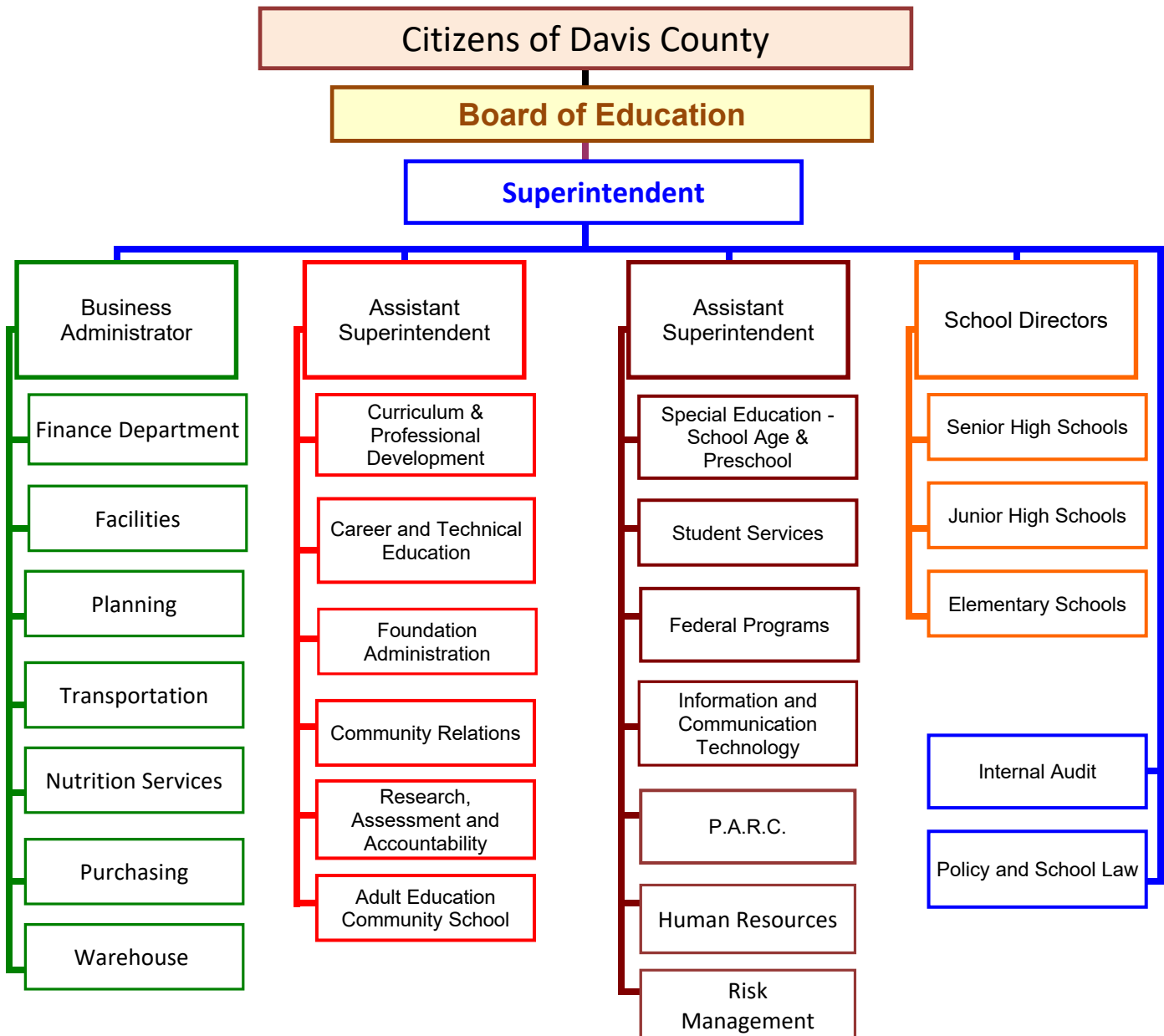
	<u>Present Term Began</u>	<u>Present Term Expires</u>	<u>Initial Appointment</u>
Reid Newey Superintendent	June 2018	December 2020	December 2016
Craig Carter Business Administrator	July 2017	July 2021	January 2010

The term of office for the Superintendent and Business Administrator is two years.

DAVIS SCHOOL DISTRICT

Organizational Chart

Year Ended June 30, 2019





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Davis County School District
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



DAVIS SCHOOL DISTRICT STRATEGIC PLAN

LEARNING FIRST!

VISION

Davis School District provides an environment where growth and learning flourish.

MISSION

Educators, parents, and community members work together to create a successful educational experience for each student.

OUR PLAN

CULTURE

Davis School District promotes a healthy, respectful, and collaborative culture.

- Teach and model personal accountability
 - Promote a growth mindset
 - Create an environment of respect
- Demonstrate exemplary customer service from all employees

STUDENT GROWTH & ACHIEVEMENT

Davis School District provides an innovative, relevant, well-rounded education for each student.

- Focus on individual student growth and achievement
 - Provide well-rounded curriculum including character and life skills
 - Encourage creative, evidence-based programs and teaching strategies
- Use technology to enhance and personalize student learning

PARENT & COMMUNITY CONNECTIONS

Davis School District develops connections with parents and community.

- Recognize parents as the student's first teacher
- Create multiple means of communication with all stakeholders
- Include parents as a vital part of the decision-making process
- Foster productive partnerships with business and community groups

PARENT & COMMUNITY CONNECTIONS

STUDENT GROWTH & ACHIEVEMENT



EMPOWERED EMPLOYEES

Davis School District employees are valued, supported, and appreciated.

- Attract, retain, recognize, and reward quality employees
- Ensure employees are provided opportunities for input and participation in the decision-making process
- Develop and support effective leadership across all employee groups
- Provide and encourage quality professional learning

FISCAL RESPONSIBILITY

Davis School District provides for oversight and efficient use of public and private funds.

- Provide internal and external oversight
- Provide ongoing training in fiscal management
 - Operate finances with transparency
 - Align fiscal resources with Board goals.

SAFETY & SECURITY

Davis School District creates an environment where physical and emotional safety are paramount.

- Provide safe and secure physical spaces
- Value stakeholder voices
- Foster a welcoming environment
- Establish and communicate safety protocols

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SECTION 2

FINANCIAL

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Independent Auditor's Report

Board of Education
Davis School District

Report on the Basic Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Davis School District (the District) as of and for the year ended June 30, 2019, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Basic Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Davis School District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Squire & Company, PC

Orem, Utah
November 14, 2019

Management's Discussion and Analysis

This section of Davis School District's (District) comprehensive annual financial report presents management's discussion and analysis of the District's financial performance during the year ended June 30, 2019. Please read it in conjunction with the transmittal letter found on pages 11 through 14 of this report and the District's financial statements, which follow this section.

Financial Highlights

- The District's total net position was \$189.2 million at the close of the most recent fiscal year, most of which is invested in capital assets.
- The District is dependent on revenues generated by property taxes. Property tax revenues increased by 9.0% in 2019 to \$204.6 million as a result of an increase in the taxable value of property and an increase in the overall tax rate.
- During the year, expenses were \$15.6 million less than the \$679.5 million generated in taxes and other revenues for governmental activities.
- The District continued providing for its student growth by issuing \$50.0 million of general obligation bonds. The \$50.0 million was issued from the authorization passed by voters in November 2015 in the amount of \$298.0 million. A new junior high school in West Layton (cost of \$40.0 million) was completed for the 2019-2020 school year. In addition, the District began a remodel of West Bountiful Elementary. A new elementary school in Layton (estimated cost of \$28.0 million) was started and is scheduled to open for the 2020-21 school year.
- As directed by the District's School Board, the District has increased its fund balance commitment to economic stabilization in the *General Fund*. At June 30, 2019, the District has committed \$28.0 million of the *General Fund* fund balance to economic stabilization. At June 30, 2019, the District has \$27.1 million of unassigned fund balance in the *General Fund*.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unpaid employee benefits).

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

The government-wide financial statements of the District are divided into two categories:

- **Governmental activities.** Most of the District's basic services are included here, such as instruction, various supporting services and interest on long-term liabilities. Property taxes and state and federal grants finance most of these activities.
- **Business-type activities.** The District charges fees to students and customers and receives specific grants from various local, state, and federal agencies to help cover the costs of certain services it provides. The Pioneer Adult Rehabilitation Center is included here.

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

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

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

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

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

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

- **Proprietary funds.** The District maintains two proprietary fund types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses one internal service fund, which is included within *governmental activities* in the government-wide financial statements.

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

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 46 to 68 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees. This required supplementary information can be found on pages 70 to 72 of this report.

Individual fund statements and schedules are presented immediately following the notes to the basic financial statements. Individual fund statements and schedules can be found on pages 74 to 88 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 \$189.2 million at the close of the most recent fiscal year.

DAVIS SCHOOL DISTRICT'S Net Position June 30, 2019 and 2018 (in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Change
	2019	2018	2019	2018	2019	2018	2019-2018
Current and other assets	\$ 482.1	\$ 449.3	\$ 6.6	\$ 5.2	\$ 488.7	\$ 454.5	\$ 34.2
Capital assets	759.8	734.9	1.6	1.8	761.4	736.7	24.7
Total assets	1,241.9	1,184.2	8.2	7.0	1,250.1	1,191.2	58.9
Deferred outflows of resources	119.6	120.3	0.4	0.5	120.0	120.8	(0.8)
Current and other liabilities	86.6	96.4	0.1	-	86.7	96.4	(9.7)
Long-term liabilities outstanding	889.8	768.4	1.1	0.9	890.9	769.3	121.6
Total liabilities	976.4	864.8	1.2	0.9	977.6	865.7	111.9
Deferred inflows of resources	203.3	273.5	-	0.4	203.3	273.9	(70.6)
Net position:							
Net investment in capital assets	218.7	200.4	1.6	1.8	220.3	202.2	18.1
Restricted	62.9	58.7	-	-	62.9	58.7	4.2
Unrestricted	(99.8)	(92.9)	5.8	4.4	(94.0)	(88.5)	(5.5)
Total net position	\$ 181.8	\$ 166.2	\$ 7.4	\$ 6.2	\$ 189.2	\$ 172.4	\$ 16.8

The largest portion of the District's net position (\$220.3 million) reflects its investment in capital assets less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (\$62.9 million) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for school food services, debt service, and capital projects.

The remaining net position (a deficit of \$94.0 million) is unrestricted. This balance is net of the District's proportionate share of the unfunded obligation of the defined benefit pension plans administered by Utah Retirement Systems.

The key elements of change in the District's net position for the year ended June 30, 2019 are as follows:

- Unrestricted net position decreased by \$5.5 million during the current year. This decrease reflects an increase in salaries and related benefits.
- Restricted net position increased by \$4.2 million during the current year. This increase resulted primarily from an increase in unspent property tax revenues restricted for debt service.
- The District's total revenues increased 5.5% to \$690.3 million. Federal and state aid makes up 43.6% of the District's revenues; property taxes generate 29.6% of the District's revenues.
- The total cost of all programs and services increased by 7.4% to \$673.5 million. Instruction and support services represented 65.1% and 26.8%, respectively, of the District's expenses.

DAVIS SCHOOL DISTRICT'S Changes in Net Position
Years Ended June 30, 2019 and 2018
(in millions of dollars)

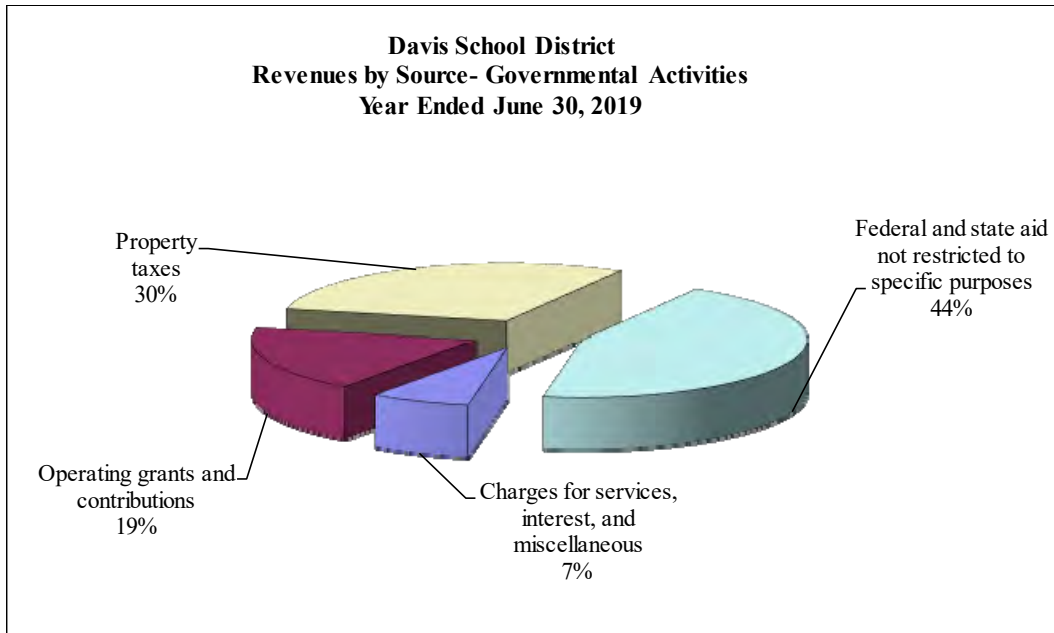
	Governmental Activities		Business-type Activities		Total		Total Change
	2019	2018	2019	2018	2019	2018	2019-2018
Revenues:							
Program revenues:							
Charges for services	\$ 16.9	\$ 15.0	\$ 9.7	\$ 7.6	\$ 26.6	\$ 22.6	\$ 4.0
Operating grants and contributions	125.0	128.9	1.0	1.0	126.0	129.9	(3.9)
General revenues:							
Property taxes	204.6	187.7	-	-	204.6	187.7	16.9
Federal and state aid not restricted to specific purposes	301.2	287.4	-	-	301.2	287.4	13.8
Interest	6.8	4.0	0.1	0.1	6.9	4.1	2.8
Miscellaneous	25.0	22.7	-	-	25.0	22.7	2.3
Total revenues	<u>679.5</u>	<u>645.7</u>	<u>10.8</u>	<u>8.7</u>	<u>690.3</u>	<u>654.4</u>	<u>35.9</u>
Expenses:							
Instruction	438.6	407.2	-	-	438.6	407.2	31.4
Support services:							
Student	20.1	17.6	-	-	20.1	17.6	2.5
Instructional staff	23.9	21.8	-	-	23.9	21.8	2.1
District administration	3.2	2.9	-	-	3.2	2.9	0.3
School administration	43.1	37.9	-	-	43.1	37.9	5.2
Business administration	18.8	17.6	-	-	18.8	17.6	1.2
Operation and maintenance of facilities	56.4	52.5	-	-	56.4	52.5	3.9
Student transportation	14.5	18.0	-	-	14.5	18.0	(3.5)
School food service	26.1	25.2	-	-	26.1	25.2	0.9
Interest on long-term liabilities	19.2	17.5	-	-	19.2	17.5	1.7
Pioneer Adult Rehab Center	-	-	9.6	9.0	9.6	9.0	0.6
Total expenses	<u>663.9</u>	<u>618.2</u>	<u>9.6</u>	<u>9.0</u>	<u>673.5</u>	<u>627.2</u>	<u>46.3</u>
Changes in net position	15.6	27.5	1.2	(0.3)	16.8	27.2	(10.4)
Net position, beginning	<u>166.2</u>	<u>138.7</u>	<u>6.2</u>	<u>6.5</u>	<u>172.4</u>	<u>145.2</u>	<u>27.2</u>
Net position, ending	<u>\$ 181.8</u>	<u>\$ 166.2</u>	<u>\$ 7.4</u>	<u>\$ 6.2</u>	<u>\$ 189.2</u>	<u>\$ 172.4</u>	<u>\$ 16.8</u>

The narrative that follows considers the operations of governmental and business-type activities separately.

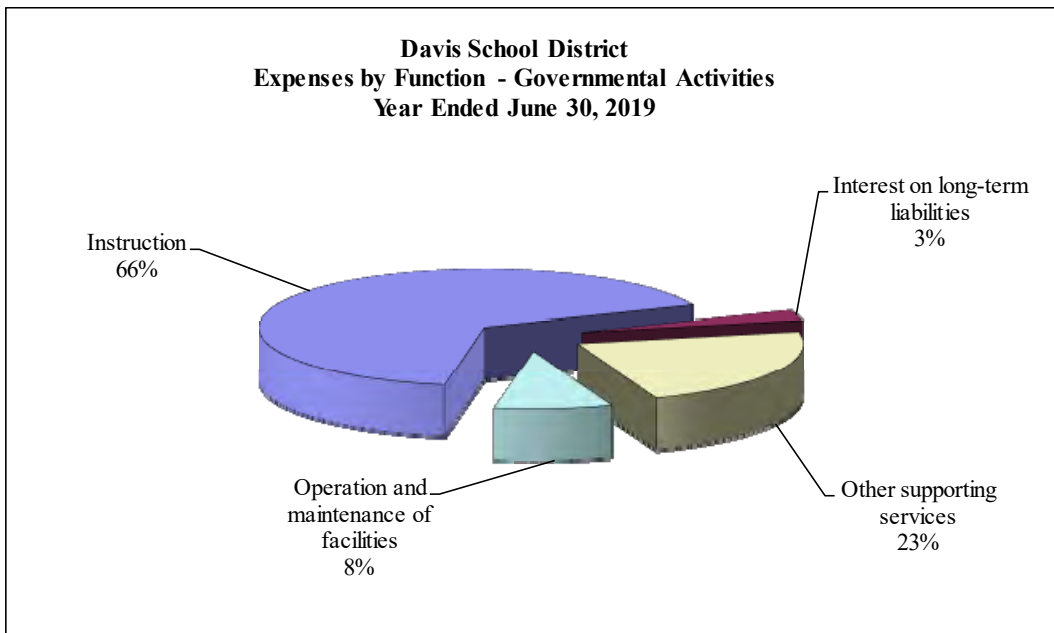
Governmental activities. The key elements of the increase in the District's net position for the year ended June 30, 2019 are as follows:

- Revenues increased \$33.8 million or 5.2% and continue to be primarily from federal and state aid and property taxes.
- Federal and state aid not restricted to specific purposes increased by 4.8% or \$13.8 million. Total federal aid decreased 4.0% to \$43.1 million primarily due to spending levels. State aid is based primarily on weighted pupil units (WPUs) and other appropriations. If a student is in membership a full 180 days, the state awards the District one WPU. The state guarantees that if local taxes do not provide money equal to the amount generated by the WPU the state will make up the difference with state funding. The value of the WPU increased 2.5% from \$3,311 (2018) to \$3,395 (2019).

- Tax revenues increased to \$204.6 million or by 9.0%. This increase was a result of the combination of an increase in the taxable value of property and an increase in the overall tax rate.



- Expenses for governmental activities increased \$45.7 million or by 7.4%. This increase was primarily the result of increased personnel expenditures for instruction.



Business-type activities. The \$1.2 million increase in the District's net position for the year ended June 30, 2019 was a result of the operations of the Pioneer Adult Rehabilitation Center.

- Overall revenues increased \$2.1 million and expenses increased \$0.6 million due to increased contract agreements.

Financial Analysis of the District's Funds

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

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the year, its governmental funds reported a combined fund balance of \$188.5 million, \$25.8 million more than the previous year. The *General Fund* and the *Debt Service Fund* had a \$10.0 million increase and a \$9.7 million increase in fund balance, respectively. In addition, the following changes in revenues and expenditures should be noted:

- Revenues for the *General Fund* totaled \$531.7 million, an increase of 3.9%, during the current fiscal year. This increase is primarily due to increased revenues from the State of Utah. State revenues were up 3.4% from the prior year in the *General Fund* due to increases in state appropriations for enrollment growth. Revenues for debt service and capital projects were up 19.2% and 3.2%, respectively. The increase in debt service was a result of an increase in the taxable value of property and an increase in the tax levy to accommodate November 2019 principal payments. The increase in capital projects revenue was also a result of an increase in the taxable value of property.
- Expenditures for *General Fund* totaled \$521.6 million, an increase of 4.1% during the current fiscal year. Instruction represents 67.6% of *General Fund* expenditures. Capital project expenditures decreased 41.9% due to the completion of a new high school in West Farmington and major remodels of Viewmont and Woods Cross high schools in the prior year.
- *General Fund* salaries totaled \$311.9 million while the associated employee benefits of retirement, social security, and insurance (health and accident, industrial, and unemployment) added \$148.6 million to arrive at 88.3% of total *General Fund* expenditures.

Governmental funds report the differences between their assets, deferred outflows of resources, liabilities, and deferred inflows of resources as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. Nonspendable fund balance represents items such as inventories which are not resources that can be readily converted to cash. Restricted fund balance includes net fund resources of the District that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. The unrestricted fund balance is, in turn, subdivided between committed, assigned, and unassigned portions. Committed balances reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Assigned balances in the *General Fund* and in other governmental funds are those that do not meet the requirements of restricted or committed but are intended to be used for specific purposes. Unassigned balances in the *General Fund* are all other available net fund resources. At June 30, 2019, the District's combined governmental fund balance is \$188.5 million (\$7.3 million in nonspendable, \$90.9 million in restricted, \$45.0 million in committed, \$18.0 million in assigned, and \$27.1 million in unassigned fund balances).

General Fund Budgetary Highlights

During the year, the Board revised the District's budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$2.0 million or 0.4% in total *General Fund* expenditures.

During the year, final budgeted revenues were more than original budgetary estimates by \$2.0 million or 0.4%. The increase primarily reflects higher equalization funding and higher than anticipated interest revenue growth.

In addition to these adjustments, the District maintained cost cutting measures to hold expenditures below the amended budget in order to build reserves for unanticipated future costs. Consequently, actual expenditures were \$5.0 million below final budgeted amounts. Additionally, revenues were \$5.0 million above final budgeted amounts primarily due to State funding allocations.

Capital Asset and Debt Administration

Capital Assets. The *Capital Projects Fund* is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. The District spent \$56.0 million for capital assets. Major projects include the construction of a new high school in Farmington and major remodels of Woods Cross and Viewmont high schools and a new Junior High School in West Layton.

The District continues to experience moderate growth in total students and a shift in student population to the northwest section of the District. The District's 17th junior high school was completed and opened in the fall of 2019. Other major projects include a replacement of West Bountiful Elementary and a major addition to Mountain High School.

