



**ALLRED
JACKSON**



**Financial Statements
For the Year Ended
June 30, 2023**

Allred Jackson, PC
50 East 2500 North, Suite 200
North Logan, UT 84341
(P) 435.752.6441
(F) 435.752.6451
www.allredjackson.com

CACHE COUNTY SCHOOL DISTRICT
Table of Contents

INTRODUCTORY SECTION:

Letter of transmittal..... 3

FINANCIAL SECTION:

Independent auditor's report..... 13

Management's discussion and analysis..... 17

Basic financial statements:

Government-wide financial statements:

Statement of net position..... 27

Statement of activities..... 29

Fund financial statements:

Balance sheet - governmental funds..... 31

Reconciliation of the balance sheet of governmental funds to the statement
of net position..... 33

Statement of revenues, expenditures, and changes in fund balances - governmental funds... 34

Reconciliation of the statement of revenues, expenditures, and changes in fund balances
of governmental funds to the statement of activities..... 36

Statement of revenues, expenditures, and changes in fund balance - budget
and actual - general fund..... 37

Statement of fund net position - proprietary fund..... 38

Statement of revenues, expenses, and changes in fund net position - proprietary fund..... 39

Statement of fund cash flows - proprietary fund..... 40

Notes to the financial statements..... 41

Required supplementary information:

Schedule of the proportionate share of the net pension liability..... 69

Schedule of contributions..... 70

Notes to the required supplementary information..... 71

CACHE COUNTY SCHOOL DISTRICT
Table of Contents

Continued

FINANCIAL SECTION (Continued):

Supplementary information:

Combining balance sheet - nonmajor governmental funds.....	76
Combining statement of revenues, expenditures and changes in fund balance - nonmajor governmental funds.....	77
Schedule of revenues, expenditures and changes in fund balance - budget and actual - school lunch fund - nonmajor special revenue fund.....	78
Statement of revenues, expenditures and changes in fund balance - Cache Education Foundation trust fund - nonmajor special revenue fund.....	80
Schedule of revenues, expenditures and changes in fund balance - budget and actual - tax increment fund - nonmajor special revenue fund.....	81
Schedule of revenues, expenditures and changes in fund balance - budget and actual - student activities fund - nonmajor special revenue fund.....	82
Statement of changes in assets and liabilities - student activities agency fund.....	83
Schedule of revenues, expenditures and changes in fund balance - budget and actual - major capital projects fund.....	85
Schedule of revenues, expenditures and changes in fund balance - budget and actual - major debt service fund.....	87

SINGLE AUDIT SECTION

Schedule of expenditures of federal awards.....	91
Notes to the schedule of expenditures of federal awards.....	94
Independent auditor's report on internal control over financial reporting and on compliance and other matters.....	95
Independent auditor's report on compliance for each major federal program and report on internal control over compliance in accordance with the uniform guidance.....	97
Schedule of findings and questioned costs.....	100
Summary schedule of prior audit findings.....	101

SUPPLEMENTAL SECTION

Independent auditor's report on state legal compliance.....	105
Schedule of state compliance findings and recommendations.....	109

INTRODUCTORY SECTION

This page intentionally left blank.



84 East 2400 North
North Logan, UT 84341
Phone (435) 752-3925
Fax (435) 753-2168
www.ccsdut.org

To President Rhodes, members of the Board of Education,
and the citizens of Cache County School District:

Utah 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. Pursuant to that requirement, we hereby issue the annual financial report of Cache County School District (the “District”) for the fiscal year ended June 30, 2023.

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

- *Introductory section* – Introduces the reader to the report and includes this transmittal letter and the list of elected and appointed officials.
- *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.

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 aspects.

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. 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 was created by action of the Utah State Legislature in 1908. The District is a legally separate entity enjoying all rights and privileges accorded political subdivisions in the State of Utah. The District is fiscally independent. Policymaking and legislative authority are vested in the Board of Education consisting of seven members. The Board of Education is responsible, among other things, for developing policy, adopting the budget, levying taxes, incurring bonded debt, advising 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 overseeing the day-to-day operations of the District. The Board of Education 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 located in Cache County, Utah. The District’s boundaries include all of Cache County, excluding Logan City. To accomplish this purpose, as of Fall 2023, the District services four traditional high schools, one alternative high school, three middle schools, and seventeen elementary schools. Including pre-kindergarten students, the District serves approximately 20,368 students.

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 indicated as a fund balance reserve. During June 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 propose a property tax increase, a public hearing is held prior to June 30 at which the budget is legally adopted by resolution of the Board. If the District exceeds the certified tax rate, the budget is adopted in August after obtaining taxpayer input.