Capital assets at June 30, 2019 and 2018 are outlined below:

DAVIS SCHOOL DISTRICT'S Capital Assets
June 30, 2019 and 2018
(net of accumulated depreciation in millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Change
	2019	2018	2019	2018	2019	2018	2019-2018
Land	\$ 56.5	\$ 55.9	\$ -	\$ -	\$ 56.5	\$ 55.9	\$ 0.6
Construction in progress	61.4	172.2	-	-	61.4	172.2	(110.8)
Buildings and improvements	626.4	491.0	1.5	1.7	627.9	492.7	135.2
Furniture and equipment	4.6	4.0	0.1	0.1	4.7	4.1	0.6
Transportation equipment	10.9	11.8	-	-	10.9	11.8	(0.9)
Total capital assets	<u>\$ 759.8</u>	<u>\$ 734.9</u>	<u>\$ 1.6</u>	<u>\$ 1.8</u>	<u>\$ 761.4</u>	<u>\$ 736.7</u>	<u>\$ 24.7</u>

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

Debt Administration. On November 3, 2015, the registered voters of Davis County passed a bond authorization in the amount of \$298.0 million for general obligation school building bonds for new school construction, land acquisitions, renovation of existing school facilities, and related equipment and improvements. This debt authorization was sought to cope with the demands of student growth over the next five years, with student migration to the northwest portion of the county, and to help maintain the District's investment in its capital assets. The voter authorization passed with 61.6% in favor.

On April 11, 2019 the District issued \$50.0 million of this authorization for Junior High #17 in Layton and to continue the replacement of West Bountiful Elementary. The District will also begin construction on Elementary #62 in Layton.

The general obligation bonded debt of the District is limited by state law to 4.0% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2019 is \$1,600.1 million. General obligation debt, net of unamortized premiums, at June 30, 2019 was \$577.9 million, resulting in a legal debt margin of \$1,022.2 million.

DAVIS SCHOOL DISTRICT'S Outstanding Debt
June 30, 2019 and 2018
Net of Accumulated Amortization
(in millions of dollars)

	Governmental activities		
	2019	2018	Total Change 2019-2018
Net general obligation bonds	\$ 577.9	\$ 561.5	\$ 16.4

Although it is not unusual for governments to have a 30-year bond payoff schedule, the District maintains an aggressive schedule to retire all of its general obligation bonds by 2039.

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

Changing Enrollment within the District

Student enrollment counts are officially taken on October 1 of each year. Student growth continues to be moderate as reflected in the October 2019 count. The District anticipated growth of approximately 400 students for the 2019-20 school year; however, actual growth was 634 students. Growth continues to be focused in the northwest section of the District. The chart below reflects the counts taken between October 1, 2015 and October 1, 2019 and shows total student growth of 3,758 students over the five-year period, a 5.4% increase.

DAVIS SCHOOL DISTRICT'S Student Enrollment
Years Ended June 30, 2015 to 2019

	2015	2016	2017	2018	2019	Total
October 1st enrollment	69,879	71,021	71,908	72,263	72,897	
Total enrollment change	740	1,142	887	355	634	3,758
Percentage change	1.1%	1.6%	1.2%	0.5%	0.9%	5.4%

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

Requests for Information

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

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DAVIS SCHOOL DISTRICT

Statement of Net Position

June 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	\$ 255,304,080	\$ 5,821,485	\$ 261,125,565
Receivables:			
Property taxes	207,021,040	-	207,021,040
Other local	386,827	625,455	1,012,282
State of Utah	3,862,175	-	3,862,175
Federal government	8,186,845	-	8,186,845
Inventories	7,349,021	146,313	7,495,334
Capital assets:			
Land and construction in progress	117,871,117	-	117,871,117
Other capital assets, net of accumulated depreciation	641,935,279	1,640,167	643,575,446
Total assets	1,241,916,384	8,233,420	1,250,149,804
Deferred outflows of resources:			
Deferred charge on refunding	7,282,935	-	7,282,935
Related to pensions	112,340,515	390,312	112,730,827
Total deferred outflows of resources	119,623,450	390,312	120,013,762
Liabilities:			
Accounts payable	32,848,438	123,101	32,971,539
Accrued interest	1,354,919	-	1,354,919
Accrued salaries and benefits	49,523,092	-	49,523,092
Unearned revenue:			
State of Utah	2,962,186	-	2,962,186
Noncurrent liabilities:			
Due or payable within one year	57,199,398	36,377	57,235,775
Due or payable after one year	832,557,658	1,062,492	833,620,150
Total liabilities	976,445,691	1,221,970	977,667,661
Deferred inflows of resources:			
Property taxes levied for future year	198,519,561	-	198,519,561
Related to pensions	4,736,766	16,458	4,753,224
Total deferred inflows of resources	203,256,327	16,458	203,272,785
Net position:			
Net investment in capital assets	218,699,880	1,640,167	220,340,047
Restricted for:			
Debt service	15,480,206	-	15,480,206
Capital projects	38,650,353	-	38,650,353
School food services	8,824,842	-	8,824,842
Unrestricted	(99,817,465)	5,745,137	(94,072,328)
Total net position	\$ 181,837,816	\$ 7,385,304	\$ 189,223,120

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

DAVIS SCHOOL DISTRICT

Statement of Activities
Year Ended June 30, 2019

Activities/Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-type Activities	
Primary government:						
Governmental activities:						
Instruction	\$ 438,381,018	\$ 7,925,829	\$ 85,634,307	\$ (344,820,882)		\$ (344,820,882)
Supporting services:						
Students	20,084,536	-	5,357,621	(14,726,915)		(14,726,915)
Instructional staff	23,947,889	-	4,839,110	(19,108,779)		(19,108,779)
District administration	3,396,717	-	120,722	(3,275,995)		(3,275,995)
School administration	43,094,742	-	1,971,460	(41,123,282)		(41,123,282)
Central	18,808,697	-	2,052,459	(16,756,238)		(16,756,238)
Operation and maintenance of facilities	56,418,687	330,225	1,002,413	(55,086,049)		(55,086,049)
Student transportation	14,527,938	-	8,261,802	(6,266,136)		(6,266,136)
School food service	26,116,859	8,673,759	15,809,906	(1,633,194)		(1,633,194)
Interest on long-term liabilities	19,170,017	-	-	(19,170,017)		(19,170,017)
Total governmental activities	663,947,100	16,929,813	125,049,800	(521,967,487)		(521,967,487)
Business-type activities:						
Pioneer Adult Rehabilitation Center	9,590,762	9,712,059	946,318	-	\$ 1,067,615	1,067,615
Total primary government	\$ 673,537,862	\$ 26,641,872	\$ 125,996,118	(521,967,487)	1,067,615	(520,899,872)
General revenues:						
Property taxes levied for:						
Basic				42,356,759	-	42,356,759
Voted local				23,723,683	-	23,723,683
Board local				45,874,319	-	45,874,319
Debt service				65,350,647	-	65,350,647
Capital outlay				16,629,549	-	16,629,549
Pass-through taxes				10,617,278	-	10,617,278
Federal and state revenue not restricted to specific purposes				301,156,982	-	301,156,982
Earnings on investments				6,845,936	135,131	6,981,067
Miscellaneous				25,009,102	-	25,009,102
Total general revenues				537,564,255	135,131	537,699,386
Change in net position				15,596,768	1,202,746	16,799,514
Net position - beginning				166,241,048	6,182,558	172,423,606
Net position - ending				\$ 181,837,816	\$ 7,385,304	\$ 189,223,120

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

DAVIS SCHOOL DISTRICT

**Balance Sheet
Governmental Funds
June 30, 2019**

	Major Funds			Other	Total
	General	Debt Service	Capital Projects	Governmental Funds	Governmental Funds
Assets:					
Cash and investments	\$ 115,863,362	\$ 14,021,692	\$ 83,212,109	\$ 19,538,275	\$ 232,635,438
Receivables:					
Property taxes	114,161,853	64,736,493	15,565,357	12,557,337	207,021,040
Other local	360,233	-	-	26,594	386,827
State of Utah	2,614,512	-	-	1,247,663	3,862,175
Federal government	8,064,115	-	-	122,730	8,186,845
Inventories	5,538,597	-	-	1,810,424	7,349,021
Total assets	<u>\$ 246,602,672</u>	<u>\$ 78,758,185</u>	<u>\$ 98,777,466</u>	<u>\$ 35,303,023</u>	<u>\$ 459,441,346</u>
Liabilities:					
Accounts payable	\$ 1,408,471	\$ -	\$ 15,762,407	\$ 244,280	\$ 17,415,158
Accrued salaries and benefits	49,523,092	-	-	-	49,523,092
Unearned revenue:					
State of Utah	2,962,186	-	-	-	2,962,186
Total liabilities	<u>53,893,749</u>	<u>-</u>	<u>15,762,407</u>	<u>244,280</u>	<u>69,900,436</u>
Deferred inflows of resources:					
Unavailable property tax revenue	1,401,505	816,988	208,301	144,411	2,571,205
Property taxes levied for future year	109,335,539	61,923,060	14,848,036	12,412,926	198,519,561
Total deferred inflows of resources	<u>110,737,044</u>	<u>62,740,048</u>	<u>15,056,337</u>	<u>12,557,337</u>	<u>201,090,766</u>
Fund balances:					
Nonspendable:					
Inventories	5,538,597	-	-	1,810,424	7,349,021
Restricted for:					
Debt service	-	16,018,137	-	-	16,018,137
Capital projects	-	-	67,958,722	-	67,958,722
School food services	-	-	-	7,014,418	7,014,418
Committed to:					
Workers compensation	1,000,000	-	-	-	1,000,000
Termination benefits	4,500,000	-	-	-	4,500,000
Schools	-	-	-	11,497,946	11,497,946
Economic stabilization	28,000,000	-	-	-	28,000,000
Assigned to:					
Foundation	-	-	-	2,178,618	2,178,618
Programs	6,500,000	-	-	-	6,500,000
Textbooks	2,500,000	-	-	-	2,500,000
Employee compensation	4,000,000	-	-	-	4,000,000
Schools	325,000	-	-	-	325,000
Medical insurance	2,500,000	-	-	-	2,500,000
Unassigned	27,108,282	-	-	-	27,108,282
Total fund balances	<u>81,971,879</u>	<u>16,018,137</u>	<u>67,958,722</u>	<u>22,501,406</u>	<u>188,450,144</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 246,602,672</u>	<u>\$ 78,758,185</u>	<u>\$ 98,777,466</u>	<u>\$ 35,303,023</u>	<u>\$ 459,441,346</u>

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

DAVIS SCHOOL DISTRICT

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

June 30, 2019

Total fund balances for governmental funds	\$ 188,450,144
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Total net position reported for governmental activities in the statement of net position is different because:

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

Those assets consist of:

Land	\$ 56,515,346	
Construction in progress	61,355,771	
Buildings and improvements, net of \$382,591,445 accumulated depreciation	626,413,493	
Furniture and equipment, net of \$15,886,203 accumulated depreciation	4,610,736	
Transportation equipment, net of \$22,106,074 accumulated depreciation	10,911,050	759,806,396

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.	2,571,205
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Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.	(1,354,919)
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An internal service fund is used by management to charge the costs of self insurance to individual funds and programs. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. Internal service fund net position at year-end is:	7,235,362
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Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:

Bonds payable	(552,670,000)	
Deferred charge on refunding	7,282,935	
Unamortized premiums	(25,236,121)	
Accrued vacation	(5,740,012)	
Accrued sick leave	(3,142,592)	
Accrued personal leave	(1,604,541)	
Early retirement payable	(10,671,160)	
Net pension liability	(290,692,630)	
Deferred outflows of resources related to pensions	112,340,515	
Deferred inflows of resources related to pensions	(4,736,766)	(774,870,372)

Total net position - governmental activities	\$ 181,837,816
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The notes to basic financial statements are an integral part of this statement.

DAVIS SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2019

	Major Governmental Funds			Other	Total
	General	Debt Service	Capital Projects	Governmental Funds	Governmental Funds
Revenues:					
Property taxes	\$ 111,760,812	\$ 65,149,429	\$ 16,610,695	\$ 10,596,384	\$ 204,117,320
Earnings on investments	3,895,894	-	2,439,842	510,200	6,845,936
Other local	11,477,927	-	961,642	21,830,771	34,270,340
School lunch sales	-	-	-	7,698,899	7,698,899
State of Utah	373,443,987	-	4,936,681	4,744,415	383,125,083
Federal government	31,079,117	937,091	-	11,065,491	43,081,699
Total revenues	531,657,737	66,086,520	24,948,860	56,446,160	679,139,277
Expenditures:					
Current:					
Instruction	352,816,908	-	-	31,426,267	384,243,175
Supporting services:					
Students	19,104,242	-	-	-	19,104,242
Instructional staff	23,027,859	-	-	-	23,027,859
District administration	3,067,813	-	-	-	3,067,813
School administration	40,201,664	-	-	-	40,201,664
Central	17,108,743	-	-	-	17,108,743
Operation and maintenance of facilities	53,118,262	-	-	-	53,118,262
Student transportation	13,171,601	-	-	-	13,171,601
School food service	-	-	-	25,808,135	25,808,135
Capital outlay	-	-	72,894,207	-	72,894,207
Debt service:					
Bond principal	-	36,755,000	-	-	36,755,000
Bond interest	-	19,635,007	-	-	19,635,007
Bond issuance costs	-	-	224,213	-	224,213
Fees and miscellaneous charges	-	8,300	-	-	8,300
Total expenditures	521,617,092	56,398,307	73,118,420	57,234,402	708,368,221
Excess (deficiency) of revenues over (under) expenditures	10,040,645	9,688,213	(48,169,560)	(788,242)	(29,228,944)
Other financing sources (uses):					
General obligation bonds issued	-	-	50,000,000	-	50,000,000
General obligation bonds premium	-	-	4,989,627	-	4,989,627
Proceeds from sale of capital assets	-	-	1,323	-	1,323
Total other financing sources (uses)	-	-	54,990,950	-	54,990,950
Net change in fund balances	10,040,645	9,688,213	6,821,390	(788,242)	25,762,006
Fund balances - beginning	71,931,234	6,329,924	61,137,332	23,289,648	162,688,138
Fund balances - ending	\$ 81,971,879	\$ 16,018,137	\$ 67,958,722	\$ 22,501,406	\$ 188,450,144

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

DAVIS SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2019

Net change in fund balances-total governmental funds \$ 25,762,006

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, equipment with an initial, individual cost of more than \$5,000 and buildings and improvements with an initial, individual cost of more than \$100,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 55,985,528	
Gain on sale of capital assets	(30,324)	
Proceeds from sale of capital assets	(1,323)	
Depreciation expense	<u>(31,067,455)</u>	24,886,426

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

General obligation bond proceeds	(50,000,000)	
Bond premium	(4,989,627)	
Amortization of deferred amounts on refunding	(1,256,429)	
Amortization of bond premium	1,807,317	
Repayment of bond principal	36,755,000	
Interest expense - general obligation bonds	<u>(77,598)</u>	(17,761,337)

Property tax revenue is recognized when levied (claim to resources established) rather than when available. The portion not available soon enough to pay for the current period's expenditures is reported as deferred inflows of resources in the funds. 434,915

In the statement of activities, certain operating expenses - compensated absences (vacation and sick and personal leave) and termination benefits (early retirement) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During the year, benefit obligations changed by the following amounts:

Accrued vacation	(172,569)	
Accrued sick and personal leave	(173,445)	
Early retirement payable	(1,030,363)	
Pension expense	<u>(14,326,659)</u>	(15,703,036)

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

	<u>(2,022,206)</u>
Change in net position of governmental activities	\$ <u>15,596,768</u>

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

DAVIS SCHOOL DISTRICT

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

Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 102,137,600	\$ 111,558,853	\$ 111,760,812	\$ 201,959
Earnings on investments	2,419,500	2,800,000	3,895,894	1,095,894
Other local	9,211,500	9,527,256	11,477,927	1,950,671
State of Utah	380,345,000	371,532,391	373,443,987	1,911,596
Federal government	30,503,900	31,221,800	31,079,117	(142,683)
Total revenues	524,617,500	526,640,300	531,657,737	5,017,437
Expenditures:				
Current:				
Instruction	357,253,200	359,284,200	352,816,908	6,467,292
Supporting services:				
Students	18,992,500	19,018,200	19,104,242	(86,042)
Instructional staff	23,451,900	23,007,800	23,027,859	(20,059)
District administration	2,880,000	3,000,900	3,067,813	(66,913)
School administration	41,011,600	40,129,700	40,201,664	(71,964)
Central	17,667,900	17,398,100	17,108,743	289,357
Operation and maintenance of facilities	49,219,300	51,475,300	53,118,262	(1,642,962)
Student transportation	14,141,100	13,326,100	13,171,601	154,499
Total expenditures	524,617,500	526,640,300	521,617,092	5,023,208
Excess of revenues over expenditures / net change in fund balances	-	-	10,040,645	10,040,645
Fund balances - beginning	71,931,234	71,931,234	71,931,234	-
Fund balances - ending	\$ 71,931,234	\$ 71,931,234	\$ 81,971,879	\$ 10,040,645

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

DAVIS SCHOOL DISTRICT

Statements of Fund Net Position

Proprietary Funds

June 30, 2019

	Enterprise Fund Pioneer Adult Rehab Center	Governmental Activities- Internal Service Fund Self Insurance
Assets:		
Current assets:		
Cash and investments	\$ 5,821,485	\$ 22,668,642
Receivables - other local	625,455	-
Inventories of supplies	146,313	-
Total current assets	6,593,253	22,668,642
Noncurrent assets:		
Capital assets:		
Buildings and improvements	3,660,322	-
Equipment	753,789	-
Accumulated depreciation	(2,773,944)	-
Net capital assets	1,640,167	-
Total assets	8,233,420	22,668,642
Deferred outflows of resources:		
Related to pensions	390,312	-
Liabilities:		
Current liabilities:		
Accounts payable	123,101	15,433,280
Compensation liability	36,377	-
Total current liabilities	159,478	15,433,280
Noncurrent liabilities:		
Compensation liability	52,521	-
Net pension liability	1,009,971	-
Total noncurrent liabilities	1,062,492	-
Total liabilities	1,221,970	15,433,280
Deferred inflows of resources:		
Related to pensions	16,458	-
Net position:		
Net investment in capital assets	1,640,167	-
Unrestricted	5,745,137	7,235,362
Total net position	\$ 7,385,304	\$ 7,235,362

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

DAVIS SCHOOL DISTRICT

Statements of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds

Year Ended June 30, 2019

	Enterprise Fund Pioneer Adult Rehab Center	Governmental Activities- Internal Service Fund Self Insurance
Operating revenues:		
Charges for services	\$ 9,256,806	\$ 70,042,481
Other local	455,253	-
Total operating revenues	9,712,059	70,042,481
Operating expenses:		
Salaries and benefits	6,352,237	-
Depreciation	133,271	-
Indirect charges	275,568	-
Other	2,829,686	72,064,687
Total operating expenses	9,590,762	72,064,687
Operating income (loss)	121,297	(2,022,206)
Nonoperating income (expense):		
Earnings on investments	135,131	-
State of Utah	946,318	-
Total nonoperating income (expense)	1,081,449	-
Income (loss) / change in net position	1,202,746	(2,022,206)
Total net position - beginning	6,182,558	9,257,568
Total net position - ending	\$ 7,385,304	\$ 7,235,362

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

DAVIS SCHOOL DISTRICT

Statements of Fund Cash Flows Proprietary Funds Year Ended June 30, 2019

	<u>Enterprise Fund Pioneer Adult Rehab Center</u>	<u>Governmental Activities- Internal Service Fund Self Insurance</u>
Cash flows from operating activities:		
Receipts from interfund services provided	\$ -	\$ 70,042,481
Receipts from customers	9,751,718	-
Payments to suppliers	(3,082,622)	(70,767,442)
Payments to employees	(6,432,588)	-
Net cash provided (used) by operating activities	<u>236,508</u>	<u>(724,961)</u>
Cash flows from noncapital financing activities:		
Receipt of state subsidies	<u>946,318</u>	<u>-</u>
Cash flows from investing activities:		
Receipt of earnings on investments	<u>135,131</u>	<u>-</u>
Net change in cash and cash equivalents	1,317,957	(724,961)
Cash and cash equivalents - beginning	<u>4,503,528</u>	<u>23,393,603</u>
Cash and cash equivalents - ending (displayed as cash and investments on the statements of fund net position)	<u><u>\$ 5,821,485</u></u>	<u><u>\$ 22,668,642</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 121,297	\$ (2,022,206)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	133,271	-
Pension expense	(80,042)	-
Changes in operating assets and liabilities:		
Accounts receivable	39,659	-
Inventories	(64,551)	-
Accounts payable	87,183	1,297,245
Compensation liability	(309)	-
Total adjustments	<u>115,211</u>	<u>1,297,245</u>
Net cash provided (used) by operating activities	<u><u>\$ 236,508</u></u>	<u><u>\$ (724,961)</u></u>
Noncash investing, capital, and financing activities	<u>none</u>	<u>none</u>

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

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Government-Wide and Fund Financial Statements

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

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses result from transactions directly associated with the fund's principal services.

The District reports the following major governmental funds:

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

The District reports the *Pioneer Adult Rehabilitation Center Fund* which accounts for revenues and expenses related to fostering independence for people with disabilities as a major enterprise fund.

Additionally, the District reports the *Self Insurance Fund* (an internal service fund) which accounts for employee benefits provided to other funds of the District on a cost-reimbursement basis.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Budgetary Data

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

- By June 1 of each year, the District business administrator prepares a proposed annual budget (for the fiscal year beginning July 1) for all applicable funds. The budget is presented to the Board of Education by the superintendent. This budget includes proposed expenditures and the means of financing them. Also included is a final budget for the current fiscal year ending June 30.
- Copies of the proposed budget are made available for public inspection and review by the District's patrons.
- If the District does not exceed the certified tax rate, a public hearing is held prior to June 30 at which the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when additional data is available to set the rates.
- Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the superintendent can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2019, have been included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Deposits and Investments

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

Cash and Cash Equivalents

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

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as either “due to/from other funds” (i.e., current portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Inventories

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

Capital Assets

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

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

Unearned Revenue

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

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Compensated Absences

Under terms of association agreements, twelve-month or full-year employees earn vacation and sick leave in amounts varying with tenure and classification. Nine-month full-time employees earn sick leave and personal leave in amounts varying with tenure and classification. In the event of termination or death, an employee is reimbursed for the current value of accumulated vacation days to a maximum of 40 days, and is reimbursed for unused personal leave days at an appropriate substitute rate. Upon retirement, employees are compensated for accumulated sick leave at 21.5% of the current value. All vacation pay, personal leave pay, and an estimated potential amount for sick leave pay, are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences will be paid by the fund in which the employee worked (typically the *General Fund*).