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. The District’s 2023 balances are sufficient to meet the fiscal 2024 budget as presented to the public in June of 2023.

Economic Condition and Outlook. According to the United States Congressional Budget Office’s (CBO) current assessment, economic growth will probably be slower in 2024 than the agency projected in May 2023, reflecting recent developments (including higher interest rates). Rates of unemployment, inflation, and interest will probably be higher over the next two years than CBO projected in May 2023. Slower economic growth and higher rates of unemployment, inflation, and interest increase federal deficits and debt.

CBO expects the unemployment rate in 2023 and 2024 to be greater than the rate the agency projected in May 2022. This revision stems mainly from the estimate of slower economic growth in 2023. For the fourth quarter of 2023, CBO estimates that there is a two-thirds chance that the unemployment rate will be between 3.8 percent and 6.4 percent. For the fourth quarter of 2024, that estimate ranges from 3.2 percent to 6.4 percent. The unemployment rate, CBO currently expects, is more likely to be above the ranges of projections from the Survey of Professional Forecasters and the Federal Reserve than below them. Differences may be attributable to the data available in each case and the modeling frameworks.

Utah's economy is in a strong position, ranking as the best state for economic outlook for 15 years in a row. However, as the country is experiencing increased risks and volatility, there are predictions of economic slowdown. Utah continues to manage its affairs well. While the new revenue growth reflects the ongoing momentum of the state's economy, Utah has a history of prudent, smart planning for future downturns. Fiscally conservative policies and forward-thinking rainy-day funds enable the state to navigate economic uncertainties successfully.

Cache County's unemployment rate remains low, at 2.0% in June 2023. Even though this is a marginal increase from 2022, it is still a sign of an incredibly tight job market. Recent increases in 2023 interest rates have seen a reduction in housing construction permits by 86% compared to 2022. However, nonresidential construction permits have increased slightly when compared to 2022 numbers. Gross taxable sales were around the same as 2022, with 0.8% growth. This is the lowest rate of gross taxable sales growth since before the Great Recession. By all accounts, the local economy is reasonably healthy in view of rising inflation and interest rates. Cache County's property tax base increased by 8.3% for the 2023 tax year, reflecting a continued increasing housing market.

The state school finance program is designed to provide every Utah school district with a basic operational revenue of \$4,280 per weighted pupil unit (WPU). As of August 2023, each full-time student in grades K-12 equates to a WPU for funding purposes. Part-time students generate a prorated WPU amount. The FY2024 WPU amount moved from \$4,038 to \$4,280, representing a 6.0% increase.

Cache County is located at the northern border of Utah against the Wasatch Range and the dramatic Wellsville mountains to the west. It is home to Utah State University and is well known for its scenic beauty and recreation. The economic base extends well beyond the university; a diverse set of businesses have discovered the area's pleasant surroundings, good labor force, and low operation costs. Industries include high tech, biomedical research, food processing, printing and call centers with names like Malouf, Pepperidge Farm, RR Donnelley, Conservice and TTM Technologies present.

Student growth. Cache County School District has experienced tremendous growth in student enrollment during the past decade. Actual growth realized in the school district is summarized as follows:

<u>Fiscal Year</u>	<u>October 1st Enrollment</u>	<u>Increase from 2014</u>	<u>% Increase from 2014</u>
2014	16,457	n/a	n/a
2019	18,270	1,813	11.02%
2020	18,802	2,345	14.25%
2021	18,833	2,376	14.44%
2022	19,554	3,097	18.82%
2023	19,856	3,399	20.65%
2024 (Est)	19,930	3,473	21.10%

Audit committee. The District’s independent auditor works with the District’s audit committee to communicate certain matters to upper management and the Board of Education. The audit committee includes three members of the Board of Education, with the District Superintendent and the Business Administrator serving as advisors. The three members of the Board of Education report audit findings and other financial considerations to the full Board of Education. The Board is responsible for the oversight of the financial reporting process.

Cash management and investments. The District maintains a cash and investment pool that is available for all funds. This pool has deposits, repurchase agreements, and other investments with varying maturity dates. Earnings on investments for fiscal year 2023 totaled \$2,445,587, an increase of \$2,268,184 from the prior year. Rising interest rates from investments has increased this amount remarkably from the prior year.

The State of Utah Money Management Council has authored the Money Management Act. This Act governs the District’s investment policies and provides a measure of depository protection. The Council issues a list of qualified depositories to public treasurers quarterly and monitors the maximum amount of public funds each depository is eligible to hold in accordance with Utah law and the rules of the Council. State law 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. If a qualified depository should become ineligible to hold public funds, the public treasurers are notified immediately.