Pensions

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

Long-Term Obligations

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

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

Deferred Outflows of Resources

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

Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Net Position/Fund Balances

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

Net position is divided into three components: net investment in capital assets (capital assets net of related debt less unspent bond proceeds), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon it by external parties or are imposed by constitutional provisions or enabling legislation.

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the District is bound to honor them. The District first determines and reports non-spendable balances, then restricted, then committed, and so forth.

Fund balance classifications are summarized as follows:

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

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

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

- Workers compensation claims.
- Employee benefit obligations for unpaid compensated absences including vacation, sick, and personal leave.
- Amounts held in other governmental fund resources for schools.
- As defined in Utah law as an "undistributed reserve," the District maintains up to five percent of *General Fund* budgeted expenditures for economic stabilization. Potential state budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. Additionally, the commitment is necessary to maintain liquidity (i.e., reducing any disparity between when financial resources are available to make payments and the maturity of related liabilities). Also defined by state law, the commitment is

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

not to be used “in the negotiation or settlement of contract salaries for school district employees” and the use of this reserve requires a written resolution adopted by a majority vote of the Board of Education filed with the Utah State Board of Education and the Office of the Utah State Auditor.

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

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

Net Position/Fund Balance Flow Assumption

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

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

Fund balance – It is the District’s policy to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

2. DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2019, as shown on the financial statements is as follows:

Carrying amount of deposits	\$ 21,312,923
Carrying amount of investments	<u>239,812,464</u>
Total cash and investments	<u><u>\$ 261,125,565</u></u>
Governmental funds cash and investments	\$ 232,635,438
Enterprise fund cash and investments	5,821,485
Internal service fund cash and investments	<u>22,668,642</u>
Total cash and investments	<u><u>\$ 261,125,565</u></u>

The District complies with the State Money Management Act (*Utah Code* Title 51, Chapter 7) (the Act) and related Rules of the Money Management Council (the Council) in handling our depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers’ Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, first-tier commercial paper, banker’s acceptances,

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the State of Utah.

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

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

Deposits

At June 30, 2019, the District and the Foundation have the following deposits with financial institutions:

	Carrying Amount	Bank Balance	Amount Insured
Davis School District	\$ 19,146,484	\$ 23,026,023	\$ 250,000
Davis School District Foundation, a component unit of the District	2,166,439	2,166,439	-
Total deposits	<u>\$ 21,312,923</u>	<u>\$ 25,192,462</u>	<u>\$ 250,000</u>

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government’s deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. At June 30, 2019, the uninsured amount of the District’s and Foundation’s pooled bank deposits was uncollateralized.

Investments

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

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

At June 30, 2019, the District has \$229,082,304 invested in the Utah Public Treasurers’ Investment Fund; the PTIF is not rated. The District has \$6,585,164 invested in government agencies rated AA+ and Aaa or higher by Standard & Poor’s and Moody’s Investors Service, Inc., respectively. The District also has \$4,131,384 invested in corporate bonds rated BBB+ and Baa1 or higher by Standard & Poor’s and Moody’s

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Investors Service, Inc., respectively. The Davis School District Foundation has \$14,592 invested in mutual funds that are unrated.

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

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
Davis School District:			
Utah Public Treasurers' Investment Fund (PTIF)	\$ 229,082,304	\$ 229,082,304	\$ -
Government agencies	6,584,184	1,945,586	4,638,598
Corporate bonds	4,131,384	1,708,174	2,423,210
Total District	239,797,872	232,736,064	7,061,808
Davis School District Foundation, a component unit of the District			
Mutual funds investing in:			
International stock	14,592	14,592	-
Total Foundation	14,592	14,592	-
Total investments	\$ 239,812,464	\$ 232,750,656	\$ 7,061,808

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

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit investments in commercial paper to a first tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody's Investors Service or by Standard & Poor's. The District has no investment policy that would further limit its investment choices.

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

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District’s policy for managing this risk is to comply with the Act and related rules. The District places no other limit on the amount of investments to be held by counterparties. The Act requires the Foundation’s public treasurer to have custody of all securities purchased or held or deposit these securities with a bank or trust company to be held in safekeeping by that custodian. The Foundation’s investments held in a brokerage account are covered by Securities Investor Protection Corporation up to \$500,000.

3. FAIR VALUE MEASUREMENTS

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, 2019:

- Government agencies securities of \$6,585,164 are valued using quoted market prices (Level 1 inputs).
- Corporate bonds of \$4,131,384 are valued using a matrix pricing model (Level 2 inputs).
- Public Treasurers’ Investment Fund position of \$229,082,304 is valued at the District’s position in the PTIF multiplied by the published fair value factor (Level 2 inputs).

The Foundation has the following recurring fair value measurements as of June 30, 2019:

- Mutual funds of \$14,592 are valued using quoted market prices (Level 1 inputs).

4. PROPERTY TAXES

District Property Tax Revenue

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

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

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

As of June 30, 2019, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2019 or earlier. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period, after which time the county treasurer may force sale of property to collect the delinquent portion.

Incremental Taxes

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

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

During the year ended June 30, 2019, incremental taxes levied by the District for the redevelopment agencies totaling \$8,716,028 were recorded as revenue with an equivalent amount of expenditure for instruction in the other governmental funds (in the *Pass-Through Taxes Fund*).

Per *Utah Code 53F-2-703*, a portion of the District's board local levy is paid to the statewide charter school levy account. The portion is based on the number of charter school students residing within the District's boundaries. In 2019, the amount collected by the County and paid directly to the State was \$1,880,356; this amount was reported in the District's *Pass-Through Taxes Fund*.

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 55,893,547	\$ 653,446	\$ (31,647)	\$ 56,515,346
Construction in progress	172,221,786	52,344,145	(163,210,160)	61,355,771
Total capital assets, not being depreciated	228,115,333	52,997,591	(163,241,807)	117,871,117
Capital assets, being depreciated:				
Buildings and improvements	895,911,365	163,210,160	-	1,059,121,525
Furniture and equipment	20,351,548	1,788,563	(302,170)	21,837,941
Transportation equipment	33,013,591	1,199,374	(1,190,996)	33,021,969
Total capital assets, being depreciated	949,276,504	166,198,097	(1,493,166)	1,113,981,435
Accumulated depreciation for:				
Buildings and improvements	(404,861,072)	(27,846,960)	-	(432,708,032)
Furniture and equipment	(16,386,621)	(1,142,754)	302,170	(17,227,205)
Transportation equipment	(21,224,174)	(2,077,741)	1,190,996	(22,110,919)
Total accumulated depreciation	(442,471,867)	(31,067,455)	1,493,166	(472,046,156)
Total capital assets, being depreciated, net	506,804,637	135,130,642	-	641,935,279
Governmental activity capital assets, net	<u>\$ 734,919,970</u>	<u>\$ 188,128,233</u>	<u>\$ (163,241,807)</u>	<u>\$ 759,806,396</u>
Business-type activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 3,660,322	\$ -	\$ -	\$ 3,660,322
Furniture and equipment	753,789	-	-	753,789
Total capital assets, being depreciated	4,414,111	-	-	4,414,111
Accumulated depreciation for:				
Buildings and improvements	(2,021,167)	(95,127)	-	(2,116,294)
Furniture and equipment	(619,506)	(38,144)	-	(657,650)
Total accumulated depreciation	(2,640,673)	(133,271)	-	(2,773,944)
Business-type activity capital assets, net	<u>\$ 1,773,438</u>	<u>\$ (133,271)</u>	<u>\$ -</u>	<u>\$ 1,640,167</u>

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

For the year ended June 30, 2019, depreciation expense was charged to functions of the District as follows:

Governmental activities:

Instruction	\$ 24,525,826
Supporting services:	
Students	269,836
Instructional staff	99,199
District administration	35,780
School administration	1,368,296
Central	1,102,965
Operation and maintenance of facilities	2,334,256
Student transportation	1,071,791
School food services	259,506
Total depreciation expense, governmental activities	<u>\$ 31,067,455</u>

Business-type activities:

Pioneer Adult Rehabilitation Center	<u>\$ 133,271</u>
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The District is obligated at June 30, 2019 under construction commitments as follows:

Project	Project Authorized	Costs to Date	Costs to Complete
Mountain High Addition	\$ 11,896,923	\$ 10,396,228	\$ 1,500,695
Layton Jr. High #17 2015 Bond	44,108,644	41,980,701	2,127,943
Elementary #63 2015 Bond	24,805,482	1,549,494	23,255,988
W. Bountiful El Re-Build 2015 Bond	22,626,608	7,131,676	15,494,932
Elementary #64 2015 Bond	157,672	157,672	-
Sunset Jr. Remodel 2015 Bond	140,000	140,000	-
	<u>\$ 103,735,329</u>	<u>\$ 61,355,771</u>	<u>\$ 42,379,558</u>

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

6. RETIREMENT PLANS

Description of Plans

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

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

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

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Defined Contribution Plans (individual account plans):

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

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

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

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

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

Benefits Provided

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

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

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

Contributions

As a condition of participation in the plans, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board.

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

For the year ended June 30, 2019, District required contribution rates for the plans were as follows:

	Defined Benefit Plans Rates			District Rates for 401(k) Plan	Totals
	District Contribution *	Amortization of UAAL **	Paid by District for Employee		
Tier 1 Noncontributory System	12.25%	9.94%	0.0%	1.50%	23.69%
Tier 1 Contributory System	5.45%	12.25%	5.00%	-	22.70%
Tier 2 Contributory System	8.93%	9.94%	0.00%	1.15%	20.02%
Tier 2 Defined Contribution Plan	0.08%	9.94%	0.00%	10.00%	20.02%

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

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

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

For the year ended June 30, 2019, District and employee contributions to the plans were as follows:

	District Contributions *	Employee Contributions
Tier 1 Noncontributory System	\$ 44,722,327	\$ -
Tier 1 Contributory System	189,512	64,242
Tier 2 Contributory System	12,001,010	-
Tier 2 Defined Benefit Plan	1,179,379	-
401(k) Plan	5,028,243	4,035,781
457 Plan and other individual plans	-	1,083,419

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

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

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

At June 30, 2019, the District reported a net pension liability of \$291,702,601 for the following plans:

	Net Pension Asset	Net Pension Liability
Tier 1 Noncontributory System	\$ -	\$ 285,449,516
Tier 1 Contributory System	-	4,114,389
Tier 2 Contributory System	-	2,138,696
Total	<u>\$ -</u>	<u>\$ 291,702,601</u>

The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2018, rolled-forward using generally accepted actuarial procedures. Our proportion of the net pension liability (asset) is equal to the ratio of our actual contributions compared to the total of all employer contributions during the plan year. The following presents our proportion (percentage) of the collective net pension liability (asset) at December 31, 2018 and the change in our proportion since the prior measurement date for each plan:

	Proportionate Share	
	2018	Change
Tier 1 Noncontributory System	7.6723075%	0.0197941%
Tier 1 Contributory System	5.7948812%	0.6430918%
Tier 2 Contributory System	4.9937037%	0.1256635%

For the year ended June 30, 2019, we recognized pension expense for the plans as follows:

	Pension Expense
Defined benefit pension plans:	
Tier 1 Noncontributory System	\$ 65,435,473
Tier 1 Contributory System	1,345,781
Tier 2 Contributory System	5,528,036
Total	<u>\$ 72,309,290</u>
Defined contribution plans:	
Tier 2 Defined Contribution Plan	\$ 1,179,379
401(k) Plan	5,028,243
Total	<u>\$ 6,207,622</u>

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

At June 30, 2019, we reported deferred outflows of resources related to defined benefit pension plans from the following sources:

	Deferred Outflows of Resources Related to Pensions			
	Tier 1 Noncontributory System	Tier 1 Contributory System	Tier 2 Contributory System	Total
Differences between expected and actual experience	\$ 1,520,627	\$ -	\$ 15,010	\$ 1,535,637
Changes of assumptions	29,034,006	-	536,051	29,570,057
Net difference between projected and actual earnings on pension plan investments	47,490,886	1,356,507	696,455	49,543,848
Changes in proportion and differences between District contributions and proportionate share of contributions	2,841,697	-	665,470	3,507,167
Contributions subsequent to the measurement date	21,840,829	90,038	6,643,250	28,574,117
Total	<u>\$ 102,728,045</u>	<u>\$ 1,446,545</u>	<u>\$ 8,556,236</u>	<u>\$ 112,730,826</u>

At June 30, 2019, we reported deferred inflows of resources related to defined benefit pension plans from the following sources:

	Deferred Inflows of Resources Related to Pensions			
	Tier 1 Noncontributory System	Tier 1 Contributory System	Tier 2 Contributory System	Total
Differences between expected and actual experience	\$ 4,005,178	\$ -	\$ 442,022	\$ 4,447,200
Changes of assumptions	-	-	38,424	38,424
Changes in proportion and differences between District contributions and proportionate share of contributions	267,600	-	-	267,600
Total	<u>\$ 4,272,778</u>	<u>\$ -</u>	<u>\$ 480,446</u>	<u>\$ 4,753,224</u>

The \$28,574,117 reported as deferred outflows of resources related to pensions resulting from our contributions subsequent to the measurement date of December 31, 2018 will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2020. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

Year Ending June 30,	Tier 1 Noncontributory System	Tier 1 Contributory System	Tier 2 Contributory System	Total
2020	\$ 34,691,651	\$ 537,588	\$ 242,502	\$ 35,471,741
2021	13,440,209	14,736	176,742	13,631,687
2022	5,990,819	131,831	193,546	6,316,196
2023	22,491,759	672,352	341,052	23,505,163
2024	-	-	64,347	64,347
Thereafter	-	-	414,351	414,351

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Actuarial Assumptions

The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2016. Assumptions remained unchanged that affect measurement of the total pension liability (asset) since the prior measurement date.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%	0.00%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates, actuarially determined and certified by the Utah State Retirement Board. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

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

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

	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension (asset) liability:			
Tier 1 Noncontributory System	\$ 513,084,404	\$ 285,449,516	\$ 95,004,511
Tier 1 Contributory System	8,622,270	4,114,389	267,696
Tier 2 Contributory System	8,568,028	2,138,696	(2,823,141)
Total	<u>\$ 530,274,702</u>	<u>\$ 291,702,601</u>	<u>\$ 92,449,066</u>

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plans

At June 30, 2019, the District reported payables of \$13,283,654 for contributions to defined benefit pension plans and defined contribution plans.

7. RISK MANAGEMENT

The *Self Insurance Fund*, an internal service fund, was established to pay self-insurance claims for health and dental coverage provided to qualified District employees. The District carries commercial insurance, which covers claims in excess of \$200,000. The fund collects premiums, established by the District and plan administrator, from other District funds. The District has recorded an estimate of claims incurred but not reported (IBNR) of \$15,433,281 as of June 30, 2019. This liability is based on experience and information provided by the plan administrator. The following table shows a history of accrued claims payable for the years ended June 30, 2019 and 2018:

	2019	2018
Beginning accrued claims payable	\$ 14,136,035	\$ 12,875,671
Claims (including incurred but not reported)	72,064,687	65,624,250
Payments of claims and administrative costs	<u>(70,767,442)</u>	<u>(64,363,886)</u>
Ending accrued claims payable	<u>\$ 15,433,280</u>	<u>\$ 14,136,035</u>

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Unemployment compensation is handled on a cost of benefits reimbursement basis with the state of Utah. The District is self-insured for worker's compensation claims up to \$250,000 per incident which are processed by a third party administrator. During the year ended June 30, 2019, the District paid worker's compensation claims in the amount of \$934,575. A co-insurance policy provides for individual worker's compensation claims in excess of \$250,000. This District has not established a liability for either claims outstanding or for the claims incurred but not reported (IBNR) because management believes the amount would be immaterial to the financial statements.

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

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

8. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2019 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 539,425,000	\$ 50,000,000	\$ (36,755,000)	\$ 552,670,000	\$ 46,895,000
Deferred amounts for issuance premium	22,053,811	4,989,627	(1,807,317)	25,236,121	-
Total bonds payable, net	561,478,811	54,989,627	(38,562,317)	577,906,121	46,895,000
Accrued vacation	5,567,443	3,592,704	(3,420,135)	5,740,012	3,526,146
Accrued sick leave	3,114,681	523,011	(495,100)	3,142,592	499,537
Accrued personal leave	1,459,007	1,041,200	(895,666)	1,604,541	985,007
Early retirement payable	9,640,797	6,653,386	(5,623,023)	10,671,160	5,293,708
Net pension liability	187,105,877	161,448,413	(57,861,660)	290,692,630	-
Total governmental activity long-term liabilities	<u>\$ 768,366,616</u>	<u>\$ 228,248,341</u>	<u>\$ (106,857,901)</u>	<u>\$ 889,757,056</u>	<u>\$ 57,199,398</u>
Business-type activities:					
Accrued vacation	\$ 74,720	\$ 62,154	\$ (62,186)	\$ 74,688	\$ 30,562
Accrued sick leave	12,946	8,099	(7,605)	13,440	5,500
Accrued personal leave	1,541	385	(1,156)	770	315
Net pension liability	794,002	416,982	(201,013)	1,009,971	-
Total business-type activity long-term liabilities	<u>\$ 883,209</u>	<u>\$ 487,620</u>	<u>\$ (271,960)</u>	<u>\$ 1,098,869</u>	<u>\$ 36,377</u>

General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction of new facilities, acquisition of property, renovation and improvement of facilities, and procurement of other equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2019, including interest payments, are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 46,895,000	\$ 20,286,166	\$ 67,181,166
2021	34,270,000	18,216,146	52,486,146
2022	36,490,000	17,238,475	53,728,475
2023	31,585,000	15,853,106	47,438,106
2024	32,840,000	14,497,059	47,337,059
2025-2029	178,810,000	51,706,475	230,516,475
2030-2034	129,450,000	22,491,344	151,941,344
2035-2039	62,330,000	4,741,069	67,071,069
Total	<u>\$ 552,670,000</u>	<u>\$ 165,029,840</u>	<u>\$ 717,699,840</u>

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

General obligation school building bonds payable at June 30, 2019 with their outstanding balances are comprised of the following individual issues:

Bond Series 2010A - GO Bonds (BABs) original issue of \$68,500,000 with interest rates ranging from 1.0% to 5.75% (up to 35% interest rate subsidy)	\$ 52,660,000
Bond Series 2011A - GO Bonds - original issue of \$45,000,000 with interest rates ranging from 4.0% to 4.75%	2,645,000
Bond Series 2012 - GO Bonds - original issue of \$35,000,000 with interest rates ranging from 2.0% to 4.0%	33,035,000
Bond Series 2013A - GO Bond - original issue of \$20,000,000 with interest rates ranging from 2.0% to 4.0%	18,940,000
Bond Series 2013B - GO Refunding Bonds - original issue of \$20,550,000 with interest rates ranging from 3.0% to 4.25%	4,420,000
Bond Series 2014 - GO Bonds - original issue of \$25,000,000 with interest rates ranging from 2.25% to 5.0%	25,000,000
Bond Series 2015A - GO Bonds - original issue of \$40,000,000 with interest rates ranging from 2.0% to 5.0%	34,890,000
Bond Series 2015B - GO Refunding Bonds - original issue of \$67,025,000 with interest rates ranging from 2.0% to 5.0%	58,275,000
Bond Series 2015C - GO Refunding Bonds - original issue of \$53,010,000 with interest rate of 1.72%	27,050,000
Bond Series 2016 - GO Bonds - original issue of \$68,500,000 with interest rates ranging from 2.0% to 3.375%	63,900,000
Bond Series 2017A - GO Bonds - original issue of \$80,000,000 with interest rates ranging from 3.0% to 5.0%	78,175,000
Bond Series 2017B - GO Refunding Bonds - original issue of \$36,805,000 with interest rate of 2% to 5%	36,805,000
Bond Series 2018 - GO Bonds - original issue of \$69,375,000 with interest rates ranging from 3.0% to 5.0%	66,875,000
Bond Series 2019 - GO Bonds - original issue of \$50,000,000 with interest rates ranging from 3.0% to 5.0%	50,000,000
	<u>\$ 552,670,000</u>

The general obligation bonded debt of the District is limited by state law to 4.0% of the fair market value of the total taxable property in Davis County. The legal debt limit at June 30, 2019 is \$1,600,095,103 with general obligation debt outstanding, net of issuance premiums, of \$577,906,121, resulting in a legal debt margin of \$1,022,188,986.

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

DAVIS SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Bond Issuance

In April 2019, the District issued \$50,000,000 of general obligation school building bonds. The bonds have interest rates ranging from 3.0% to 5.0% with a final maturity of June 2039.

Early Retirement Payable

The District provides an early retirement incentive program. Eligibility is restricted to those employees with a minimum of ten years of service in the District, and who meet the eligibility requirements for and will be receiving Utah Retirement System benefits. Eligible retirees will receive a contribution of 16% of their annual salary per year, for up to three consecutive years, into a qualified 401(a) and/or 403(b) plan, or until they become eligible to receive unreduced social security benefits, whichever occurs first. Employees who retire under the incentive program will continue to be enrolled in group medical and dental programs until they become eligible for Medicare, or for 10 consecutive years following retirement, whichever comes first. Enrollment is contingent upon the retiree contributing the same premium as required of active employees for the first 3 years and the full premium for the following 7 years. For the years ended June 30, 2019 and 2018 the District's direct payments to retirees were \$3,426,036 and \$3,003,410 and payments of insurance premiums on behalf of retirees were \$2,196,987 and \$2,189,286, respectively. Future retirement payments of employees who have elected early retirement are recognized on an accrual basis as an expense in the government-wide financial statements in the year of retirement. This liability is paid from the fund from which the employee retires.

9. LITIGATION AND LEGAL COMPLIANCE

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

All fund balances are positive at June 30, 2019. Fund expenditures are within budgeted amounts during the year ended June 30, 2019.

10. GRANTS

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

10. SUBSEQUENT EVENTS

In September 2019, the District refunded \$52,660,000 of general obligation school building bonds (interest rates 4.4% to 5.8%) by issuing \$43,565,000 of general obligation refunding bonds with premium of \$9,579,467 (interest rates of 5.0%). The refunding will result in overall cash savings to the District.

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

	District's Proportion of Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Tier 1 Noncontributory System:					
2018	7.6723075 %	\$ 285,449,516	\$ 206,443,337	138.27 %	84.1 %
2017	7.6525134 %	187,131,668	205,549,266	91.04 %	89.2 %
2016	7.4624207 %	241,850,854	204,451,285	118.29 %	84.9 %
2015	7.3414109 %	230,614,740	201,027,809	114.72 %	84.5 %
2014	7.4134528 %	186,265,127	207,180,521	89.90 %	87.2 %
Tier 1 Contributory System:					
2018	5.7948812 %	\$ 4,114,389	\$ 1,124,634	365.84 %	91.4 %
2017	5.1517894 %	339,009	1,172,178	28.92 %	99.2 %
2016	5.2048370 %	2,852,030	1,395,246	204.41 %	93.4 %
2015	5.4310774 %	3,403,396	1,720,443	197.82 %	92.4 %
2014	5.2473969 %	575,369	1,924,123	29.90 %	98.7 %
Tier 2 Contributory System:					
2018	4.9937037 %	\$ 2,138,696	\$ 58,736,946	3.64 %	90.8 %
2017	4.8680402 %	429,202	47,803,221	0.90 %	97.4 %
2016	7.3903033 %	489,735	36,003,896	1.36 %	95.1 %
2015	4.0722871 %	(8,890)	26,295,729	(0.03)%	100.2 %
2014	4.0284960 %	(122,081)	19,714,988	(0.62)%	103.5 %

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

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Tier 1 Noncontributory System:					
2019	\$ 44,722,327	\$ 44,722,327	\$ -	\$ 204,195,524	21.90 %
2018	45,159,337	45,159,337	-	205,977,365	21.92 %
2017	44,408,786	44,408,786	-	202,863,727	21.89 %
2016	44,466,708	44,466,708	-	203,305,674	21.87 %
2015	43,924,810	43,924,810	-	203,539,652	21.58 %
Tier 1 Contributory System:					
2019	\$ 189,512	\$ 189,512	\$ -	\$ 1,070,688	17.70 %
2018	202,455	202,455	-	1,143,812	17.70 %
2017	216,832	216,832	-	1,225,041	17.70 %
2016	279,041	279,041	-	1,576,505	17.70 %
2015	323,810	323,810	-	1,858,776	17.42 %
Tier 2 Contributory System:					
2019	\$ 13,180,389	\$ 13,180,389	\$ -	\$ 75,596,811	17.44 %
2018	10,747,735	10,747,735	-	62,425,275	17.22 %
2017	8,182,874	8,182,874	-	47,831,200	17.11 %
2016	6,160,316	6,160,316	-	36,010,273	17.11 %
2015	4,551,043	4,551,043	-	26,761,238	17.01 %
Tier 2 Defined Contribution Plan:					
2019	\$ 60,504	\$ 60,504	\$ -	\$ 594,344	10.18 %
2018	41,904	41,904	-	418,201	10.02 %
2017	40,826	40,826	-	407,442	10.02 %
2016	35,870	35,870	-	357,835	10.02 %
2015	29,224	29,224	-	291,489	10.03 %

DAVIS SCHOOL DISTRICT
Notes to Required Supplementary Information

A. Changes in Assumptions – Utah Retirement Systems

Assumptions for plan year 2018 remain unchanged from the prior year.

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

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

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

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

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

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

B. Schedules of the District's Proportional Share of the Net Pension Liability (Asset) – Utah Retirement Systems

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

C. Schedules of District Contributions – Utah Retirement Systems

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

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

DAVIS SCHOOL DISTRICT

Comparative Balance Sheets

General Fund

June 30, 2019

With Comparative Totals for 2018

	2019	2018
Assets:		
Cash and investments	\$ 115,863,362	\$ 105,333,480
Receivables:		
Property taxes	114,161,853	103,291,768
Other local	360,233	293,814
State of Utah	2,614,512	1,616,995
Federal government	8,064,115	6,635,082
Inventories	5,538,597	5,651,863
Total assets	<u>\$ 246,602,672</u>	<u>\$ 222,823,002</u>
Liabilities:		
Accounts payable	\$ 1,408,471	\$ 1,401,455
Accrued salaries and benefits	49,523,092	46,661,930
Unearned revenue:		
State of Utah	2,962,186	3,764,001
Total liabilities	<u>53,893,749</u>	<u>51,827,386</u>
Deferred Inflows of Resources:		
Unavailable property tax revenue	1,401,505	1,207,556
Property taxes levied for future year	109,335,539	97,856,826
Total deferred inflows of resources	<u>110,737,044</u>	<u>99,064,382</u>
Fund Balances:		
Nonspendable:		
Inventories	5,538,597	5,651,863
Committed to:		
Workers compensation	1,000,000	500,000
Termination benefits	4,500,000	4,500,000
Economic stabilization	28,000,000	25,000,000
Assigned to:		
Programs	6,500,000	5,500,000
Textbooks	2,500,000	2,000,000
Employee compensation	4,000,000	5,000,000
Schools	325,000	325,000
Medical insurance	2,500,000	2,500,000
Unassigned	27,108,282	20,954,371
Total fund balances	<u>81,971,879</u>	<u>71,931,234</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 246,602,672</u>	<u>\$ 222,823,002</u>

DAVIS SCHOOL DISTRICT

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

Year Ended June 30, 2019
With Comparative Totals for 2018

	2019			2018
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 111,558,853	\$ 111,760,812	\$ 201,959	\$ 106,792,006
Earnings on investments	2,800,000	3,895,894	1,095,894	2,137,243
Other local	9,527,256	11,477,927	1,950,671	9,246,187
State of Utah	371,532,391	373,443,987	1,911,596	361,689,641
Federal government	31,221,800	31,079,117	(142,683)	32,042,146
Total revenues	526,640,300	531,657,737	5,017,437	511,907,223
Expenditures:				
Current:				
Instruction	359,284,200	352,816,908	6,467,292	336,237,490
Supporting services:				
Students	19,018,200	19,104,242	(86,042)	17,708,229
Instructional staff	23,007,800	23,027,859	(20,059)	22,001,747
District administration	3,000,900	3,067,813	(66,913)	2,711,466
School administration	40,129,700	40,201,664	(71,964)	37,375,321
Central	17,398,100	17,108,743	289,357	16,935,865
Operation and maintenance of facilities	51,475,300	53,118,262	(1,642,962)	51,134,507
Student transportation	13,326,100	13,171,601	154,499	16,928,910
Total expenditures	526,640,300	521,617,092	5,023,208	501,033,535
Excess of revenues over expenditures / net change in fund balances	-	10,040,645	10,040,645	10,873,688
Fund balances - beginning	71,931,234	71,931,234	-	61,057,546
Fund balances - ending	<u>\$ 71,931,234</u>	<u>\$ 81,971,879</u>	<u>\$ 10,040,645</u>	<u>\$ 71,931,234</u>

DAVIS SCHOOL DISTRICT

Comparative Balance Sheets *Debt Service Fund*

June 30, 2019

With Comparative Totals for 2018

	<u>2019</u>	<u>2018</u>
Assets:		
Cash and investments	\$ 14,021,692	\$ 4,146,820
Receivables - property taxes	<u>64,736,493</u>	<u>59,843,164</u>
Total assets	<u>\$ 78,758,185</u>	<u>\$ 63,989,984</u>
 Deferred inflows of resources:		
Unavailable property tax revenue	\$ 816,988	\$ 615,770
Property taxes levied for future year	<u>61,923,060</u>	<u>57,044,290</u>
Total deferred inflows of resources	<u>62,740,048</u>	<u>57,660,060</u>
 Fund balances:		
Restricted for:		
Debt service	<u>16,018,137</u>	<u>6,329,924</u>
Total deferred inflows of resources and fund balances	<u>\$ 78,758,185</u>	<u>\$ 63,989,984</u>

DAVIS SCHOOL DISTRICT

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

Debt Service Fund

Year Ended June 30, 2019

With Comparative Totals for 2018

	2019			2018
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 58,214,200	\$ 65,149,429	\$ 6,935,229	\$ 54,456,534
Federal interest subsidy	924,700	937,091	12,391	983,196
Total revenues	59,138,900	66,086,520	6,947,620	55,439,730
Expenditures:				
Debt service:				
Bond principal	37,755,000	36,755,000	1,000,000	34,530,000
Bond interest	20,635,000	19,635,007	999,993	18,360,825
Bond issuance costs	-	-	-	189,182
Fees and miscellaneous charges	748,900	8,300	740,600	7,501
Total expenditures	59,138,900	56,398,307	2,740,593	53,087,508
Excess of revenues over expenditures	-	9,688,213	9,688,213	2,352,222
Other Financing Sources (Uses):				
Refunding bonds issued	-	-	-	36,805,000
Refunding bonds premium	-	-	-	3,592,355
Refunding bonds escrow payment	-	-	-	(40,208,173)
Total other financing sources (uses)	-	-	-	189,182
Net change in fund balances	-	9,688,213	9,688,213	2,541,404
Fund balances - beginning	6,329,924	6,329,924	-	3,788,520
Fund balances - ending	<u>\$ 6,329,924</u>	<u>\$ 16,018,137</u>	<u>\$ 9,688,213</u>	<u>\$ 6,329,924</u>

DAVIS SCHOOL DISTRICT

Comparative Balance Sheets *Capital Projects Fund*

June 30, 2019

With Comparative Totals for 2018

	<u>2019</u>	<u>2018</u>
Assets:		
Cash and investments	\$ 83,212,109	\$ 89,351,166
Receivables:		
Property taxes	<u>15,565,357</u>	<u>15,459,074</u>
Total assets	<u>\$ 98,777,466</u>	<u>\$ 104,810,240</u>
 Liabilities:		
Accounts payable	<u>\$ 15,762,407</u>	<u>\$ 28,939,277</u>
 Deferred inflows of resources:		
Unavailable property tax revenue	208,301	189,447
Property taxes levied for future year	<u>14,848,036</u>	<u>14,544,184</u>
Total deferred inflows of resources	<u>15,056,337</u>	<u>14,733,631</u>
 Fund balances:		
Restricted for:		
Capital projects	<u>67,958,722</u>	<u>61,137,332</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 98,777,466</u>	<u>\$ 104,810,240</u>

DAVIS SCHOOL DISTRICT

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

Year Ended June 30, 2019
With Comparative Totals for 2018

	2019			2018
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ 16,629,500	\$ 16,610,695	\$ (18,805)	\$ 16,754,023
Earnings on investments	2,000,000	2,439,842	439,842	1,579,089
Other local	1,028,700	961,642	(67,058)	466,335
State of Utah	4,936,800	4,936,681	(119)	5,378,592
Total revenues	24,595,000	24,948,860	353,860	24,178,039
Expenditures:				
Capital outlay:				
Buildings and improvements	97,295,000	67,397,775	29,897,225	120,225,875
Equipment	3,000,000	5,321,905	(2,321,905)	3,605,413
Other	300,000	174,527	125,473	1,969,960
Debt service:				
Bond issuance costs	-	224,213	(224,213)	-
Total expenditures	100,595,000	73,118,420	27,476,580	125,801,248
Excess (deficiency) of revenues over (under) expenditures	(76,000,000)	(48,169,560)	27,830,440	(101,623,209)
Other financing sources:				
General obligation bonds issued	50,000,000	50,000,000	-	69,375,000
General obligation bonds premium	1,000,000	4,989,627	3,989,627	2,521,000
Proceeds from sale of capital assets	-	1,323	1,323	477,031
Total other financing sources	51,000,000	54,990,950	3,990,950	72,373,031
Net change in fund balances	(25,000,000)	6,821,390	31,821,390	(29,250,178)
Fund balances - beginning	61,137,332	61,137,332	-	90,387,510
Fund balances - ending	\$ 36,137,332	\$ 67,958,722	\$ 31,821,390	\$ 61,137,332

DAVIS SCHOOL DISTRICT

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2019

With Comparative Totals for 2018

	Special Revenue				Total Nonmajor Governmental Funds
	School Food Services	Student Activities Fund	District Foundation Fund	Pass-Through Taxes Fund	
Assets:					
Cash and investments	\$ 5,713,419	\$ 11,640,836	\$ 2,184,020	\$ -	\$ 19,538,275
Receivables:					
Property taxes	-	-	-	12,557,337	12,557,337
Other local	26,594	-	-	-	26,594
State of Utah	1,247,663	-	-	-	1,247,663
Federal government	122,730	-	-	-	122,730
Inventories	1,810,424	-	-	-	1,810,424
Total assets	<u>\$ 8,920,830</u>	<u>\$ 11,640,836</u>	<u>\$ 2,184,020</u>	<u>\$ 12,557,337</u>	<u>\$ 35,303,023</u>
Liabilities:					
Accounts payable	\$ 95,988	\$ 142,890	\$ 5,402	\$ -	\$ 244,280
Deferred inflows of resources:					
Unavailable property tax revenue	-	-	-	144,411	144,411
Property taxes levied for future year	-	-	-	12,412,926	12,412,926
	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,557,337</u>	<u>12,557,337</u>
Fund balances:					
Nonspendable:					
Inventories	1,810,424	-	-	-	1,810,424
Restricted for:					
School food services	7,014,418	-	-	-	7,014,418
Committed to:					
Schools	-	11,497,946	-	-	11,497,946
Assigned to:					
Foundation	-	-	2,178,618	-	2,178,618
Total fund balances	<u>8,824,842</u>	<u>11,497,946</u>	<u>2,178,618</u>	<u>-</u>	<u>22,501,406</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,920,830</u>	<u>\$ 11,640,836</u>	<u>\$ 2,184,020</u>	<u>\$ 12,557,337</u>	<u>\$ 35,303,023</u>

DAVIS SCHOOL DISTRICT

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2019

	Special Revenue				Total Nonmajor Governmental Funds
	School Food Services	Student Activities Fund	District Foundation Fund	Pass-Through Taxes Fund	
Revenues:					
Local sources:					
Property taxes	\$ -	\$ -	\$ -	\$ 10,596,384	\$ 10,596,384
Earnings on investments	-	478,070	32,130	-	510,200
School lunch sales	7,698,899	-	-	-	7,698,899
Student fees	-	14,910,636	-	-	14,910,636
Other local	974,860	3,223,138	2,722,137	-	6,920,135
State of Utah	4,744,415	-	-	-	4,744,415
Federal government	11,065,491	-	-	-	11,065,491
Total revenues	<u>24,483,665</u>	<u>18,611,844</u>	<u>2,754,267</u>	<u>10,596,384</u>	<u>56,446,160</u>
Expenditures:					
Current:					
Food	11,210,317	-	-	-	11,210,317
Salaries and benefits	10,977,190	1,771,654	-	-	12,748,844
Indirect charges	765,502	-	-	-	765,502
Purchased services	-	2,485,738	13,395	-	2,499,133
Grants and awards	-	-	1,830,098	-	1,830,098
Supplies and equipment	-	14,236,119	492,879	-	14,728,998
Other	2,855,126	-	-	10,596,384	13,451,510
Total expenditures	<u>25,808,135</u>	<u>18,493,511</u>	<u>2,336,372</u>	<u>10,596,384</u>	<u>57,234,402</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(1,324,470)	118,333	417,895	-	(788,242)
Fund balances - beginning	<u>10,149,312</u>	<u>11,379,613</u>	<u>1,760,723</u>	<u>-</u>	<u>23,289,648</u>
Fund balances - ending	<u>\$ 8,824,842</u>	<u>\$ 11,497,946</u>	<u>\$ 2,178,618</u>	<u>\$ -</u>	<u>\$ 22,501,406</u>

DAVIS SCHOOL DISTRICT

Comparative Balance Sheets School Food Services Fund Nonmajor Special Revenue Fund

June 30, 2019

With Comparative Totals for 2018

	2019	2018
Assets:		
Cash and investments	\$ 5,713,419	\$ 7,628,742
Receivables:		
Other local	26,594	26,002
State of Utah	1,247,663	1,017,693
Federal government	122,730	143,613
Due from other funds		
Inventories	1,810,424	1,424,152
Total assets	<u>\$ 8,920,830</u>	<u>\$ 10,240,202</u>
Liabilities:		
Accounts payable	<u>\$ 95,988</u>	<u>\$ 90,890</u>
Fund balances:		
Nonspendable:		
Inventories	1,810,424	1,424,152
Restricted for:		
School food services	<u>7,014,418</u>	<u>8,725,160</u>
Total fund balances	<u>8,824,842</u>	<u>10,149,312</u>
Total liabilities and fund balances	<u>\$ 8,920,830</u>	<u>\$ 10,240,202</u>

DAVIS SCHOOL DISTRICT

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

School Food Services Fund

Nonmajor Special Revenue Fund

Year Ended June 30, 2019

With Comparative Totals for 2018

	2019			2018
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
School lunch sales	\$ 7,718,700	\$ 7,698,899	\$ (19,801)	\$ 7,635,337
Other local	1,007,000	974,860	(32,140)	934,420
State of Utah	5,347,800	4,744,415	(603,385)	4,316,160
Federal sources:				
Federal government	9,547,800	9,295,398	(252,402)	9,588,236
Contributed food commodities	2,500,000	1,770,093	(729,907)	2,334,321
Total revenues	<u>26,121,300</u>	<u>24,483,665</u>	<u>(1,637,635)</u>	<u>24,808,474</u>
Expenditures:				
Current:				
Food	12,381,400	11,210,317	1,171,083	13,361,901
Salaries and benefits	10,236,700	10,977,190	(740,490)	9,620,853
Indirect charges	742,100	765,502	(23,402)	635,000
Other	2,761,100	2,855,126	(94,026)	1,333,645
Total expenditures	<u>26,121,300</u>	<u>25,808,135</u>	<u>313,165</u>	<u>24,951,399</u>
Deficiency of revenues under expenditures / net change in fund balances	-	(1,324,470)	(1,324,470)	(142,925)
Fund balances - beginning	<u>10,149,312</u>	<u>10,149,312</u>	<u>-</u>	<u>10,292,237</u>
Fund balances - ending	<u>\$ 10,149,312</u>	<u>\$ 8,824,842</u>	<u>\$ (1,324,470)</u>	<u>\$ 10,149,312</u>

DAVIS SCHOOL DISTRICT

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

June 30, 2019

With Comparative Totals for 2018

	<u>2019</u>	<u>2018</u>
Assets:		
Cash and investments	\$ 11,640,836	\$ 11,507,050
Liabilities:		
Accounts payable	\$ 142,890	\$ 120,436
Unearned revenue - other local	-	7,001
Total liabilities	<u>142,890</u>	<u>127,437</u>
Fund balances:		
Committed to:		
Schools	<u>11,497,946</u>	<u>11,379,613</u>
Total liabilities and fund balances	<u>\$ 11,640,836</u>	<u>\$ 11,507,050</u>

DAVIS SCHOOL DISTRICT

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

Student Activities Fund

Nonmajor Special Revenue Fund

Year Ended June 30, 2019

With Comparative Totals for 2018

	2019			2018
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Earnings on investments	\$ 478,100	\$ 478,070	\$ (30)	\$ 292,840
Student fees	16,615,300	14,910,636	(1,704,664)	14,323,223
Other local	3,553,700	3,223,138	(330,562)	3,094,656
Total revenues	<u>20,647,100</u>	<u>18,611,844</u>	<u>(2,035,256)</u>	<u>17,710,719</u>
Expenditures:				
Current:				
Salaries and benefits	1,752,500	1,771,654	(19,154)	1,463,820
Purchased services	2,385,200	2,485,738	(100,538)	2,264,214
Supplies and equipment	16,509,400	14,236,119	2,273,281	13,565,843
Total expenditures	<u>20,647,100</u>	<u>18,493,511</u>	<u>2,153,589</u>	<u>17,293,877</u>
Excess of revenues over expenditures / net change in fund balances	-	118,333	118,333	416,842
Fund balances - beginning	<u>11,379,613</u>	<u>11,379,613</u>	<u>-</u>	<u>10,962,771</u>
Fund balances - ending	<u><u>\$ 11,379,613</u></u>	<u><u>\$ 11,497,946</u></u>	<u><u>\$ 118,333</u></u>	<u><u>\$ 11,379,613</u></u>

DAVIS SCHOOL DISTRICT

Comparative Balance Sheets
District Foundation Fund
Nonmajor Special Revenue Fund

June 30, 2019

With Comparative Totals for 2018

	2019	2018
Assets:		
Cash and investments	\$ 2,184,020	\$ 1,787,373
Liabilities:		
Accounts payable	\$ 5,402	\$ 26,650
Fund balances:		
Assigned to:		
Foundation	2,178,618	1,760,723
Total liabilities and fund balances	\$ 2,184,020	\$ 1,787,373

DAVIS SCHOOL DISTRICT

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

District Foundation Fund

Nonmajor Special Revenue Fund

Year Ended June 30, 2019

With Comparative Totals for 2018

	2019			2018
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Earnings on investments	\$ 31,000	\$ 32,130	\$ 1,130	\$ 17,114
Other local	2,615,300	2,722,137	106,837	1,950,201
Total revenues	2,646,300	2,754,267	107,967	1,967,315
Expenditures:				
Current:				
Purchased services	13,000	13,395	(395)	8,224
Grants and awards	2,179,700	1,830,098	349,602	1,431,641
Supplies and equipment	453,600	492,879	(39,279)	470,573
Total expenditures	2,646,300	2,336,372	309,928	1,910,438
Excess of revenues over expenditures / net change in fund balances	-	417,895	417,895	56,877
Fund balances - beginning	1,760,723	1,760,723	-	1,703,846
Fund balances - ending	<u>\$ 1,760,723</u>	<u>\$ 2,178,618</u>	<u>\$ 417,895</u>	<u>\$ 1,760,723</u>

DAVIS SCHOOL DISTRICT

Balance Sheet
Pass-Through Taxes Fund
Nonmajor Special Revenue Fund

June 30, 2019

With Comparative Totals for 2018

	2019	2018
Assets:		
Receivables - property taxes	\$ 12,557,337	\$ 10,743,937
Deferred inflows of resources:		
Unavailable property tax revenue	\$ 144,411	\$ 123,517
Property taxes levied for future year	12,412,926	10,620,420
Total deferred inflows of resources	12,557,337	10,743,937
Fund balances	-	-
Total deferred inflows of resources and fund balances	\$ 12,557,337	\$ 10,743,937

DAVIS SCHOOL DISTRICT

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

Pass-Through Taxes Fund

Nonmajor Special Revenue Fund

Year Ended June 30, 2019

With Comparative Totals for 2018

	2019			2018
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 13,000,000	\$ 10,596,384	\$ (2,403,616)	\$ 9,639,596
Expenditures:				
Current:				
Other	13,000,000	10,596,384	2,403,616	9,639,596
Excess of revenues over expenditures / net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SECTION 3

STATISTICAL

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STATISTICAL SECTION

This part of the Davis School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	92-95
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	96-99
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	100-104
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	105-108
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	109-115

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

DAVIS SCHOOL DISTRICT

**Net Position by Component
Last Ten Fiscal Years
June 30, 2010 to 2019
(accrual basis of accounting)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Net investment in capital assets	\$ 218,699,880	\$ 200,404,850	\$ 186,641,372	\$ 185,028,083	\$ 178,471,364	\$ 175,357,204	\$ 173,328,822	\$ 173,064,860	\$ 174,860,195	\$ 162,525,261
Restricted	62,955,401	58,720,137	61,927,219	51,683,936	44,438,605	36,478,004	30,448,647	30,840,222	29,696,408	37,552,880
Unrestricted	(99,817,465)	(92,883,939)	(109,885,211)	(130,113,889)	(140,185,908)	28,901,864	22,970,027	17,903,393	11,562,746	5,341,079
Total governmental activities net position	181,837,816	166,241,048	138,683,380	106,598,130	82,724,061	240,737,072	226,747,496	221,808,475	216,119,349	205,419,220
Business-type activities:										
Net investment in capital assets	1,640,167	1,773,438	1,906,524	1,922,205	1,947,186	2,050,570	2,170,471	2,306,453	2,471,868	8,601,952
Unrestricted	5,745,137	4,409,120	4,642,562	7,124,464	7,560,585	6,079,698	5,075,095	4,306,150	3,496,327	5,303,161
Total business-type activities net position	7,385,304	6,182,558	6,549,086	9,046,669	9,507,771	8,130,268	7,245,566	6,612,603	5,968,195	13,905,113
Primary government:										
Net investment in capital assets	220,340,047	202,178,288	188,547,896	186,950,288	180,418,550	177,407,774	175,499,293	175,371,313	177,332,063	171,127,213
Restricted	62,955,401	58,720,137	61,927,219	51,683,936	44,438,605	36,478,004	30,448,647	30,840,222	29,696,408	37,552,880
Unrestricted	(94,072,328)	(88,474,819)	(105,242,649)	(122,989,425)	(132,625,323)	34,981,562	28,045,122	22,209,543	15,059,073	10,644,240
Total primary government net position	\$ 189,223,120	\$ 172,423,606	\$ 145,232,466	\$ 115,644,799	\$ 92,231,832	\$ 248,867,340	\$ 233,993,062	\$ 228,421,078	\$ 222,087,544	\$ 219,324,333

Note: Beginning in FY2015, the District implemented GASB Statements 68 and 71, recording its proportional share of net pension liabilities.