The District considers the actions of the Money Management Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

Risk management. The District is insured for worker's compensation by WCF Insurance. Unemployment compensation is handled on a cost of benefits reimbursement basis with the State of Utah. The District participates in the State Risk Management system for property and liability insurance. This is a pooled arrangement where the participating entities pay annual premiums, which are designed to pay claims and build sufficient reserves so that the system will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base.

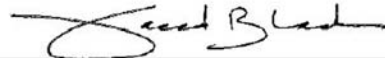
Self-insurance fund. Cache County School District is constantly working to control health and accident insurance costs of its employees. Since 2016, the District has utilized a self-funded insurance arrangement and moved away from a fully funded arrangement through a private insurance carrier. This gives the District greater control over the benefits offered to its employees and enhances potential cost savings.

Acknowledgments. The 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 presentation 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,



Dr. Todd McKee
Superintendent of Schools



Jared Black
Business Administrator

This page intentionally left blank.

**CACHE COUNTY SCHOOL DISTRICT
List of Elected and Appointed Officials**

June 30, 2023

Elected Officials

Name/Title	Present Term Began*	Present Term Expires*	Initial Appointment
Kathy Christiansen Vice President of the Board Precinct VI – Smithfield 1, 2, 3, 4, 5, 6 & 7	January 4, 2021	January 6, 2025	January 7, 2013
Roger Pulsipher Board Member Precinct II – Hyrum 1,2,4 &5, Paradise, Millville 17 & 25, Avon	January 2, 2023	January 4, 2027	January 15, 2015
Larry Jeppesen Board Member Precinct I – College/Young Ward, Hyrum 3, Mendon 1 & 2, Wellsville 1, 2, 3, 4	January 4, 2021	January 6, 2025	June 16, 2015
D. Jeffrey Nielsen Board Member Precinct III – Nibley 1, 3, 17 & 25, Providence 2, 3 & 5	January 4, 2021	January 6, 2025	April 23, 2015
Randall Bagley Board Member Precinct IV – River Heights 1 & 2, North Logan 5 & 6, Providence 1 & 4	January 2, 2023	January 4, 2027	January 15, 2015
Chris Corcoran Board Member Precinct V – Hyde Park 1 & 2, North Logan 1, 2, 3 & 4	January 4, 2021	January 6, 2025	May 9, 2019
Teri Rhodes President of the Board Precinct VII – Clarkston, Cornish, Cove, Lewiston 1 & 2, Newton 1 & 2, Trenton, Richmond 1 & 2, Amalga, Benson	January 2, 2023	January 4, 2027	July 1, 2013

*The term of office for board members is four years, beginning on the first Monday in January following the November election.

**CACHE COUNTY SCHOOL DISTRICT
List of Elected and Appointed Officials**

Continued

Appointed Officials

Name/Title	Present Term Began**	Present Term Expires**	Initial Appointment
Steven C. Norton Superintendent	July 2022	June 2023	July 1996
Todd McKee Superintendent	July 2023	June 2025	July 2023
Jared Black Business Administrator	July 2021	June 2023	July 2021

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

FINANCIAL SECTION

This page intentionally left blank.



INDEPENDENT AUDITOR'S REPORT

Board of Education
Cache County School District
84 East 2400 North
North Logan, Utah 84341

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cache County School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 Cache County School District, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary 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 combining and individual major and nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual major and nonmajor fund financial statements and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2023 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.



North Logan, UT
September 28, 2023

This page intentionally left blank.

CACHE COUNTY SCHOOL DISTRICT Management's Discussion and Analysis

For the Year Ended June 30, 2023

As management of Cache County School District (the "District"), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here, in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-7 of this report.

Financial Highlights

- The total net position of Cache County School District increased 18 percent to \$131,911,281
- The total net position of Cache County School District is made up of \$104,215,138 in capital assets net of related debt and \$27,696,143 in other net position.
- Total capital assets decreased \$3,112,988.
- Governmental fund balance increased \$3,770,754.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of 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 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, liabilities, and deferred inflows/outflows of resources of the District, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements report functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, supporting services, and nutrition services.

The government-wide financial statements include not only the District itself (known as the primary government), but also a legally separate education foundation. The Cache Education Foundation, although legally separate, functions for all practical purposes as part of the District, and therefore is included as an integral part of the primary government. The government-wide financial statements can be found on pages 27-30 of this report.

CACHE COUNTY SCHOOL DISTRICT Management's Discussion and Analysis

Continued

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 or 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 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, debt service, and the capital projects fund, all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated 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 31-37 of this report.

Proprietary fund. The District maintains one proprietary fund type. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses one internal service fund (the Self-Insurance Fund) to account for employee health and accident benefit services provided to all the other funds of the District. The internal service fund is included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 38-40.