Note: Beginning in FY2013, the District implemented GASB 65. As a result, the beginning net position was decreased by \$2,369,335. Prior years have not been restated.

Note: Beginning in FY2011, School Food Services was reclassified as a governmental activity rather than as a business-type activity.

DAVIS SCHOOL DISTRICT
Expenses, Program Revenue, and Net (Expense) Revenue
Last Ten Fiscal Years
Years Ended June 30, 2010 to 2019
(accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental activities:										
Instruction	\$ 438,605,231	\$ 406,694,108	\$ 387,976,967	\$ 366,385,063	\$ 326,885,284	\$ 323,998,904	\$ 323,396,042	\$ 321,957,585	\$ 312,117,909	\$ 310,189,021
Supporting services:										
Student										
Instructional staff	20,084,536	17,614,204	16,319,254	15,761,163	14,178,453	14,871,912	14,908,145	14,678,910	14,411,550	14,938,346
District administration	23,947,889	21,771,252	21,131,799	20,349,554	17,728,205	17,902,356	17,103,095	16,766,753	17,203,966	17,540,865
School administration	3,172,504	3,383,761	2,830,987	3,054,420	2,958,948	2,449,838	2,980,232	2,580,567	2,563,461	2,530,814
Central	43,094,742	37,856,767	35,805,440	29,552,403	26,500,999	26,981,069	26,300,594	25,766,865	25,410,359	24,433,070
Operation and maintenance of facilities	18,808,697	17,615,021	15,994,617	15,074,694	13,256,245	13,210,603	12,779,351	12,138,177	11,127,059	10,967,498
Student transportation	56,418,687	52,507,281	45,090,934	44,891,036	41,033,443	41,999,125	41,608,600	40,874,660	39,985,531	39,100,467
School food service	14,527,938	18,047,620	14,623,262	14,326,152	14,170,991	12,633,841	12,435,361	12,996,197	12,034,150	11,700,687
Interest on long-term liabilities	26,116,859	25,159,895	23,891,856	18,562,809	21,796,126	24,206,081	23,289,137	23,662,972	22,300,697	-
Total governmental activities expenses	191,700,017	17,546,012	16,099,119	14,182,733	16,265,030	16,085,726	17,299,437	16,129,644	17,752,462	16,246,317
Business-type activities:										
School food service	663,947,100	618,195,921	579,764,235	542,140,017	494,773,724	494,339,455	492,099,994	487,552,330	474,907,144	447,647,085
Pioneer Adult Rehabilitation Center	-	-	-	-	-	-	-	-	-	21,545,474
Total business-type activities expenses	9,590,762	9,049,798	10,130,337	11,235,889	13,826,446	12,911,819	9,005,112	7,507,772	9,090,860	9,375,339
Total primary government expenses	9,590,762	9,049,798	10,130,337	11,235,889	13,826,446	12,911,819	9,005,112	7,507,772	9,090,860	30,920,813
Total primary government expenses	\$ 673,537,862	\$ 627,265,719	\$ 589,894,572	\$ 553,375,906	\$ 508,600,170	\$ 507,251,274	\$ 501,105,106	\$ 495,060,102	\$ 483,998,004	\$ 478,567,898
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	\$ 7,925,829	\$ 6,232,304	\$ 5,896,445	\$ 6,509,349	\$ 6,347,013	\$ 6,002,732	\$ 5,573,818	\$ 5,615,784	\$ 5,121,667	\$ 5,344,050
Operation and maintenance of facilities	330,225	234,978	354,790	317,443	302,692	304,575	270,423	219,798	277,254	174,528
School food service	8,673,759	8,569,757	8,513,417	8,440,270	8,314,193	8,320,866	7,929,725	8,443,228	8,464,384	-
Operating grants and contributions	125,049,800	128,948,262	123,749,980	118,045,419	111,025,916	108,599,772	110,409,041	113,514,211	125,074,921	92,780,152
Total governmental activities program revenues	141,979,613	143,985,301	138,514,632	133,312,481	125,989,814	123,227,945	124,183,007	127,793,021	138,938,226	98,298,730
Business-type activities:										
Charges for services:										
School food service	9,712,059	7,567,108	7,467,276	9,993,209	14,460,197	12,998,486	8,875,291	7,291,473	8,868,745	8,624,099
Pioneer Adult Rehabilitation Center	946,318	1,025,397	957,532	732,755	731,952	786,804	748,236	844,109	858,656	81,633,327
Operating grants and contributions	10,688,377	8,392,505	8,424,808	10,725,964	15,192,149	13,785,290	9,623,527	8,135,582	9,727,401	14,307,910
Total business-type activities program revenues	152,637,090	\$ 152,577,806	\$ 146,939,440	\$ 144,038,445	\$ 141,181,963	\$ 137,013,235	\$ 133,806,534	\$ 135,928,603	\$ 148,665,627	\$ 129,394,066
Net (expense)/revenue	\$ (521,967,487)	\$ (474,210,619)	\$ (441,249,603)	\$ (408,827,556)	\$ (368,783,310)	\$ (371,111,510)	\$ (367,916,987)	\$ (359,759,309)	\$ (335,968,918)	\$ (349,348,355)
Governmental activities	1,067,615	(477,293)	(1,705,529)	(509,925)	1,365,703	873,471	618,415	627,810	636,541	174,523
Business-type activities	\$ (520,899,872)	\$ (474,687,912)	\$ (442,955,132)	\$ (409,337,461)	\$ (367,418,207)	\$ (370,238,039)	\$ (367,298,572)	\$ (359,131,499)	\$ (335,332,377)	\$ (349,173,832)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for:										
General purposes	\$ 111,954,761	\$ 106,779,829	\$ 100,101,398	\$ 94,816,471	\$ 85,964,463	\$ 85,186,800	\$ 86,614,783	\$ 71,789,469	\$ 69,968,472	\$ 61,965,768
Transportation	-	-	-	-	-	-	-	3,813,543	3,602,265	2,578,690
Recreation	-	-	-	-	-	-	-	3,775,682	3,541,738	3,121,559
Debt service	65,350,647	54,462,817	50,008,667	48,146,166	46,572,252	42,773,677	41,971,606	40,360,346	43,590,844	45,311,846
Capital outlay	16,629,549	16,722,138	18,162,423	17,337,683	16,930,993	15,413,272	16,342,018	19,136,415	12,339,103	12,717,483
Pass-through taxes	10,617,278	9,763,113	7,471,295	6,860,325	6,599,320	-	-	-	-	-
Federal and state revenue not restricted to specific purposes	301,156,982	287,384,030	265,470,952	246,318,610	227,240,368	221,985,012	210,949,940	206,430,844	193,513,053	212,766,736
Earnings on investments	6,845,936	4,026,286	2,346,999	1,326,808	669,366	559,816	714,479	1,523,932	1,203,598	1,414,418
Miscellaneous	25,009,102	22,630,075	22,121,843	17,895,542	18,165,848	19,182,509	18,632,517	18,618,204	16,022,937	18,137,903
Business-type activities:										
Earnings on investments	135,131	110,765	79,900	48,823	11,800	11,231	14,548	16,598	13,092	12,043
Total primary government general revenues	\$ 537,699,386	\$ 501,879,053	\$ 465,763,477	\$ 432,750,428	\$ 402,154,410	\$ 385,112,317	\$ 375,219,891	\$ 365,465,033	\$ 343,795,102	\$ 358,026,446
Change in Net Position										
Governmental activities	\$ 15,596,768	\$ 27,557,669	\$ 24,433,974	\$ 23,874,069	\$ 33,358,700	\$ 13,989,576	\$ 7,908,356	\$ 5,689,126	\$ 7,813,092	\$ 8,666,048
Business-type activities	1,202,746	(366,528)	(1,625,629)	(441,102)	1,377,503	884,702	632,963	644,408	649,633	186,566
Total primary government	\$ 16,799,514	\$ 27,191,140	\$ 22,808,345	\$ 23,412,967	\$ 34,736,203	\$ 14,874,278	\$ 7,941,319	\$ 6,333,534	\$ 8,462,725	\$ 8,852,614

Note: Beginning FY2015, the District implemented GASB Statements 68 and 71, restating and decreasing beginning net position by \$191,371,711. Pass-through taxes were first reported in 2015 with an equal amount reported as instruction expenditures.

Note: Beginning in FY2013, the District implemented GASB Statement No. 65. As a result, the beginning net position was decreased by \$2,369,335. Prior years have not been restated.

Note: Beginning in FY2011, School Food Services was reclassified as a governmental activity rather than as a business-type activity.

DAVIS SCHOOL DISTRICT

Fund Balances - Governmental Funds Last Ten Fiscal Years Years Ended June 30, 2010 to 2019 (modified accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General fund:										
Nonspendable (inventory & prepaids)	\$ 5,538,597	\$ 5,651,863	\$ 5,568,408	\$ 6,002,494	\$ 5,671,302	\$ 1,232,892	\$ 1,467,658	\$ 1,563,781	\$ 1,524,352	\$ 1,871,715
Restricted for state programs	-	-	-	-	-	-	-	-	-	4,833,446
Committed to workers compensation	1,000,000	500,000	500,000	500,000	500,000	500,000	300,000	300,000	300,000	300,000
Committed to termination benefits	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,000,000	4,000,000	4,000,000	3,500,000
Committed to economic stabilization	28,000,000	25,000,000	23,000,000	20,000,000	4,500,000	2,000,000	-	-	-	-
Assigned	15,825,000	15,325,000	11,542,000	3,435,887	5,538,661	8,303,673	6,058,767	3,060,000	-	-
Unassigned	27,108,282	20,954,371	15,947,138	11,625,750	18,497,093	16,485,230	14,548,294	13,411,677	12,119,413	9,683,447
Total fund balances	\$ 81,971,879	\$ 71,931,234	\$ 61,057,546	\$ 46,064,131	\$ 39,207,056	\$ 33,021,795	\$ 26,374,719	\$ 22,335,458	\$ 17,943,765	\$ 20,188,608
Debt service fund:										
Restricted for debt service	\$ 16,018,137	\$ 6,329,924	\$ 3,788,520	\$ 4,249,578	\$ 3,122,533	\$ -	\$ -	\$ 400,718	\$ 6,545,393	\$ 7,641,448
Total fund balances	\$ 16,018,137	\$ 6,329,924	\$ 3,788,520	\$ 4,249,578	\$ 3,122,533	\$ -	\$ -	\$ 400,718	\$ 6,545,393	\$ 7,641,448
Capital projects fund:										
Restricted for capital projects	\$ 67,958,722	\$ 61,137,332	\$ 90,387,510	\$ 79,202,839	\$ 64,391,390	\$ 46,110,408	\$ 40,858,464	\$ 49,313,628	\$ 51,396,420	\$ 54,075,594
Total fund balances	\$ 67,958,722	\$ 61,137,332	\$ 90,387,510	\$ 79,202,839	\$ 64,391,390	\$ 46,110,408	\$ 40,858,464	\$ 49,313,628	\$ 51,396,420	\$ 54,075,594
Other governmental funds										
Nonspendable (inventory & prepaids)	\$ 1,810,424	\$ 1,424,152	\$ 1,591,777	\$ 1,586,119	\$ 1,190,751	\$ 1,062,785	\$ 1,587,032	\$ 2,080,190	\$ 2,419,282	\$ -
Restricted for school food services	7,014,418	8,725,160	8,700,460	6,838,302	4,938,127	3,357,185	2,627,844	2,067,359	1,526,308	-
Restricted for state multi-district program	-	-	-	-	-	-	47,949	1,473,724	1,266,314	1,037,178
Committed to schools	11,497,946	11,379,613	10,962,771	10,502,480	10,598,751	10,089,919	9,521,189	9,628,924	8,944,171	8,301,003
Assigned to Foundation	2,178,618	1,760,723	1,703,846	-	-	-	-	-	-	-
Total fund balances	\$ 22,501,406	\$ 23,289,648	\$ 22,958,854	\$ 18,926,901	\$ 16,727,629	\$ 14,509,889	\$ 13,784,014	\$ 15,250,197	\$ 14,156,075	\$ 9,338,181
Total Governmental Funds:										
Nonspendable (inventory & prepaids)	\$ 7,349,021	\$ 7,076,015	\$ 7,160,185	\$ 7,588,613	\$ 6,862,053	\$ 2,295,677	\$ 3,054,690	\$ 3,643,971	\$ 3,943,634	\$ 1,871,715
Restricted	90,991,277	76,192,416	102,876,490	90,290,719	72,452,050	49,467,593	43,534,257	53,255,429	60,734,435	67,587,666
Committed	44,997,946	41,379,613	38,962,771	35,502,480	20,098,751	17,089,919	13,821,189	13,928,924	13,244,171	12,101,003
Assigned	18,003,618	17,085,723	13,245,846	3,435,887	5,538,661	8,303,673	6,058,767	3,060,000	-	-
Unassigned	27,108,282	20,954,371	15,947,138	11,625,750	18,497,093	16,485,230	14,548,294	13,411,677	12,119,413	9,683,447
Total fund balances	\$ 188,450,144	\$ 162,688,138	\$ 178,192,430	\$ 148,443,449	\$ 123,448,608	\$ 93,642,092	\$ 81,017,197	\$ 87,300,001	\$ 90,041,653	\$ 91,243,831

Note: Beginning in FY2011, School Food Services was reclassified as a governmental activity rather than as a business-type activity.

Note: Beginning in FY2011, the District implemented GASB Statement No. 54. Fund balance categories have been restated to reflect the new statement as if commitments and assignments had been approved in those years.

Note: Beginning in FY2017, the District implemented GASB Statement No. 80. The District Foundation was changed from a component unit to a special revenue fund. As a result of this change, the beginning fund balance increased by \$1,400,481.

DAVIS SCHOOL DISTRICT

Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years Years Ended June 30, 2010 to 2019 (modified accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Property taxes	\$ 204,117,320	\$ 187,642,159	\$ 175,846,086	\$ 167,630,513	\$ 156,139,109	\$ 144,298,349	\$ 145,947,457	\$ 139,024,115	\$ 133,065,138	\$ 125,590,761
Earnings on investments	6,845,936	4,026,286	2,346,999	1,326,808	669,366	559,816	714,479	1,523,932	1,203,598	1,414,418
Other local	34,270,340	30,015,022	28,762,897	25,431,575	25,608,140	26,501,983	25,211,003	23,873,594	21,828,606	23,653,481
School lunch sales	7,698,899	7,635,337	7,646,736	7,593,773	7,558,576	7,588,551	7,222,390	7,969,119	8,069,906	-
State of Utah	383,125,083	371,384,393	343,080,856	319,974,739	296,587,246	287,951,706	275,349,590	275,995,143	256,306,648	257,915,550
Federal government	43,081,699	44,947,899	46,140,076	44,389,290	41,679,038	42,633,078	46,009,391	45,020,775	62,281,326	47,631,338
Total revenues	679,139,277	645,651,096	603,823,650	566,346,698	528,241,475	509,533,483	500,454,310	493,406,678	482,755,222	456,205,548
Expenditures:										
Current:										
Instruction	384,243,175	365,081,401	340,732,811	325,166,810	303,792,266	290,924,478	290,960,045	282,501,091	265,400,084	275,043,883
Supporting services:										
Students	19,104,242	17,708,229	16,015,062	15,573,759	14,694,917	14,703,541	14,738,515	14,514,691	14,254,115	14,954,793
Instructional staff	23,027,859	22,001,747	20,886,518	20,244,708	18,445,968	17,802,062	16,995,074	16,651,193	17,104,002	17,440,418
District administration	3,067,813	2,711,466	2,772,126	2,505,646	2,325,792	2,171,447	2,583,855	2,550,252	2,553,577	2,518,401
School administration	40,201,664	37,375,321	34,455,761	28,518,964	26,766,307	26,037,360	25,380,335	24,860,824	24,543,982	24,238,662
Central	17,108,743	16,935,865	15,079,440	14,277,804	12,960,814	12,561,013	12,284,036	11,754,227	10,739,697	10,536,906
Operation and maint of facilities	53,118,262	51,134,507	43,193,068	43,268,575	40,514,129	40,479,639	40,108,854	39,348,007	38,414,026	38,155,323
Student transportation	13,171,601	16,928,910	13,142,063	12,881,560	13,168,618	11,332,852	11,134,619	11,823,524	10,863,057	10,460,090
School food service	25,808,135	24,951,399	23,596,878	22,094,493	21,893,048	23,961,993	22,948,731	23,268,842	36,066,132	-
Capital outlay	72,894,207	125,329,185	99,556,365	78,653,608	39,718,863	36,786,986	41,399,708	58,224,251	59,333,018	70,280,016
Debt service:										
Tax anticipation note interest	-	-	-	-	-	-	-	622,548	655,188	785,433
Bond principal	36,755,000	34,530,000	34,865,000	33,230,000	26,975,000	26,495,000	29,635,000	28,935,000	27,725,000	28,825,000
Bond interest	19,635,007	18,360,825	16,660,115	14,949,568	17,468,199	17,544,525	18,544,696	17,774,694	17,124,320	15,515,618
Bond issuance costs	224,113	661,245	8,400	512,741	660,188	243,332	366,063	221,980	470,822	1,016,808
Capital lease payments	-	-	-	97,271	97,271	214,340	311,425	647,310	1,565,081	1,847,456
Fees and miscellaneous charges	8,300	7,501	-	36,400	7,400	7,750	4,800	15,350	14,255	23,050
Total expenditures	708,368,121	733,717,601	660,963,607	612,011,907	539,488,780	521,266,318	527,395,756	533,713,784	526,826,356	511,641,857
Excess (deficiency) of revenues over (under) expenditures	(29,228,844)	(88,066,505)	(57,139,957)	(45,665,209)	(11,247,305)	(11,732,835)	(26,941,446)	(40,307,106)	(44,071,134)	(55,436,309)
Other financing sources (uses):										
General obligation bonds issued	50,000,000	69,375,000	80,000,000	68,500,000	40,000,000	25,000,000	20,000,000	35,000,000	45,000,000	111,500,000
General obligation bonds premium	4,989,627	2,521,000	4,990,408	1,510,053	1,138,631	468,930	512,567	2,543,576	569,687	1,209,725
Refunding bond issued	-	36,805,000	-	120,035,000	-	-	20,550,000	-	39,410,000	-
Refunding bond premium	-	3,592,355	-	6,930,694	-	-	2,839,916	-	5,511,216	-
Payment to refunded bond escrow agent	-	(40,208,173)	-	(126,452,953)	-	-	(23,243,841)	-	(44,700,377)	-
Transfer out	-	-	-	-	(95,035)	(1,500,000)	-	-	-	-
Proceeds from sale of capital assets	1,323	477,031	498,049	137,256	10,225	388,800	-	21,878	60,554	3,000
Total other financing sources (uses)	54,990,950	72,562,213	85,488,457	70,660,050	41,053,821	24,357,730	20,658,642	37,565,454	45,851,080	112,712,725
Net change in fund balances	25,762,106	(15,504,292)	28,348,500	24,994,841	29,806,516	12,624,895	(6,282,804)	(2,741,652)	1,779,946	57,276,416
Fund balances - beginning (as restated)	162,688,138	178,192,430	149,843,930	123,448,608	93,642,092	81,017,197	87,300,001	90,041,653	88,261,707	33,967,415
Fund balances - ending	<u>\$ 188,450,244</u>	<u>\$ 162,688,138</u>	<u>\$ 178,192,430</u>	<u>\$ 148,443,449</u>	<u>\$ 123,448,608</u>	<u>\$ 93,642,092</u>	<u>\$ 81,017,197</u>	<u>\$ 87,300,001</u>	<u>\$ 90,041,653</u>	<u>\$ 91,243,831</u>
Debt service	\$ 56,390,007	\$ 52,890,825	\$ 51,525,115	\$ 48,276,839	\$ 44,540,470	\$ 44,253,865	\$ 48,491,121	\$ 47,979,552	\$ 47,069,589	\$ 46,973,507
Noncapital expenditures	652,382,593	633,674,002	586,534,379	555,386,177	514,271,468	497,805,464	502,601,352	499,517,501	483,791,257	458,035,722
Debt service as a percentage of noncapital expenditures	8.6%	8.3%	8.8%	8.7%	8.7%	8.9%	9.6%	9.6%	9.7%	10.3%

Note: Beginning in FY2011, School Food Services was reclassified as a governmental activity rather than a business-type activity. As a result of this change, the beginning fund balance was increased by \$2,717,390. Prior years have not been restated.