Notes to the 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 financial statements can be found on pages 41-66 of this report.

**CACHE COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis**

Continued

Additional information. In addition to the basic financial statements and related notes, this report also presents required supplementary schedules of the District's proportionate shares of the Utah Retirement Systems (URS) net pension liabilities and contributions to the URS. Required supplementary and related notes information can be found on pages 69-71 of this report.

The combining and individual fund statements and schedules can be found on pages 76-87.

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 \$131,911,281 at the close of the most recent fiscal year.

A large portion of the District's net position reflects its investment in capital assets (e.g., land, water stock, buildings and improvements, and furniture and equipment), less any related debt (general obligation bonds payable and obligations under capital lease) used to acquire those assets that are still outstanding. The District uses these 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.

District Net Position

	Governmental Activities	
	2023	2022
Current and other assets	\$ 128,818,207	\$ 119,837,055
Capital assets	224,133,691	227,246,679
Deferred outflow of resources	36,065,377	30,699,756
Total assets and deferred outflow of resources	389,017,275	377,783,490
Long-term liabilities outstanding	172,173,619	139,576,369
Other liabilities	24,310,939	9,406,764
Deferred inflow of resources	60,621,436	117,357,250
Total liabilities and deferred inflow of resources	257,105,994	266,340,383
Net position:		
Net investment in capital assets	104,215,138	90,438,523
Restricted	13,378,435	13,248,518
Unrestricted	14,317,708	7,756,066
Total net position	\$ 131,911,281	\$ 111,443,107

**CACHE COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis**

Continued

	Governmental Activities 2023	Memorandum Only 2022
Revenues:		
Program revenues:		
Charges for services	\$ 9,278,489	\$ 4,185,554
Operating grants and contributions	106,659,986	99,476,488
Capital grants and contributions	2,329,249	3,893,997
General revenues:		
Property taxes	59,789,711	55,534,611
Federal and state aid not restricted to specific purposes	83,899,950	76,757,051
Earnings on investments	2,445,587	177,403
Miscellaneous	95,731	113,479
Total revenues	<u>264,498,703</u>	<u>240,138,583</u>
Expenses:		
Instruction services	154,774,824	141,995,342
Supporting services:		
Students	8,993,816	7,884,431
Instructional staff	17,745,942	15,833,978
District administration	952,313	830,590
School administration	9,858,285	9,140,575
Fiscal services	4,864,748	4,121,797
Operation and maintenance of facilities	14,079,555	12,670,099
Transportation	12,537,987	12,576,956
Other	432,048	(169,222)
Non-instructional services	11,092,086	10,080,370
Capital outlay	7,263,320	6,747,410
Interest on long-term liabilities	3,918,282	4,847,062
Pension expense	(2,482,677)	(22,163,304)
Total expenses	<u>244,030,529</u>	<u>204,396,084</u>
Change in net position	20,468,174	35,742,499
Net position, beginning	<u>111,443,107</u>	<u>75,700,608</u>
Net position, ending	<u><u>\$ 131,911,281</u></u>	<u><u>\$ 111,443,107</u></u>

**CACHE COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis**

Continued

Financial Analysis of the District's Funds

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

Governmental funds. Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. *Nonspendable* includes inventories and prepaid expenditures that are not expected to be converted to cash. *Restricted* includes net fund resources of the District that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. Restrictions include tax revenues levied for specific purposes. The unrestricted fund balance is, in turn, subdivided between committed, assigned, and unassigned portions. *Committed* balances reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. *Assigned* balances in the general fund and other governmental funds are those that do not meet the requirements of restricted or committed but that are intended to be used for specific purposes. *Unassigned* balances in the general fund are all other available net fund resources. At June 30, 2023, the District's combined governmental fund balance was \$40,433,201 (\$306,044 nonspendable, \$13,595,199 restricted, \$14,831,885 committed, \$3,698,778 assigned, and \$8,001,295 unassigned).

General fund – The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balances were \$8,001,295 while the total fund balance was \$17,409,134. The unassigned fund balance increased by \$2,449,399 and the total fund balance increased by \$2,383,188 during the current fiscal year. Key factors in this change are as follows:

- State aid increased \$15,512,382 or 12.3 percent due primarily to an increase in student enrollment and a 6.0 percent increase in the value of the weighted-pupil unit.
- Local revenues increased \$12,075,919 or 16.9 percent due to significantly higher interest earnings as well as tax revenue from new properties in the county.
- Expenditures for general fund purposes totaled \$189,013,775, an increase of 11.5 percent during the current fiscal year; this increase was mainly due to a higher number of employees and the cost of employee salaries and benefits associated with student enrollment and growth.
- General fund salaries totaled \$112,536,451 while the associated fringe benefits of retirement, social security, unemployment, industrial insurance, and health and accident insurance added \$51,824,758. In combination, salary and benefit expenses totaled 87.0 percent of total general fund expenditures.

Capital Projects Fund – The capital projects fund had a total fund balance of \$4,098,976, all of which is restricted for acquisition of capital assets and purchase of equipment, and related expenditures. The fund balance decreased by \$12,611, demonstrating that annual revenues and expenditures in this fund were very close. Significant projects included the completion of a 10-classroom addition at Green Canyon High School, two new portable classroom units at Birch Creek and Sunrise Elementary Schools, and a parking and field upgrade at North Cache Middle School. The majority of the remaining fund balance is being held to complete similar building upgrades.

CACHE COUNTY SCHOOL DISTRICT Management's Discussion and Analysis

Continued

Debt Service Fund – The debt service fund had a total fund balance of \$2,394,126 all of which is reserved for the payment of debt service on general obligation bonds. Despite setting the debt service tax rate lower than the certified rate allowed, in order to spend down this fund balance, the amount increased by \$598,191. This is due to higher than expected property tax revenues, including fee-in-lieu and redemption taxes. Tax rates for the upcoming year were again set lower than the certified tax rate in order to facilitate a spend-down of this fund balance.

Non-Major Funds – The school lunch special revenue fund balance of \$7,139,080 reflects a decrease of \$454,379 in total fund balance. This is due to increased spending in an effort to reduce the additional fund balance acquired during the COVID-19 pandemic when all student meals were federally reimbursed. The school activity fund has a total fund balance of \$7,880,941 which increased by \$1,073,652 primarily due to increased donation amounts from Cache Education Foundation. The Cache Education Foundation received contributions of \$2,490,595 during the current fiscal year to assist school programs.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$16,090,155 or 8.0 percent of total general fund expenditures and is summarized as follows:

- \$6,462,853 increase in salaries and benefits, or a 3.2 percent overall, to budget salaries and benefits for increased student enrollment, new programs and grants, and a mid-year salary supplement provided to all employees.
- \$2,050,054 increase in property services, or a 1.0 percent overall, to budget for the purchase of land for a future middle school in Hyde Park.
- \$6,682,671 increase in purchased services, or a 3.3 percent increase overall, to budget for programmatic carryover once these amounts had been calculated. Carryover is included as an estimate during the original budget process, but changes once actual amounts are calculated.

During the current fiscal year, the \$11,428,660 budget to actual variance in total general fund revenues, and the \$28,838,243 budget to actual variance in total general fund expenditures are largely a result of federal and state program revenues and related expenditures in restricted programs. Program revenues are budgeted to spend all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenues received but not spent are restricted and are classified as unearned revenue rather than current revenue. These funds are carried over to the subsequent year. As a result, overall fund expenditure variances will be positive.

**CACHE COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis**

Continued

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.

Capital assets at June 30, 2023 and 2022 are outlined below:

	Governmental activities	
	2023	2022
Land	\$ 9,238,880	\$ 7,483,793
Construction in progress	1,042,604	16,416,356
Buildings and improvements	321,025,245	302,974,641
Furniture and equipment	10,157,131	9,352,585
Vehicles	21,076,963	19,680,099
Accumulated depreciation	(138,407,132)	(128,660,795)
Total capital assets, being depreciated	\$ 224,133,691	\$ 227,246,679

Additional information on the District's capital assets can be found in Note 4 to the basic financial statements.

Debt Administration. The general obligation bonded debt of the District is limited by state law to four percent of the fair market value of the total taxable property in the District.

Although it is not unusual at the national level to have a 30-year bond payoff schedule, the District maintains an aggressive schedule paying off bond debt by 2035 and notes payable debt by 2039.

Outstanding Debt

	Governmental activities	
	2023	2022
General obligation bonds	\$ 100,725,000	\$ 115,705,000
Notes payable	12,760,560	13,434,321

Additional information on the District's long-term debt can be found on Note 6 to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of Cache County School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Cache County School District, 84 East 2400 North, North Logan, UT 84341.