** Note: The beginning fund balances for FY2011 were restated for prior period adjustment in the General Fund and added the fund balance in School Food Services.

DAVIS SCHOOL DISTRICT

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Tax Years December 31, 2009 through 2018

Tax Year	Residential			Commercial & Industrial		Agriculture		Personal		Total Taxable Assessed Value		Total Direct Tax Rate		Estimated Actual Value		Assessed Value as a Percentage of Actual Value
2018	\$	15,953,299,180	\$	6,173,629,223	\$	172,539,490	\$	2,217,414,795	\$	24,516,882,688		0.007631		\$	38,603,816,772	63.5%
2017		14,481,985,166		5,538,002,128		190,558,209		2,461,629,632		22,672,175,135		0.007469			34,987,059,677	64.8%
2016		13,172,061,449		5,021,196,704		116,721,149		2,136,054,321		20,446,033,623		0.008125			31,623,889,734	64.7%
2015		12,137,403,230		4,633,378,279		124,107,984		1,982,261,211		18,877,150,704		0.008555			29,257,820,639	64.5%
2014		11,769,131,872		4,393,893,837		121,848,651		1,718,928,896		18,003,803,256		0.008259			28,052,491,146	64.2%
2013		10,574,438,844		4,151,940,907		115,058,346		1,621,119,209		16,462,557,306		0.008710			24,965,085,765	65.9%
2012		10,124,228,191		4,085,617,326		119,949,215		1,471,722,453		15,801,517,185		0.008941			24,023,945,974	65.8%
2011		10,127,751,543		3,993,246,252		117,895,470		1,441,813,546		15,680,706,811		0.007860			25,595,666,942	61.3%
2010		10,657,206,804		4,210,672,598		144,417,417		1,185,481,355		16,197,778,174		0.007118			25,058,738,383	64.6%
2009		11,031,774,065		4,035,424,758		157,847,356		1,307,517,190		16,532,563,369		0.006764			25,477,711,753	64.9%

* Source: Davis County CAFR

DAVIS SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Tax Years

December 31, 2009 through 2018

(rate per \$1 of assessed value)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Davis School District direct rates:										
General	0.004407	0.004481	0.004833	0.005058	0.004752	0.005125	0.005317	0.004582	0.003593	0.003445
Capital outlay & debt service	0.003224	0.002988	0.003292	0.003497	0.003507	0.003585	0.003624	0.003812	0.003833	0.003291
Tort liability	-	-	-	-	-	-	-	0.000667	0.000662	0.000659
Special transportation	-	-	-	-	-	-	-	0.000201	0.000187	0.000146
Recreation	-	-	-	-	-	-	-	0.000199	0.000185	0.000177
Total direct rate	0.007631	0.007469	0.008125	0.008555	0.008259	0.008710	0.008941	0.008861	0.007860	0.007118
Overlapping Rates: *										
County funds	0.001473	0.002210	0.002014	0.002153	0.002161	0.002331	0.002391	0.002383	0.002213	0.002108
County library	0.000349	0.000376	0.000342	0.000361	0.000361	0.000389	0.000396	0.000392	0.000363	0.000348
Average cities and towns	0.001380	0.001463	0.001455	0.001594	0.001558	0.001559	0.001584	0.001565	0.001414	0.001314
Miscellaneous taxing districts	0.000497	0.000524	0.000399	0.000422	0.000433	0.000454	0.000458	0.000437	0.000407	0.000391
* Source: Davis County CAFR										
Bountiful	0.00088	0.000832	0.00089	0.000957	0.000946	0.001063	0.001094	0.001093	0.001037	0.000948
Centerville	0.001275	0.001354	0.000116	0.001088	0.001072	0.001141	0.001165	0.001173	0.001102	0.000997
Clearfield	0.001607	0.001745	0.001664	0.0018	0.0018	0.0018	0.0018	0.0018	0.001548	0.001548
Clinton	0.001794	0.001925	0.002082	0.002198	0.002253	0.001831	0.001871	0.001866	0.001752	0.001729
Farmington	0.001765	0.001942	0.002132	0.002226	0.002127	0.00229	0.002269	0.002283	0.002109	0.002051
Fruit Heights	0.002027	0.002117	0.002295	0.002369	0.001863	0.002023	0.002054	0.002071	0.002066	0.001845
Kaysville	0.001580	0.001589	0.001717	0.001782	0.001826	0.000999	0.001028	0.001035	0.000987	0.000907
Layton	0.001521	0.001635	0.001842	0.001928	0.001896	0.002046	0.002084	0.002068	0.001933	0.001876
North Salt Lake	0.001355	0.001445	0.001475	0.001517	0.001541	0.001613	0.001637	0.001637	0.00152	0.001396
South Weber	0.000769	0.000815	0.000881	0.000941	0.000954	0.000993	0.000998	0.000927	0.000827	0.00084
Special Service Area	0.000913	0.000962	0.00098	0.000992	0.001003	0.000968	0.000901	0.000918	0.000899	0.000844
Sunset	0.001766	0.00195	0.002121	0.00229	0.002258	0.002357	0.002492	0.002297	0.002138	0.001483
Synapse	0.001512	0.001573	0.001573	0.001639	0.001659	0.001757	0.001832	0.001821	0.001631	0.001613
West Bountiful	0.001449	0.001566	0.001684	0.001806	0.001788	0.001946	0.001951	0.001997	0.001366	0.001384
West Point	0.000917	0.000945	0.000984	0.001036	0.001036	0.001111	0.001111	0.001008	0.000936	0.000876
Woods Cross	0.000935	0.001003	0.000848	0.000927	0.000913	0.001007	0.001058	0.001049	0.00084	0.00069
	0.001379625	0.001462688	0.00145525	0.0015935	0.00158438	0.00155963	0.001584063	0.001565188	0.001414438	0.001314188
Weber Basin Water	0.000164	0.000174	0.000187	0.000196	0.000199	0.00021	0.000215	0.000217	0.000207	0.000188
Mesquite Abatement	0.000119	0.000107	0.000107	0.000122	0.000124	0.000103	0.000105	0.000104	0.000097	0.000093
North Davis Sewer	0.000869	0.000949	0.001025	0.001025	0.001025	0.001025	0.000993	0.000928	0.000864	0.000763
Bountiful Irrigation	0.000096	0.000103	0.00011	0.00012	0.00012	0.000128	0.000131	0.000122	0.000113	0.000113
South Davis Water	0.00202	0.00214	0.000234	0.00025	0.000246	0.000264	0.000253	0.000248	0.00024	0.000243
Central Davis Sewer	0.000178	0.000191	0.000208	0.000216	0.000217	0.000237	0.000237	0.000237	0.000227	0.000212
South Davis Sewer	0.000245	0.000264	0.000287	0.000303	0.000324	0.000324	0.000329	0.000315	0.00029	0.00029
Benchland Water	0.000346	0.000375	0.000411	0.000433	0.00043	0.000475	0.000488	0.000451	0.000427	0.000427
Hooper Water	0.000312	0.000345	0.000369	0.000387	0.000415	0.000446	0.000455	0.000433	0.000404	0.000396
South Weber Water	0	0	0	0	0	0	0	0	0	0
Central Weber Water	0.000649	0.000709	0.000758	0.000802	0.000838	0.000866	0.00088	0.000854	0.000833	0.000811
South Davis Recreation	0.000257	0.000279	0.000306	0.000334	0.000338	0.000374	0.000399	0.000407	0.000379	0.000356
North Davis Fire	0.001205	0.001182	0.001182	0.001301	0.001379	0.001444	0.001467	0.001316	0.001148	0.001194
	0.000496923	0.000524462	0.0005399462	0.0005422231	0.000433231	0.000453538	0.000457923	0.000437385	0.000406692	0.000391231

DAVIS SCHOOL DISTRICT

Principal Property Tax Payers Current Year and Nine Years Ago December 31, 2018 and 2009

Taxpayer	Type of Business	December 31, 2018			December 31, 2009		
		Taxable Value	Rank	Percent of District's Total Taxable Value	Taxable Value	Rank	Percent of District's Total Taxable Value
Woods Cross Refining Comp - LLC	Petroleum distribution	\$ 598,168,708	1	2.44%	\$ 117,250,637	3	0.71%
Chevron U.S.A. Inc	Petroleum distribution	401,190,467	2	1.64%	266,310,826	1	1.61%
PacifiCorp	Electrical distribution	247,509,708	3	1.01%	110,236,230	4	0.67%
Station Park Centercal LLC	Retail	241,080,195	4	0.98%	n/a	n/a	n/a
Freeport Center	Distribution / warehouse	190,580,472	5	0.78%	159,073,063	2	0.96%
Smith's Food King Properties	Distribution / retail sales	169,920,817	6	0.69%	n/a	n/a	n/a
ATK Aerospace	Manufacturing	153,264,181	7	0.63%	n/a	n/a	n/a
Big West Oil	Petroleum distribution	151,102,285	8	0.62%	100,167,112	5	0.61%
Questar Gas	Natural gas utility	138,903,059	9	0.57%	57,616,614	10	0.35%
Union Pacific Railroad	Freight distribution	88,597,387	10	0.36%	n/a	n/a	n/a
Layton Hills Mall CMBS LLC	Retail	n/a	n/a	n/a	95,205,207	6	0.58%
Wal-Mart	Retail	n/a	n/a	n/a	76,195,084	7	0.46%
Albertson's	Retail	n/a	n/a	n/a	61,231,446	9	0.37%
Qwest Communications	Retail	n/a	n/a	n/a	76,088,591	8	0.46%
Totals		\$ 2,380,317,279		9.72%	\$ 1,119,374,810		6.78%

* Source: Davis County Clerk / Auditor's Office

DAVIS SCHOOL DISTRICT

Property Tax Levies and Collections Last Ten Tax Years December 31, 2008 through 2017

Tax Year Ended December 31,	Property Taxes Levied For The Calendar Year	Property Taxes Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Property Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2018	\$ 180,918,217	\$ 177,462,344	98.09%	-	\$ 177,462,344	98.09%
2017	170,886,005	151,891,258	88.88%	-	151,891,258	88.88%
2016	166,980,431	159,543,862	95.55%	7,223,080	166,766,942	99.87%
2015	160,846,154	153,067,636	95.16%	7,709,138	160,776,774	99.96%
2014	149,474,220	141,407,236	94.60%	8,066,614	149,473,850	100.00%
2013	138,006,512	129,788,061	94.04%	8,218,037	138,006,098	100.00%
2012	135,191,786	126,685,112	93.71%	8,506,404	135,191,516	100.00%
2011	132,718,042	123,390,184	92.97%	9,327,858	132,718,042	100.00%
2010	122,353,329	113,302,665	92.60%	9,050,664	122,353,329	100.00%
2009	113,595,980	105,840,796	93.17%	7,755,184	113,595,980	100.00%

Source: Davis County Treasurer's Office (excludes fee-in-lieu and age-based collections on motor vehicles).

This schedule recognizes collections on a calendar year (tax year) cash basis, whereas property tax collections reported in the basic financial statements are on a fiscal year modified accrual basis of accounting.

DAVIS SCHOOL DISTRICT

Ratios of Outstanding Debt Last Ten Fiscal Years December 31, 2010 through 2019

Year Ended June 30,	Outstanding Net General Obligation Bonds (2)	Net General Bonded Debt As Percentage of Taxable Value	Net Bonded Debt Per Capita	Net Bonded Debt Per Student	Capital Leases	Total Debt	Debt As Percentage of Taxable Value	Debt As Percentage of Total Personal Income	Debt Per Capita	Debt Per Student
2019	\$ 577,906,121	2.36%	\$ 1,643	\$ 7,997	\$ -	\$ 577,906,121	2.36%	N/A (1)	\$ 1,643	\$ 7,997
2018	561,478,811	2.48%	1,615	7,808	-	561,478,811	2.48%	3.66%	1,615	7,808
2017	523,689,501	2.56%	1,530	7,374	-	523,689,501	2.56%	3.70%	1,530	7,374
2016	475,741,445	2.52%	1,416	6,808	-	475,741,445	2.52%	3.54%	1,416	6,808
2015	432,179,325	2.40%	1,311	6,311	93,118	432,272,443	2.40%	3.38%	1,311	6,313
2014	419,864,750	2.55%	1,304	6,123	182,260	420,047,010	2.55%	3.40%	1,304	6,126
2013	422,952,209	2.68%	1,339	6,189	379,978	423,332,187	2.68%	3.61%	1,340	6,194
2012	432,398,920	2.76%	1,383	6,384	663,206	433,062,126	2.76%	3.99%	1,385	6,393
2011	425,467,324	2.63%	1,383	6,445	2,200,022	427,667,346	2.64%	4.11%	1,391	6,478
2010	405,799,117	2.45%	1,319	6,200	3,665,955	409,465,072	2.48%	4.02%	1,331	6,256

(1) Personal income data was not yet available.

(2) Presented net of original issuance discounts and premiums.

DAVIS SCHOOL DISTRICT

Overlapping and Underlying General Obligation Debt June 30, 2019

Taxing Entity	2018 Taxable Value (1)	District's Estimated Portion of Taxable Value	Estimated District's Percentage (7)	Entity's General Obligation Debt (6)	District's Estimated Portion of Debt
Overlapping:					
State of Utah	\$ 285,970,117,064	\$ 24,516,882,688	8.6%	\$ 2,145,560,000	\$ 184,518,160
Davis County	24,780,750,090	24,780,750,090	100.0%	539,425,000	539,425,000
Total overlapping					<u>723,943,160</u>
Underlying:					
WBWCD (2) (3)	62,157,110,376	24,515,224,600	39.4%	12,725,000	5,013,650
North Davis Sewer District	12,441,014,920	10,664,755,029	85.7%	20,465,000	17,538,505
South Davis Rec. District (4)	9,041,611,099	9,041,611,099	100.0%	8,815,000	8,815,000
Clearfield City (3)	1,942,319,363	1,942,319,363	100.0%	2,520,000	-
Farmington City	2,022,296,034	2,022,296,034	100.0%	6,734,000	6,734,000
Total underlying					<u>38,101,155</u>
Total overlapping and underlying general obligation debt					<u>\$ 762,044,315</u>
Total overlapping general obligation debt (excluding the State) (5)					<u>\$ 539,425,000</u>
Total direct general obligation bonded indebtedness					<u>561,478,811</u>
Total direct and overlapping debt (excluding the State) (5)					<u>\$ 1,100,903,811</u>

- (1) 2018 values are preliminary and subject to change. Taxable value used in this table excludes the taxable value used to determine uniform fees on tangible personal property.
- (2) The Weber Basin Water Conservancy District ("WBWCD") covers all of Morgan County, most of Davis County and Weber County, and portions of Box Elder and Summit Counties. Principal and interest on WBWCD general obligation bonds are paid from sales of water. WBWCD's outstanding general obligation bonds are limited ad valorem tax bonds. By law, WBWCD may levy a tax rate of up to .000200 to pay, first, for any outstanding general obligation indebtedness, then for operation and maintenance expenses, and then for any other lawful purpose.
- (3) All or portions of these governmental entities' outstanding general obligation debt are supported by user fee revenues from water or sewer. The District's portion of overlapping general obligation debt has been reduced to the extent that such general obligation debt is supported by "user fee revenues".
- (4) South Davis Recreation District members are Bountiful, Centerville, North Salt Lake, Woods Cross, and West Bountiful.
- (5) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.
- (6) Governmental activities debt is limited to general obligation debt for these entities; information on other debt is not available.
- (7) Percentage based on total shared area of land in respective geographical boundaries.

* Source: Davis County CAFR

DAVIS SCHOOL DISTRICT

**General Obligation Legal Debt Limit and Debt Capacity
Last Ten Years
December 31, 2009 through 2018**

Year Ended June 30,	Estimated Fair Market Value	Estimated Value from Uniform Fees	Estimated Fair Market Value for Debt Incurring Capacity	Debt Limit (4% of Fair Market Value)	General Obligation Debt	Debt Issuance Premiums	Additional Debt Capacity	Percentage of Debt To Debt Limit
2019	\$ 38,603,816,772	\$ 1,398,560,802	\$ 40,002,377,574	\$ 1,600,095,103	\$ 552,670,000	\$ 25,236,121	\$ 1,022,188,982	36.12%
2018	34,987,059,677	1,345,328,581	36,332,388,258	1,453,295,530	539,425,000	\$ 22,053,811	891,816,719	38.63%
2017	31,623,889,734	1,292,725,501	32,916,615,235	1,316,664,609	505,145,000	18,544,501	792,975,108	39.77%
2016	29,257,820,639	1,258,418,555	30,516,239,194	1,220,649,568	460,010,000	15,731,445	744,908,123	38.97%
2015	28,052,491,146	1,181,154,351	29,233,645,497	1,169,345,820	420,660,000	11,519,325	737,166,495	36.96%
2014	24,965,085,765	1,181,530,533	26,146,616,298	1,045,864,652	407,635,000	12,229,750	625,999,902	40.15%
2013	24,023,945,974	1,174,052,533	25,197,998,507	1,007,919,940	409,130,000	13,822,209	584,967,731	41.96%
2012	25,595,666,942	1,192,245,935	26,787,912,877	1,071,516,515	420,556,596	11,842,324	639,117,595	40.35%
2011	25,058,738,383	1,219,363,049	26,278,101,432	1,051,124,057	417,843,207	7,624,117	625,656,733	40.48%
2010	25,477,711,753	1,361,982,489	26,839,694,242	1,073,587,770	398,636,001	7,163,116	667,788,653	37.80%

DAVIS SCHOOL DISTRICT

Schedule of Annual Debt Service Requirements Years Ending June 30, 2020 to 2039

Year Ending June 30,	Principal	Interest	Total Payment
2020	\$ 46,895,000	\$ 20,286,166	\$ 67,181,166
2021	34,270,000	18,216,146	52,486,146
2022	36,490,000	17,238,475	53,728,475
2023	31,585,000	15,853,106	47,438,106
2024	32,840,000	14,497,059	47,337,059
2025	34,150,000	13,088,133	47,238,133
2026	35,465,000	11,675,353	47,140,353
2027	36,780,000	10,301,955	47,081,955
2028	38,010,000	8,964,085	46,974,085
2029	34,405,000	7,676,950	42,081,950
2030	32,645,000	6,486,838	39,131,838
2031	27,875,000	5,291,763	33,166,763
2032	24,805,000	4,376,819	29,181,819
2033	22,440,000	3,539,138	25,979,138
2034	21,685,000	2,796,788	24,481,788
2035	20,180,000	2,085,875	22,265,875
2036	17,950,000	1,411,831	19,361,831
2037	13,675,000	808,206	14,483,206
2038	7,725,000	347,656	8,072,656
2039	2,800,000	87,500	2,887,500
	<u>\$ 552,670,000</u>	<u>\$ 165,029,840</u>	<u>\$ 717,699,840</u>

DAVIS SCHOOL DISTRICT

Debt Service Schedule of Outstanding General Obligation Bonds Year Ended June 30, 2019

PRINCIPAL																
Year Ending June 30,	2010AB	2011A	2012	2013A	2013B	2014A	2015A	2015B	2015C	2016A	2017A	2017B	2018A	2019A	Total	
2020	\$ 6,500,000	\$ 4,500,000	\$ 3,200,000	\$ 2,000,000	\$ 2,550,000	\$ 25,000,000	\$ 40,000,000	\$ 67,025,000	\$ 53,010,000	\$ 68,500,000	\$ 68,500,000	\$ 36,805,000	\$ 69,375,000	\$ 69,375,000		
2020	\$ 4,090,000	\$ 2,645,000	\$ 2,005,000	\$ 1,100,000	\$ 4,420,000	\$ -	\$ 1,750,000	\$ 5,220,000	\$ 10,340,000	\$ 2,200,000	\$ 500,000	\$ -	\$ 700,000	\$ 11,925,000	\$ 46,895,000	\$
2021	4,205,000	-	2,085,000	1,145,000	-	1,435,000	1,785,000	5,470,000	10,540,000	3,225,000	500,000	2,680,000	700,000	500,000	34,270,000	
2022	4,330,000	-	2,170,000	1,190,000	-	1,480,000	1,820,000	5,605,000	6,170,000	3,300,000	3,450,000	2,800,000	2,800,000	1,375,000	36,490,000	
2023	4,465,000	-	2,255,000	1,230,000	-	1,515,000	1,875,000	5,895,000	-	3,375,000	3,625,000	2,950,000	2,950,000	1,450,000	31,585,000	
2024	4,595,000	-	2,345,000	1,255,000	-	1,590,000	1,920,000	6,185,000	-	3,425,000	3,825,000	3,075,000	3,100,000	1,525,000	32,840,000	
2025	4,740,000	-	2,440,000	1,280,000	-	1,650,000	1,970,000	6,495,000	-	3,500,000	4,000,000	3,225,000	3,250,000	1,600,000	34,150,000	
2026	4,895,000	-	2,535,000	1,320,000	-	1,700,000	2,030,000	6,735,000	-	3,575,000	4,200,000	3,400,000	3,400,000	1,675,000	35,465,000	
2027	5,055,000	-	2,640,000	1,355,000	-	1,755,000	2,090,000	6,935,000	-	3,650,000	4,425,000	3,575,000	3,550,000	1,750,000	36,780,000	
2028	5,235,000	-	2,745,000	1,400,000	-	1,805,000	2,155,000	7,145,000	-	3,725,000	4,625,000	3,650,000	3,675,000	1,850,000	38,010,000	
2029	5,425,000	-	2,825,000	1,440,000	-	1,860,000	2,240,000	2,590,000	-	3,800,000	4,775,000	3,725,000	3,800,000	1,925,000	34,405,000	
2030	5,625,000	-	2,910,000	1,485,000	-	1,915,000	2,310,000	-	-	3,925,000	4,925,000	3,825,000	3,700,000	2,025,000	32,645,000	
2031	-	-	2,995,000	1,530,000	-	1,975,000	2,400,000	-	-	4,050,000	5,075,000	3,900,000	3,825,000	2,125,000	27,875,000	
2032	-	-	3,085,000	1,580,000	-	2,040,000	2,500,000	-	-	4,150,000	5,250,000	-	3,950,000	2,250,000	24,805,000	
2033	-	-	-	1,630,000	-	2,105,000	2,580,000	-	-	4,275,000	5,425,000	-	4,075,000	2,350,000	22,440,000	
2034	-	-	-	-	-	2,175,000	2,685,000	-	-	4,425,000	5,600,000	-	4,375,000	2,425,000	21,685,000	
2035	-	-	-	-	-	-	2,780,000	-	-	4,575,000	5,800,000	-	4,525,000	2,500,000	20,180,000	
2036	-	-	-	-	-	-	-	-	-	4,725,000	5,975,000	-	4,675,000	2,575,000	17,950,000	
2037	-	-	-	-	-	-	-	-	-	-	6,200,000	-	4,825,000	2,650,000	13,675,000	
2038	-	-	-	-	-	-	-	-	-	-	-	-	5,000,000	2,725,000	7,725,000	
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	2,800,000	2,800,000	
Total	\$ 52,660,000	\$ 2,645,000	\$ 33,035,000	\$ 18,940,000	\$ 4,420,000	\$ 25,000,000	\$ 34,890,000	\$ 58,275,000	\$ 27,050,000	\$ 63,900,000	\$ 78,175,000	\$ 36,805,000	\$ 66,875,000	\$ 50,000,000	\$ 552,670,000	