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

CACHE COUNTY SCHOOL DISTRICT
Statement of Net Position

As of June 30, 2023 (with comparative totals for 2022)

	Governmental Activities 2023	Memorandum Total 2022
Assets and Deferred Outflows of Resources:		
Cash and cash equivalents	\$ 48,882,106	\$ 33,335,545
Short term investments	9,948,236	7,511,261
Receivables:		
Local	63,099,687	55,915,007
State	1,415,145	846,656
Federal	5,035,053	4,353,885
Total receivables	<u>69,549,885</u>	<u>61,115,548</u>
Inventories	246,044	186,941
Other assets	191,936	1,936
Capital assets:		
Land	9,238,880	7,483,793
Buildings	321,025,245	302,974,641
Construction in progress	1,042,604	16,416,356
Vehicles	21,076,963	19,680,099
Equipment	10,157,131	9,352,585
Accumulated depreciation	<u>(138,407,132)</u>	<u>(128,660,795)</u>
Total capital assets	<u>224,133,691</u>	<u>227,246,679</u>
Net pension asset	<u>-</u>	<u>17,685,824</u>
Total assets	<u>352,951,898</u>	<u>347,083,734</u>
Deferred outflows of resources - pensions	31,688,686	25,596,689
Deferred outflows of resources - bond premiums and refunding	<u>4,376,691</u>	<u>5,103,067</u>
Total assets and deferred outflow of resources	<u>\$ 389,017,275</u>	<u>\$ 377,783,490</u>

CACHE COUNTY SCHOOL DISTRICT
Statement of Net Position

Continued

	Governmental Activities 2023	Memorandum Total 2022
Liabilities and deferred inflows of resources:		
Accounts payable	\$ 2,295,949	\$ 2,311,632
Accrued interest	313,747	312,463
Accrued salaries and benefits	16,120,039	699,466
Unearned revenue: program revenues	5,581,204	6,083,203
Noncurrent liabilities:		
Net pension liability	49,014,082	-
Accrued medical claims	3,240,984	2,768,213
Due within one year	17,895,713	15,153,730
Due in more than one year	102,022,840	121,654,426
Total liabilities	<u>196,484,558</u>	<u>148,983,133</u>
Deferred inflows of resources - pensions	137,639	63,228,225
Deferred inflows of resources - property taxes	60,483,797	54,129,025
Total liabilities and deferred inflows of resources	<u>257,105,994</u>	<u>266,340,383</u>
Net position:		
Net investment in capital assets	104,215,138	90,438,523
Restricted for:		
School lunch	7,139,080	7,593,459
Foundation endowment (nonspendable)	60,000	60,000
Capital projects	4,098,976	4,111,587
Debt service	2,080,379	1,483,472
Unrestricted	14,317,708	7,756,066
Total net position	<u>\$ 131,911,281</u>	<u>\$ 111,443,107</u>

CACHE COUNTY SCHOOL DISTRICT
Statement of Activities

For the Year Ended June 30, 2023 (with comparative totals for 2022)

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in Net</u> <u>Position</u>	<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in Net</u> <u>Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u> <u>Total 2023</u>	<u>Memorandum</u> <u>Only</u> <u>Total 2022</u>
Governmental activities:						
Instructional services	\$ 154,774,824	\$ 3,328,477	\$ 68,894,036	\$ -	\$ (82,552,311)	\$ (81,007,372)
Supporting services:						
Students	8,993,816	-	1,571,867	-	(7,421,949)	(6,361,035)
Instructional staff	17,745,942	-	1,204,439	-	(16,541,503)	(15,078,170)
District administration	952,313	-	-	-	(952,313)	(830,590)
School administration	9,858,285	-	-	-	(9,858,285)	(9,140,575)
Fiscal services	4,864,748	-	21,268,842	-	16,404,094	14,814,431
Operation and maintenance of facilities	14,079,555	12,168	1,372,009	-	(12,695,378)	(12,505,076)
Transportation	12,537,987	2,541,143	6,806,682	-	(3,190,162)	(3,249,700)
Other	432,048	-	-	-	(432,048)	169,222
Non instructional services	11,092,086	3,396,701	5,542,111	-	(2,153,274)	1,885,991
Capital outlay	7,263,320	-	-	2,329,249	(4,934,071)	(2,853,413)

CACHE COUNTY SCHOOL DISTRICT
Statement of Activities

Continued

Functions	Expenses	Program Revenues			Net (Expense)	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position	Revenue and Changes in Net Position
					Governmental Activities Total 2023	Memorandum Only Total 2022
Interest on long-term liabilities	3,918,282	-	-	-	(3,918,282)	(4,847,062)
Pension expense	(2,482,677)	-	-	-	2,482,677	22,163,304
Total school district	<u>\$ 244,030,529</u>	<u>\$ 9,278,489</u>	<u>\$ 106,659,986</u>	<u>\$ 2,329,249</u>	<u>\$ (125,762,805)</u>	<u>\$ (96,840,045)</u>
General revenues:						
Property taxes levied for:						
General purposes					36,813,400	33,835,335
Transportation					-	-
Debt service					19,483,268	19,227,106
Capital					3,493,043	2,472,170
Federal and state aid not restricted to specific purposes					83,899,950	76,757,051
Earnings on investments					2,445,587	177,403
Miscellaneous					95,731	113,479
Total general revenues					<u>146,230,979</u>	<u>132,582,544</u>
Change in net position					20,468,174	35,742,499
Net position, beginning					<u>111,443,107</u>	<u>75,700,608</u>
Net position, ending					<u>\$ 131,911,281</u>	<u>\$ 111,443,107</u>

CACHE COUNTY SCHOOL DISTRICT
Balance Sheet
Governmental Funds

As of June 30, 2023 (with comparative totals for 2022)

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Governmental Funds Total 2023</u>	<u>Memorandum Only Total 2022</u>
Assets:						
Cash and cash equivalents	\$ 24,931,257	\$ 2,384,412	\$ 1,861,436	\$ 15,990,984	\$ 45,168,089	\$ 31,070,087
Short-term investments	6,529,901	2,798,529	-	619,806	9,948,236	7,511,261
Due from others	42,734,751	4,993,348	21,730,965	90,821	69,549,885	61,115,548
Inventories	209,061	4,103	-	32,880	246,044	186,941
Other assets	-	-	-	1,936	1,936	1,936
Total assets	<u>\$ 74,404,970</u>	<u>\$ 10,180,392</u>	<u>\$ 23,592,401</u>	<u>\$ 16,736,427</u>	<u>\$ 124,914,190</u>	<u>\$ 99,885,773</u>
Liabilities, deferred inflows of resources and fund balances:						
Liabilities:						
Accounts payable	\$ 2,130,432	\$ 9,306	\$ -	\$ 156,211	\$ 2,295,949	\$ 2,311,632
Accrued salaries and benefits	16,070,788	-	-	49,251	16,120,039	699,466
Unearned revenue: programs	4,406,591	1,174,613	-	-	5,581,204	6,083,203
Total liabilities	<u>22,607,811</u>	<u>1,183,919</u>	<u>-</u>	<u>205,462</u>	<u>23,997,192</u>	<u>9,094,301</u>
Deferred inflows of resources	<u>34,388,025</u>	<u>4,897,497</u>	<u>21,198,275</u>	<u>-</u>	<u>60,483,797</u>	<u>54,129,025</u>
Total liabilities and deferred inflows of resources	<u>\$ 56,995,836</u>	<u>\$ 6,081,416</u>	<u>\$ 21,198,275</u>	<u>\$ 205,462</u>	<u>\$ 84,480,989</u>	<u>\$ 63,223,326</u>

**CACHE COUNTY SCHOOL DISTRICT
Balance Sheet
Governmental Funds**

Continued

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Governmental Funds Total 2023</u>	<u>Memorandum Only Total 2022</u>
Fund balances:						
Nonspendable:						
Inventories	\$ 209,061	\$ 4,103	\$ -	\$ 32,880	\$ 246,044	\$ 186,941
Endowment, non expendable	-	-	-	60,000	60,000	60,000
Restricted:						
Debt service	-	-	2,394,126	-	2,394,126	1,795,935
Capital outlay	-	4,094,873	-	-	4,094,873	4,105,018
Food service	-	-	-	7,106,200	7,106,200	7,555,020
Committed:						
Undistributed reserve	5,500,000	-	-	-	5,500,000	5,500,000
Schools	-	-	-	9,331,885	9,331,885	8,075,520
Assigned:						
Restricted program balances	3,668,778	-	-	-	3,668,778	3,802,117
Fire insurance deductible	30,000	-	-	-	30,000	30,000
Unassigned:						
General fund	8,001,295	-	-	-	8,001,295	5,551,896
Total fund balances	<u>17,409,134</u>	<u>4,098,976</u>	<u>2,394,126</u>	<u>16,530,965</u>	<u>40,433,201</u>	<u>36,662,447</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 74,404,970</u>	<u>\$ 10,180,392</u>	<u>\$ 23,592,401</u>	<u>\$ 16,736,427</u>	<u>\$ 124,914,190</u>	<u>\$ 99,885,773</u>