INTEREST																
Year Ending June 30,	2010AB	2011A	2012	2013A	2013B	2014A	2015A	2015B	2015C	2016A	2017A	2017B	2018A	2019A	Total	
2020	\$ 2,685,225	\$ 105,800	\$ 1,179,656	\$ 583,113	\$ 187,850	\$ 816,300	\$ 1,126,325	\$ 2,216,600	\$ 465,260	\$ 1,693,281	\$ 3,003,531	\$ 1,344,725	\$ 2,433,981	\$ 2,444,518	\$ 20,286,166	
2021	2,505,265	-	1,099,456	539,113	-	816,300	1,091,325	1,955,600	287,412	1,649,281	2,978,531	1,344,725	2,398,981	1,550,156	18,216,146	
2022	2,309,733	-	1,016,056	493,313	-	773,250	1,055,625	1,846,200	106,124	1,584,781	2,953,531	1,210,725	2,363,981	1,525,156	17,238,475	
2023	2,108,388	-	929,256	457,613	-	739,950	1,001,025	1,565,950	-	1,518,781	2,781,031	1,070,725	2,223,981	1,456,406	15,853,106	
2024	1,900,765	-	839,056	433,013	-	664,200	954,150	1,271,200	-	1,451,281	2,599,781	923,225	2,076,481	1,383,906	14,497,059	
2025	1,677,908	-	745,256	406,344	-	600,600	906,150	961,950	-	1,382,781	2,408,531	769,475	1,921,481	1,307,656	13,088,132	
2026	1,443,278	-	647,656	367,944	-	551,100	847,050	702,150	-	1,312,781	2,208,531	608,225	1,758,981	1,227,656	11,675,352	
2027	1,196,080	-	546,256	328,344	-	500,100	786,150	500,100	-	1,241,281	1,998,531	438,225	1,622,981	1,143,906	10,301,955	
2028	923,110	-	440,656	287,694	-	447,450	723,450	292,050	-	1,168,281	1,777,281	366,725	1,480,981	1,056,406	8,964,085	
2029	629,950	-	358,306	245,694	-	393,300	637,250	77,700	-	1,075,156	1,638,531	286,425	1,370,731	963,906	7,676,950	
2030	323,438	-	273,556	202,494	-	337,500	567,250	-	-	965,906	1,495,281	197,025	1,256,731	867,656	6,486,837	
2031	-	-	186,256	156,088	-	277,656	474,850	-	-	848,156	1,335,219	101,400	1,145,731	766,406	5,291,762	
2032	-	-	96,406	106,363	-	213,469	378,850	-	-	726,656	1,163,938	-	1,030,981	660,156	4,376,819	
2033	-	-	-	55,013	-	147,169	294,475	-	-	602,156	980,188	-	912,481	547,656	3,539,137	
2034	-	-	-	-	-	76,125	191,275	-	-	463,219	803,875	-	785,139	477,156	2,796,789	
2035	-	-	-	-	-	-	97,300	-	-	313,875	621,875	-	648,420	404,406	2,085,876	
2036	-	-	-	-	-	-	-	-	-	159,469	426,125	-	496,832	329,406	1,411,832	
2037	-	-	-	-	-	-	-	-	-	-	217,000	-	339,050	252,156	808,206	
2038	-	-	-	-	-	-	-	-	-	-	-	-	175,000	172,656	347,656	
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	87,500	87,500	
Total	\$ 17,703,138	\$ 105,800	\$ 8,357,831	\$ 4,662,138	\$ 187,850	\$ 7,354,469	\$ 11,132,500	\$ 11,389,500	\$ 858,796	\$ 18,157,125	\$ 31,391,313	\$ 8,661,625	\$ 26,442,925	\$ 18,624,831	\$ 165,029,840	

TOTAL PAYMENT															
Year Ending June 30,	2010AB	2011A	2012	2013A	2013B	2014A	2015A	2015B	2015C	2016A	2017A	2017B	2018A	2019A	Total
2020	\$ 6,775,225	\$ 2,750,800	\$ 3,184,656	\$ 1,683,113	\$ 4,607,850	\$ 816,300	\$ 2,876,325	\$ 7,436,600	\$ 10,805,260	\$ 3,893,281	\$ 3,503,531	\$ 1,344,725	\$ 3,133,981	\$ 14,369,518	\$ 67,181,166
2021	6,710,265	-	3,184,456	1,684,113	-	2,251,300	2,876,325	7,425,600	10,827,412	4,874,281	3,478,531	4,024,725	3,098,981	2,050,156	52,486,146
2022	6,639,733	-	3,186,056	1,683,313	-	2,252,250	2,875,625	7,451,200	6,276,124	4,884,781	6,403,531	4,010,725	3,163,981	2,900,156	53,728,475
2023	6,573,388	-	3,184,256	1,687,613	-	2,254,950	2,876,025	7,460,950	-	4,893,781	6,406,031	4,020,725	3,173,981	2,906,406	47,438,106
2024	6,495,765	-	3,184,056	1,688,013	-	2,254,200	2,874,150	7,456,200	-	4,876,281	6,424,781	3,998,225	3,176,481	2,908,906	47,337,059
2025	6,417,908	-	3,185,256	1,686,344	-	2,250,600	2,876,150	7,456,950	-	4,882,781	6,408,531	3,994,475	3,171,481	2,907,656	47,238,132
2026	6,338,278	-	3,182,656	1,687,944	-	2,251,100	2,877,050	7,437,150	-	4,887,781	6,408,531	4,008,225	3,158,981	2,902,656	47,140,352
2027	6,251,080	-	3,186,256	1,683,344	-	2,255,100	2,876,150	7,435,100	-	4,891,281	6,423,531	4,013,225	3,172,981	2,893,906	47,081,955
2028	6,158,110	-	3,185,656	1,687,494	-	2,252,450	2,878,450	7,437,050	-	4,893,281	6,402,281	4,016,725	3,155,981	2,906,406	46,974,085
2029	6,054,950	-	3,183,306	1,685,694	-	2,253,300	2,877,250	2,667,700	-	4,875,156	6,413,531	4,011,425	3,170,731	2,888,906	42,081,950
2030	5,948,438	-	3,183,556	1,687,494	-	2,252,500	2,877,250	-	-	4,890,906	6,420,281	4,022,025	4,956,731	2,892,656	39,131,837
2031	-	-	3,181,256	1,686,088	-	2,252,656	2,874,850	-	-	4,898,156	6,410,219	4,001,400	4,970,731	2,891,406	33,166,762
2032	-	-	3,181,406	1,686,363	-	2,253,469	2,878,850	-	-	4,876,656	6,413,938	-	4,980,981	2,910,156	29,181,819
2033	-	-	-	1,685,013	-	2,252,169	2,874,475	-	-	4,877,156	6,405,188	-	4,987,481	2,897,656	25,979,137
2034	-	-	-	-	-	2,251,125	2,876,275	-	-	4,888,219	6,403,875	-	5,160,139	2,902,156	24,481,789
2035	-	-	-	-	-	-	2,877,300	-	-	4,888,875	6,421,875	-	5,173,420	2,904,406	22,265,876
2036	-	-	-	-	-	-	-	-	-	4,884,469	6,401,125	-	5,171,832	2,904,406	19,361,832
2037	-	-	-	-	-	-	-	-	-	-	6,417,000	-	5,164,050	2,902,156	14,483,206
2038	-	-	-	-	-	-	-	-	-	-	-	-	5,175,000	2,897,656	8,072,656
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	2,887,500	2,887,500
Total	\$ 70,363,138	\$ 2,750,800	\$ 41,392,831	\$ 23,602,138	\$ 4,607,850	\$ 32,354,469	\$ 46,022,500	\$ 69,664,500	\$ 27,908,796	\$ 82,057,125	\$ 109,566,313	\$ 45,466,625	\$ 93,317,925	\$ 686,624,531	\$ 717,699,840

DAVIS SCHOOL DISTRICT

Demographic and Economic Statistics Years Ended 2009 - 2018

Year Ended December 31,	County Population (1)	Personal Income	Per Capita Income	Births	Deaths	Unemployment Rate (3)	School District October 1 Enrollment
2018	351,713	N/A (2)	N/A (2)	5,282	1,892	2.9%	72,263
2017	347,637	\$ 15,332,877,522	\$44,106	5,473	1,826	3.1%	71,908
2016	342,281	14,149,554,259	\$41,339	5,687	1,762	3.3%	71,021
2015	336,043	13,441,720,000	\$40,000	5,870	1,710	3.3%	69,879
2014	329,692	12,782,158,840	38,770	5,772	1,684	3.6%	68,478
2013	322,094	12,359,390,968	38,372	5,720	1,612	4.2%	68,571
2012	315,809	11,724,093,316	37,124	5,844	1,544	5.0%	68,342
2011	312,603	10,864,517,265	34,755	5,704	1,514	6.2%	67,736
2010	307,550	10,400,418,350	33,817	5,799	1,329	7.0%	66,019
2009	307,656	10,184,644,224	33,104	6,069	1,339	5.9%	65,452

Percentage increase (decrease) from 2009 to 2018:

14.3%	(2)	(2)	-13.0%	41.3%	-50.8%	10.4%
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(1) Davis County CAFR

(2) Personal income data was not yet available

(3) Utah Department of Workforce Services

DAVIS SCHOOL DISTRICT

**Labor Market Data
Davis County
Years Ended June 30, 2009 to 2018**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total civilian work force	173,037	171,503	170,335	164,977	160,321	155,909	152,577	148,630	146,629	146,959
Employed	168,444	166,174	165,116	159,781	154,896	150,319	146,091	141,372	137,787	136,698
Unemployed	4,593	5,329	5,219	5,196	5,425	5,590	6,486	7,258	8,842	10,261
Unemployment rate	2.7%	3.1%	3.1%	3.1%	3.4%	3.6%	4.3%	4.9%	6.0%	7.0%
Total non-agricultural employment	132,657	126,731	126,380	121,365	118,683	114,300	113,178	108,006	101,239	100,376
Mining	84	98	128	134	157	196	174	180	139	137
Contract construction	10,660	10,345	10,303	10,018	9,260	8,365	7,615	7,163	6,331	6,742
Manufacturing	13,968	13,426	12,087	11,786	12,031	11,302	10,874	10,504	9,289	8,989
Trade, transportation and utilities	23,732	23,459	24,257	23,106	22,367	20,490	20,946	20,119	18,777	19,234
Information	1,200	1,178	1,364	1,327	1,410	1,338	1,509	1,410	1,297	1,103
Financial services	7,379	4,411	3,981	3,864	3,852	3,629	3,597	3,452	3,499	2,567
Professional and business services	15,495	14,871	15,182	14,723	15,253	14,803	14,474	13,137	12,096	12,949
Education and health services	12,813	12,610	11,815	11,318	12,686	13,498	12,933	12,147	11,496	11,070
Leisure and hospitality	12,852	12,648	13,655	13,018	12,832	11,287	11,662	10,425	8,840	9,732
Other services	3,639	3,648	3,630	3,619	3,470	3,229	3,166	2,939	2,790	2,780
Government	30,835	30,037	29,978	28,452	25,365	26,163	26,228	26,530	26,685	25,073

(1) Preliminary data through Mar 2018

(Source: Utah Department of Workforce Services)

DAVIS SCHOOL DISTRICT

Principal Employers Current Year and Nine Years Ago December 31, 2018 and 2009

Business	December 31, 2018			December 31, 2010		
	Employees	Rank	Percent of County Employment	Employees	Rank	Percent of County Employment
Hill Air Force Base	10,000 - 14,999	1	8.7%	10,000 - 14,999	1	11.1%
Davis School District	7,000 - 9,999	2	5.8%	7,000 - 9,999	2	7.4%
Smith's Distribution Center	2,000 - 2,999	3	1.7%	1,000 - 1,999	6	1.5%
Lifetime Products, Inc.	1,000 - 1,999	4	1.2%	1,000 - 1,999	5	1.5%
Walmart	1,000 - 1,999	5	1.2%	1,000 - 1,999	7	1.5%
Lagoon Inc.	1,000 - 1,999	6	1.2%	1,000 - 1,999	4	1.5%
ATK Space Systems / Alliant	1,000 - 1,999	7	1.2%	n/a	n/a	n/a
Your Employment Solutions	1,000 - 1,999	8	1.2%	n/a	n/a	n/a
Utility Trailer & Manufacturing	500 - 999	9	0.6%	500 - 999	10	0.7%
Davis County	500 - 999	10	0.6%	1,000 - 1,999	3	1.5%
Albertson's	n/a	n/a	n/a	500 - 999	8	0.7%
Citicorp Credit Services	n/a	n/a	n/a	n/a	n/a	n/a
Davis Hospital and Medical Center	n/a	n/a	n/a	500 - 999	9	0.7%
Totals	24,500 - 40,990		23.1%	24,000 - 39,989		26.7%

* Source: Utah Department of Workforce Services

DAVIS SCHOOL DISTRICT

District Facilities and Personnel Positions Years Ended June 30, 2010 to 2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Facilities Operated:										
Elementary Schools	62.00	62	62	62	60	59	59	59	59	58
Junior High Schools	16.00	16	16	16	16	16	16	16	15	15
High Schools	9.00	8	8	8	8	8	8	8	8	8
Special Purpose Schools	6.00	6	6	6	6	6	6	6	6	6
Total Number of School Buildings	93	92	92	92	90	89	89	89	88	87
Full-Time Equivalent Positions of the District:										
Administrators, Managers	56.00	58.0	61.0	58.0	59.0	57.0	58.0	57.0	57.0	59.8
School Principals	90.00	87.0	87.0	86.0	85.0	83.0	83.0	83.0	82.0	82.0
School Assistant Principals / Interns	110.40	104.0	103.0	98.5	93.5	95.5	91.5	90.5	85.5	100.5
Elementary Classroom Teachers	1,468.90	1,482.0	1,476.9	1,463.0	1,451.5	1,467.0	1,484.4	1,469.5	1,453.6	1,450.1
Secondary Classroom Teachers	1,264.00	1,230.5	1,191.4	1,163.9	1,130.6	1,135.6	1,119.7	1,095.9	1,078.7	1,112.6
Guidance Personnel	129.30	123.3	123.3	118.8	116.8	116.3	117.3	117.8	114.3	128.5
Special Education	620.00	610.6	579.3	562.3	547.2	549.0	544.0	541.1	537.4	535.4
Librarians / Media Specialists	79.70	78.5	78.6	77.4	77.0	75.0	75.5	76.2	74.4	79.8
Supervisors of Instruction	17.00	28.6	29.6	30.6	29.6	31.6	31.6	33.5	30.0	34.9
Other Professional Staff	249.20	237.4	236.5	229.3	217.0	180.8	176.3	168.9	176.1	172.5
Teacher Assistants	1,014.20	1,005.8	950.1	862.0	825.1	803.4	806.9	859.8	828.6	807.2
Secretarial	222	213.7	213.0	208.6	211.9	213.3	214.1	213.2	213.4	213.4
Office Assistants	173	173.5	171.5	163.9	163.4	160.9	162.1	173.7	173.5	187.3
Custodial	393.10	383.0	363.5	363.3	356.6	359.2	364.1	357.3	360.5	363.0
Maintenance	120	120.8	120.1	119.3	121.6	119.9	119.6	123.2	138.5	132.2
Nutrition Services	264	257.4	257.1	258.8	257.2	261.3	262.8	260.5	253.0	247.5
Transportation	188.3	196.4	196.7	202.9	213.5	221.3	216.0	211.7	211.3	218.6
Warehouse	34.6	34.9	35.6	37.1	32.9	33.2	33.6	35.9	35.9	36.9
Total number of District positions FTE	<u>6,494.0</u>	<u>6,425.3</u>	<u>6,274.0</u>	<u>6,103.4</u>	<u>5,989.4</u>	<u>5,963.2</u>	<u>5,960.5</u>	<u>5,968.7</u>	<u>5,903.7</u>	<u>5,962.2</u>

* Source: Davis School District records

DAVIS SCHOOL DISTRICT

Average Daily Membership and October Enrollment Years Ended June 30, 2010 to 2019

<u>Year Ended June 30,</u>	<u>Average Daily Membership</u>	<u>Annual Increase</u>	<u>October 1st Enrollment</u>	<u>Annual Increase</u>
2019	67,734	650	72,263	355
2018	67,084	676	71,908	887
2017	66,408	1,109	71,021	1,142
2016	65,299	750	69,879	740
2015	64,549	590	69,139	568
2014	63,959	347	68,571	229
2013	63,612	568	68,342	606
2012	63,044	1,339	67,736	1,717
2011	61,705	698	66,019	567
2010	61,007	288	65,452	438

Average Daily Membership (ADM) equals total aggregate days of membership of all students divided by 180 days of school.

Enrollment is taken each October 1st for that school year, and is a headcount of all students, including all kindergarten students even though they are in membership for only half days.

* Source: Davis School District records

DAVIS SCHOOL DISTRICT

**Expenditures by Function - General Fund
Last Ten Fiscal Years
Years Ended June 30, 2010 to 2019**

Function	Fiscal Year Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Instruction	352,816,908 67.64%	\$336,237,490 67.11%	\$314,917,995 68.40%	\$302,319,756 68.77%	\$282,326,073 68.66%	\$276,406,737 68.85%	\$274,541,223 69.02%	\$267,146,874 68.61%	\$265,400,085 69.02%	\$261,618,511 68.71%
Supporting services: Students	19,104,242 3.66%	17,708,229 3.53%	16,015,062 3.48%	15,573,759 3.54%	14,694,917 3.57%	14,703,541 3.66%	14,738,515 3.71%	14,514,691 3.73%	14,254,114 3.71%	14,954,793 3.93%
Instructional staff	23,027,859 4.41%	22,001,747 4.39%	20,886,518 4.54%	20,244,708 4.61%	18,445,968 4.49%	17,802,062 4.43%	16,995,074 4.27%	16,651,193 4.28%	17,104,002 4.45%	17,440,418 4.58%
District administration	3,067,813 0.59%	2,711,466 0.54%	2,772,126 0.60%	2,505,646 0.57%	2,325,792 0.57%	2,171,447 0.54%	2,583,855 0.65%	2,550,252 0.66%	2,553,577 0.66%	2,518,401 0.66%
School administration	40,201,664 7.71%	37,375,321 7.46%	34,455,761 7.48%	28,518,964 6.49%	26,766,307 6.51%	26,037,360 6.49%	25,380,335 6.38%	24,860,824 6.39%	24,543,982 6.38%	24,238,662 6.37%
Central	17,108,743 3.28%	16,935,865 3.38%	15,079,440 3.27%	14,277,804 3.25%	12,960,814 3.15%	12,561,013 3.13%	12,284,036 3.09%	11,754,227 3.02%	10,739,697 2.79%	10,536,906 2.77%
Operation & maintenance of facilities	53,118,262 10.18%	51,134,507 10.21%	43,193,068 9.38%	43,268,575 9.84%	40,514,129 9.85%	40,479,639 10.08%	40,108,854 10.08%	39,348,007 10.11%	38,414,026 9.99%	38,155,323 10.02%
Student transportation	13,171,601 2.53%	16,928,910 3.38%	13,142,063 2.85%	12,881,560 2.93%	13,168,618 3.20%	11,332,852 2.82%	11,134,619 2.80%	11,823,524 3.04%	10,863,058 2.83%	10,460,090 2.75%
Tax anticipation note interest	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	622,548 0.16%	655,188 0.17%	785,433 0.21%
Total Expenditures	\$521,617,092	\$501,033,535	\$460,462,033	\$439,590,772	\$411,202,618	\$401,494,651	\$397,766,511	\$389,272,140	\$384,527,729	\$380,708,537

DAVIS SCHOOL DISTRICT

**Expenditures Per ADM by Function - General Fund
Last Ten Fiscal Years
Years Ended June 30, 2010 to 2019**

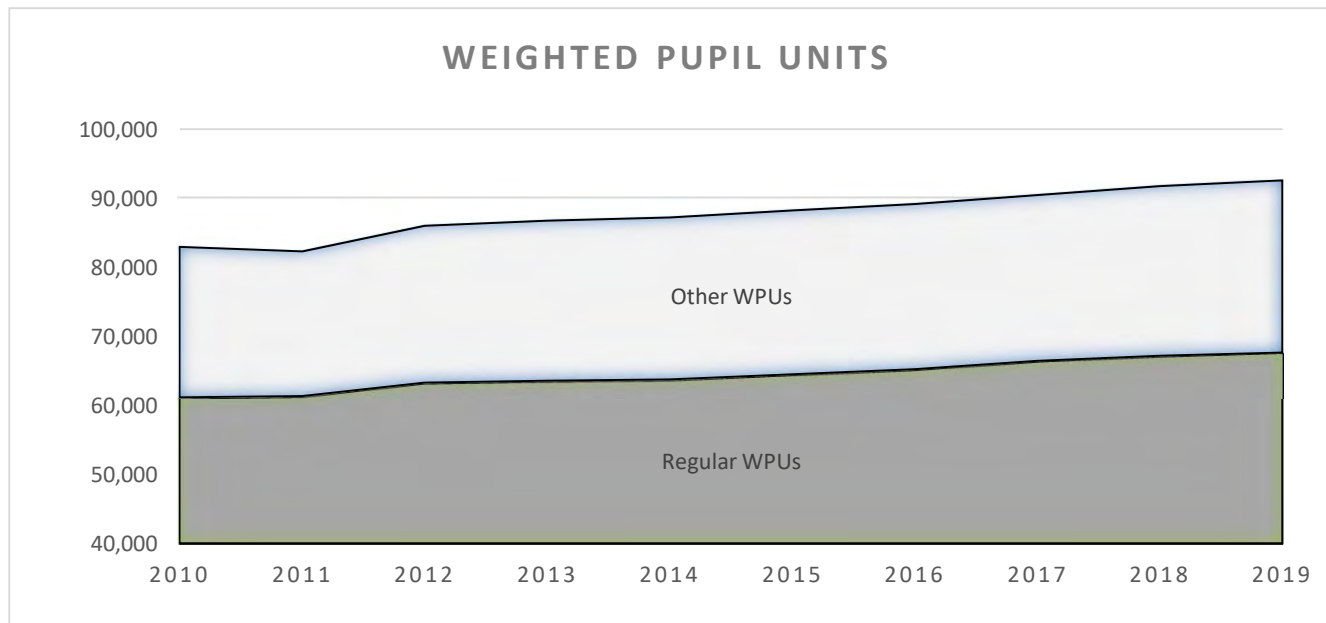
	Fiscal Year Ended June 30,									
Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Instruction	\$ 5,209	\$ 5,012	\$ 4,742	\$ 4,630	\$ 4,374	\$ 4,322	\$ 4,316	\$ 4,237	\$ 4,301	\$ 4,288
Supporting services:										
Students	282	264	241	238	228	230	232	230	231	245
Instructional staff	340	328	315	310	286	278	267	264	277	286
District administration	45	40	42	38	36	34	41	40	41	41
School administration	594	557	519	437	415	407	399	394	398	397
Central	253	252	227	219	201	196	193	186	174	173
Operation & maintenance of facilities	784	762	650	663	628	633	631	624	623	625
Student transportation	194	252	198	197	204	177	175	188	176	171
Tax anticipation note interest	-	-	-	-	-	-	-	10	11	13
Total expenditures per ADM	<u>\$ 7,701</u>	<u>\$ 7,469</u>	<u>\$ 6,934</u>	<u>\$ 6,732</u>	<u>\$ 6,370</u>	<u>\$ 6,277</u>	<u>\$ 6,253</u>	<u>\$ 6,175</u>	<u>\$ 6,232</u>	<u>\$ 6,240</u>

DAVIS SCHOOL DISTRICT

Weighted Pupil Units (WPU's) Regular WPUs and Other by Formula Years Ended June 30, 2010 to 2019

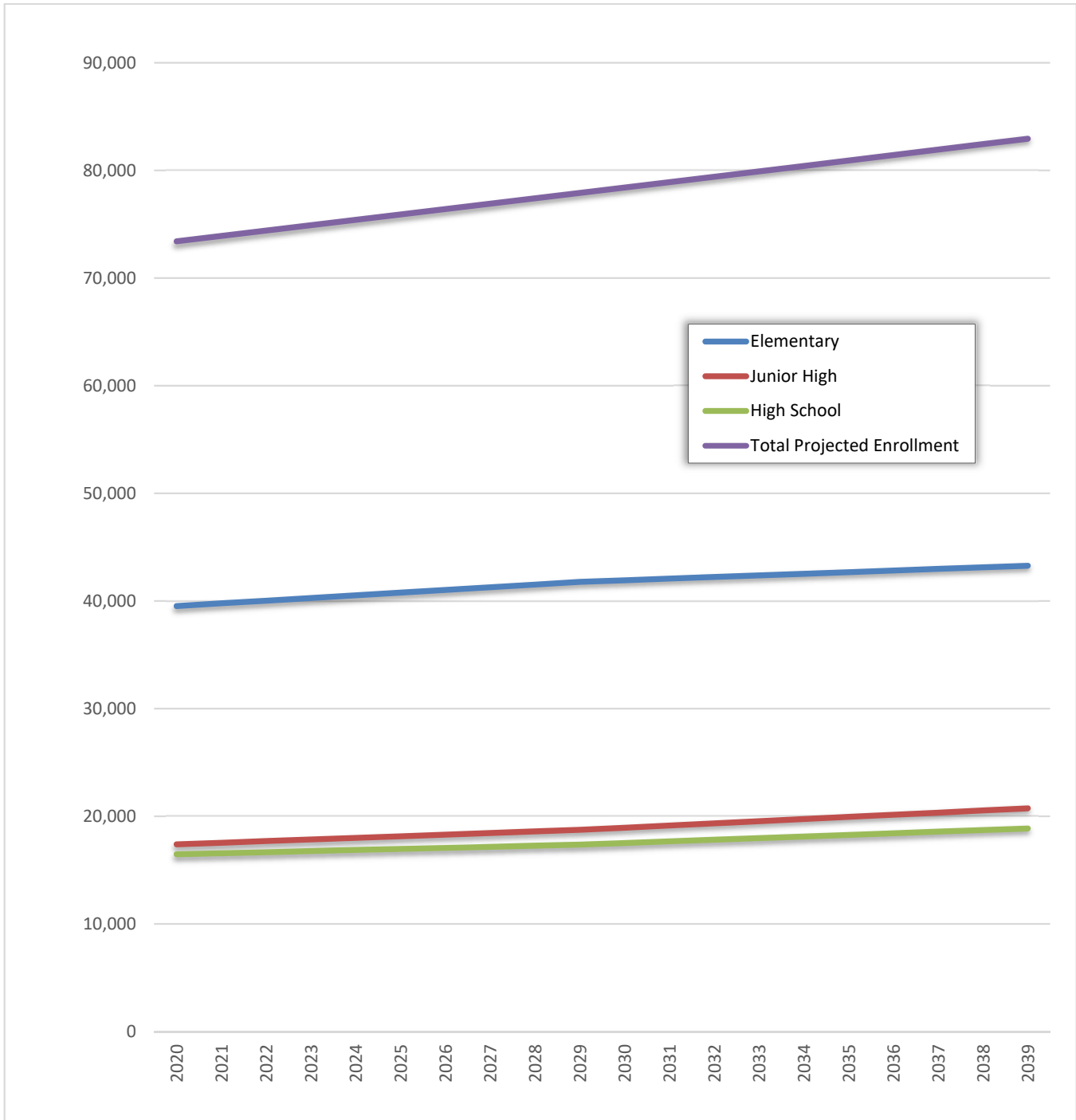
WPU TYPE	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Regular Grades K-12	67,689	67,196	66,495	65,249	64,494	63,809	63,613	63,300	61,390	61,148
Other WPUs by Formula										
Professional staff	6,495	6,448	6,382	6,318	6,332	6,247	6,308	6,267	4,914	5,809
Foreign Exch Students	31	30	30	34	38	39	32	34	34	29
Special Education	11,099	10,921	10,444	10,336	10,144	9,870	9,537	9,302	8,894	8,934
Career and Technical Ed	2,779	2,734	2,783	2,955	2,952	2,965	2,999	2,890	2,928	2,996
Class-Size Reduction	4,483	4,400	4,309	4,266	4,225	4,231	4,211	4,205	4,132	4,042
Total other WPU's	24,887	24,534	23,948	23,909	23,691	23,352	23,087	22,698	20,902	21,810
TOTAL ALL WPU's	92,576	91,729	90,443	89,158	88,185	87,161	86,700	85,998	82,292	82,958

* Source: Utah State Board of Education final recipient report



DAVIS SCHOOL DISTRICT

Student Enrollment Projections Next Twenty Years



These projections are based upon the State of Utah's Economic and Demographic Projections from the Governor's Office of Planning and Budget. Information pertaining to Davis County is extracted, then adjusted for local birth rates and "in" and "out" migration factors to arrive at the final estimate.

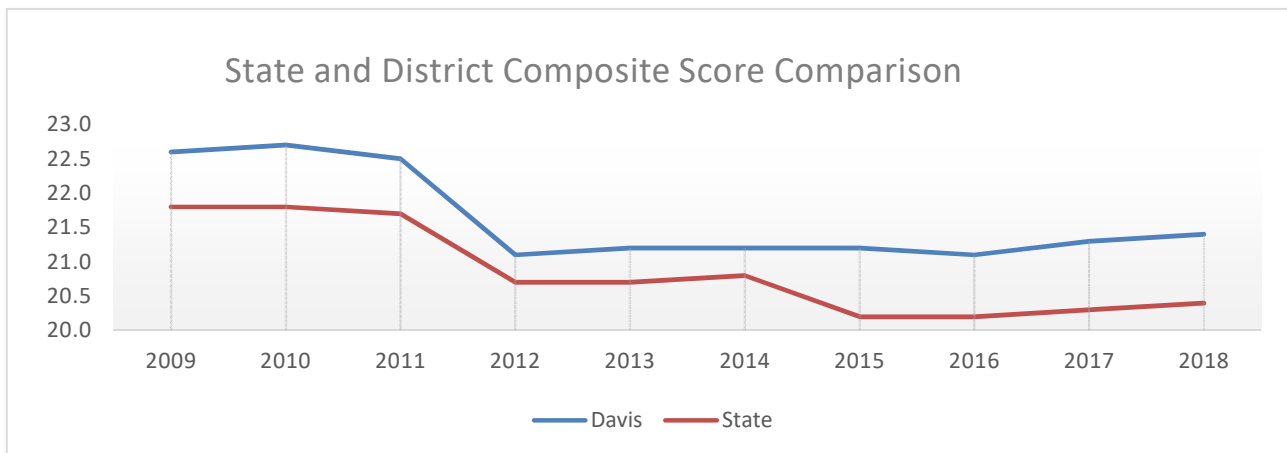
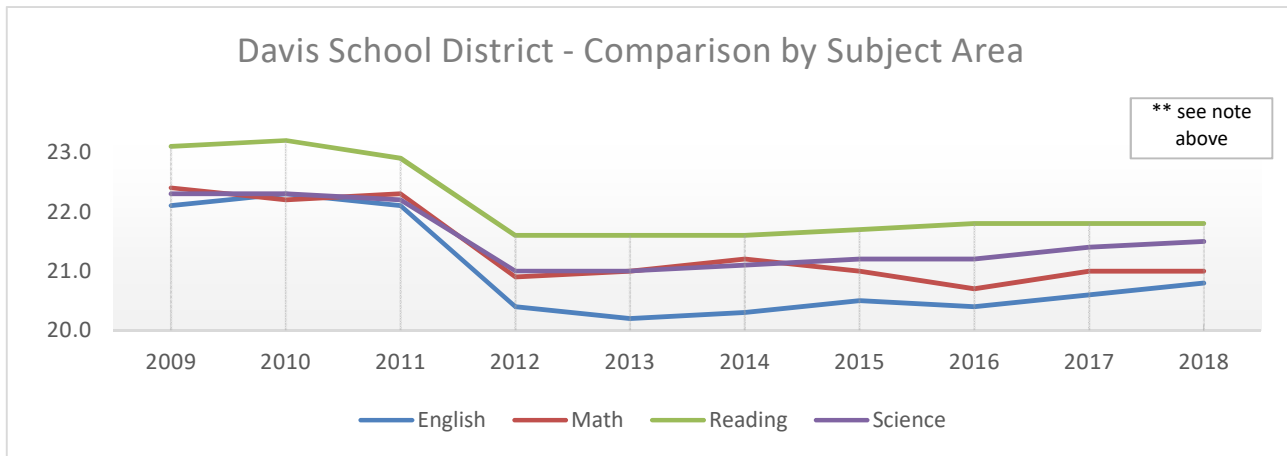
DAVIS SCHOOL DISTRICT

American College Test (ACT) Results Years Ended June 30, 2009 to 2018

AVERAGE SCORES on a 36 point scale

Year	English	Math	Reading	Science Reasoning		Composite District	Composite State
2019	19.7	20.1	21.2	20.4	**	20.5	19.7
2018	20.8	21.0	21.8	21.5	**	21.4	20.4
2017	20.6	21.0	21.8	21.4	**	21.3	20.3
2016	20.4	20.7	21.8	21.2	**	21.1	20.2
2015	20.5	21.0	21.7	21.2	**	21.2	20.2
2014	20.3	21.2	21.6	21.1	**	21.2	20.8
2013	20.2	21.0	21.6	21.0	**	21.2	20.7
2012	20.4	20.9	21.6	21.0	**	21.1	20.7
2011	22.1	22.3	22.9	22.2		22.5	21.7
2010	22.3	22.2	23.2	22.3		22.7	21.8

** - Beginning in 2012, Davis School District as well as 50% of other districts in Utah participated in a pilot program where all students took the ACT. In the past, this test was optional and mostly taken by college-bound students who were high performing.



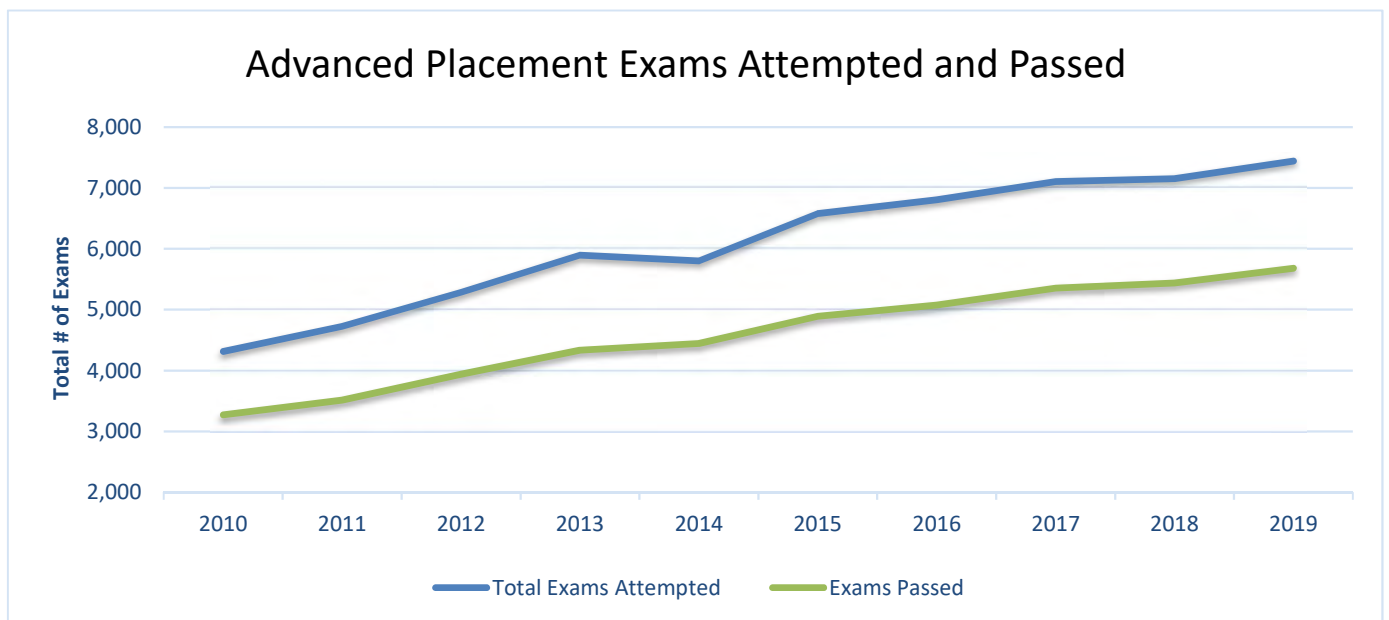
* Source: Davis School District and Utah State Office of Education records

DAVIS SCHOOL DISTRICT

Advanced Placement Exam Results Years Ended June 30, 2010 to 2019

The score scale is 1-5. Scores of 3, 4, or 5 are "Passing".

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Mathematics	1,201	1,112	1,068	1,083	1,174	1,073	1,079	962	938	996
Computer Science	114	44	25	6	3	1	5	6	1	1
English	1,536	1,414	1,649	1,329	1,355	1,217	1,443	1,421	1,164	1,166
Science	1,105	931	782	767	736	582	562	415	447	389
Social Studies	2,966	3,092	3,116	3,190	2,891	2,657	2,469	2,199	1,925	1,502
Fine Arts	207	323	293	273	346	244	301	261	235	251
Foreign Languages	314	236	171	157	77	27	36	21	15	9
Total Exams Attempted	7,443	7,152	7,104	6,805	6,582	5,801	5,895	5,285	4,725	4,314
Exams Passed	5,681	5,439	5,357	5,075	4,890	4,445	4,335	3,942	3,513	3,272
PERCENTAGE PASSING	76.33%	76.05%	75.41%	74.58%	74.29%	76.62%	73.54%	74.59%	74.35%	75.85%



All District high schools offer advanced placement classes to college-bound students. These classes are college-level courses. One of the District's goals is to maximize the number of students who will successfully complete these courses and accumulate college credit.

* Source: Davis School District records

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APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

We have acted as bond counsel to the Board of Education (the “Board”) of Davis School District, Utah (the “District”) in connection with the issuance by the Board of its \$55,170,000 General Obligation Bonds (Utah School District Bond Guaranty Program), Series 2020 (the “Bonds”) pursuant to (i) authorization given by a majority of the qualified electors of the District voting at a special bond election held on November 3, 2015; (ii) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended; (iii) a resolution of the Board adopted on March 3, 2020 (the “Resolution”); and (iv) other applicable provisions of law. The Bonds are being issued to (a) pay all or part of the cost of new school construction, land acquisition, equipment acquisition, and renovation and improvement of existing school facilities and (b) pay the costs of issuance of the Bonds.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certificates of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination and the foregoing, we are of the opinion as of the date hereof and under existing law, as follows:

1. The Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the Board enforceable upon the Board.
2. The Bonds are valid and binding general obligations of the Board for the payment of which the full faith and credit of the Board are pledged, and for the payment of which ad valorem taxes may be levied on all taxable property within the boundaries of the District without limit as to rate or amount.
3. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Board complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Board has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.
4. Interest on the Bonds is exempt from State of Utah individual income taxes.

We express no opinion herein regarding the accuracy, completeness or sufficiency of any offering material relating to the Bonds.

The rights of the holders of the Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent applicable, and their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Respectfully submitted,

APPENDIX C

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Certificate”) is executed and delivered by the Board of Education of the Davis School District, Utah (the “Issuer”) in connection with the issuance of the Issuer’s General Obligation Bonds (Utah School District Bond Guaranty Program), Series 2020, in the aggregate principal amount of \$55,170,000 (the “Bonds”). The Bonds are being issued pursuant to a resolution of the Issuer adopted on March 3, 2020 (the “Resolution”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (each as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories, or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligation” means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, the address of which is currently 1300 I Street, NW, Suite 1000, Washington DC 20005-3314; Telephone (202) 838-1500; Fax (202) 898-1500; and current website is www.msrb.org and www.emma.msrb.org (for municipal disclosures and market data).

“Official Statement” shall mean the Official Statement of the Issuer dated April 16, 2020, relating to the Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Issuer shall prepare an Annual Report and shall, or shall cause the Dissemination Agent to, not later than seven (7) months after the end of each fiscal year of the Issuer (presently June 30) commencing with the fiscal year ending June 30, 2020, provide to the

MSRB in electronic format an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to said date, the Issuer shall provide its respective Annual Report to the Dissemination Agent (if other than the Issuer). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of their Annual Reports.

(b) If the Issuer is unable to provide an Annual Report to the MSRB by the date required in subsection (a), the Issuer shall send a notice in a timely manner to the MSRB in electronic format.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the website address to which the MSRB directs the annual reports to be submitted; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing the website address to which it was provided.

Section 4. Content of Annual Reports. (a) The Issuer's Annual Report shall contain or incorporate by reference the following:

(i) A copy of the Issuer's annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If the Issuer's audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

(ii) An update of the information of the type contained in the Official Statement (as the same becomes due and remains historically available) under the headings "DEBT STRUCTURE OF DAVIS SCHOOL DISTRICT, UTAH" and "FINANCIAL INFORMATION REGARDING DAVIS SCHOOL DISTRICT, UTAH —Financial Summaries," "—Historical Tax Rates Of The District," "—Comparative Total Property Tax Rates Within Davis County," "—Taxable, Fair Market And Market Value Of Property," "—Historical Summaries Of Taxable Value Of Property," "—Tax Collection Record," and "—Some Of The Largest Taxpayers."

(b) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such document incorporated by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner but not more than ten (10) business days after the event:

(i) Principal and interest payment delinquencies;

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties;

- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) Substitution of credit or liquidity providers, or their failure to perform;
- (v) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds;
- (vi) Defeasances;
- (vii) Tender offers;
- (viii) Bankruptcy, insolvency, receivership or similar proceedings;
- (ix) Rating changes; or
- (x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the Issuer shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the Listed Event, if material:

- (i) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;
- (ii) Appointment of a successor or additional trustee or the change of the name of a trustee;
- (iii) Non-payment related defaults;
- (iv) Modifications to the rights of the owners of the Bonds;
- (v) Bond calls;
- (vi) Release, substitution or sale of property securing repayment of the Bonds;

or

(vii) Incurrence of a Financial Obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders.

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event under (b) above, whether because of a notice from the Dissemination Agent or otherwise, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer has determined that knowledge of the occurrence of a Listed Event under (b) above would be material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If the Issuer determines that the Listed Event under (b) above would not be material under applicable federal securities laws, the Issuer shall so notify the Dissemination Agent in

writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB in an electronic format of the Bonds.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earlier of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment, Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, without the consent of the holders of the Bonds, if such amendment or waiver is supported by an opinion of counsel with expertise in federal securities laws to the effect that such amendment or waiver does not, in and of itself, cause the undertakings herein to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence, gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: April 30, 2020

BOARD OF EDUCATION OF
DAVIS SCHOOL DISTRICT, UTAH

President

Attest & Countersigned:

Business Administrator

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APPENDIX D

BOOK-ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at <http://www.dtcc.com>.

Purchases of 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2020 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2020 Bonds, except in the event that use of the book-entry system for the 2020 Bonds is discontinued.

To facilitate subsequent transfers, all 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2020 Bond documents. For example, Beneficial Owners of 2020 Bonds may wish to ascertain that the nominee holding the 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial

Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2020 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Board or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2020 Bonds at any time by giving reasonable notice to the Board or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2020 Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2020 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

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