CACHE COUNTY SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

As of June 30, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balance - governmental funds	\$	40,433,201
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$362,540,823 and the accumulated depreciation is \$138,407,132.		224,133,691
An internal service fund is used by the District's management to charge the costs of health and life insurance benefits to individual funds. The assets and liabilities of the internal service fund are included with governmental activities.		663,033
To recognize net pension assets and deferred outflows of resources related to pensions		
Net pension asset		-
Deferred outflow of resources related to pensions		31,688,686
Long-term liabilities that pertain to governmental funds including bonds payable and the net pension liability, 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 were:		
Bonds payable		(113,485,560)
Deferred amounts for bond issuance premium		(6,432,993)
Net pension liability		(49,014,082)
Deferred inflow of resources related to pensions		(137,639)
Accrued interest on bonds		(313,747)
Bond premiums and refunding are reported as other financing sources and uses and expenditures in the governmental fund financial statements but premiums are netted against the related debt and reported on the government-wide Statement of Net Position and refunding amounts are reported as deferred inflows of resources on the government-wide Statement of Net Position.		4,376,691
Total net position - governmental activities	\$	<u>131,911,281</u>

CACHE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended June 30, 2023 (with comparative totals for 2022)

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Governmental Funds Total 2023</u>	<u>Memorandum Only Total 2022</u>
Revenues:						
Property taxes	\$ 35,433,301	\$ 3,493,043	\$ 19,483,268	\$ 1,380,099	\$ 59,789,711	\$ 55,534,615
Earnings on investments	1,696,470	138,226	14,489	532,499	2,381,684	169,871
School lunch sales	-	-	-	3,303,564	3,303,564	677,391
Other local sources	3,835,463	-	-	14,296,577	18,132,040	15,149,203
State aid	137,338,986	3,594,241	-	1,207,024	142,140,251	126,627,869
Federal aid	13,086,192	-	-	4,335,086	17,421,278	23,035,874
Total revenues	<u>191,390,412</u>	<u>7,225,510</u>	<u>19,497,757</u>	<u>25,054,849</u>	<u>243,168,528</u>	<u>221,194,823</u>
Expenditures:						
Current:						
Instructional services	126,623,219	-	-	7,538,558	134,161,777	118,380,028
Supporting services:						
Students	8,993,816	-	-	-	8,993,816	7,884,431
Instructional staff	12,068,802	-	-	5,677,140	17,745,942	15,833,978
District administration	952,313	-	-	-	952,313	830,590
School administration	9,858,285	-	-	-	9,858,285	9,140,575
Business	4,864,748	-	-	-	4,864,748	4,121,797
Operation and maintenance of facilities	14,545,746	-	-	-	14,545,746	13,150,252
Transportation	11,106,846	-	-	-	11,106,846	11,156,047
Non-instructional services	-	-	-	11,037,165	11,037,165	10,049,840
Capital outlay	-	7,243,666	-	-	7,243,666	8,967,535

CACHE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

Continued

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Governmental Funds Total 2023</u>	<u>Memorandum Only Total 2022</u>
Expenditures (cont.):						
Debt service:						
Principal retirement	-	-	14,980,000	-	14,980,000	13,300,000
Interest and fiscal charges	-	-	3,919,566	-	3,919,566	4,879,060
Total expenditures	<u>189,013,775</u>	<u>7,243,666</u>	<u>18,899,566</u>	<u>24,252,863</u>	<u>239,409,870</u>	<u>217,694,133</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,376,637</u>	<u>(18,156)</u>	<u>598,191</u>	<u>801,986</u>	<u>3,758,658</u>	<u>3,500,690</u>
Other financing sources (uses):						
Transfers	-	-	-	-	-	-
Sale of capital assets/other	6,551	5,545	-	-	12,096	299,154
Bond premium on issuance	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	25,150,000
Payment to refunded bond escrow	-	-	-	-	-	(25,103,838)
Total other financing sources (uses)	<u>6,551</u>	<u>5,545</u>	<u>-</u>	<u>-</u>	<u>12,096</u>	<u>345,316</u>
Net change in fund balances	2,383,188	(12,611)	598,191	801,986	3,770,754	3,846,006
Fund balances, beginning	<u>15,025,946</u>	<u>4,111,587</u>	<u>1,795,935</u>	<u>15,728,979</u>	<u>36,662,447</u>	<u>32,816,441</u>
Fund balances, ending	<u>\$ 17,409,134</u>	<u>\$ 4,098,976</u>	<u>\$ 2,394,126</u>	<u>\$ 16,530,965</u>	<u>\$ 40,433,201</u>	<u>\$ 36,662,447</u>

CACHE COUNTY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2023

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

Net change in fund balances-total governmental funds \$ 3,770,754

Governmental funds report capital outlays as expenditures.

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

Capital outlays	\$ 7,797,188	
Depreciation expense	(10,466,032)	
Loss on sale of assets	<u>(444,144)</u>	(3,112,988)

The governmental funds report pension expense as expenditures when paid. However, in the Statement of Activities, pension expenses are recorded based on actuarial amounts due.

2,482,677

The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and 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, 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:

Repayment of bond principal	\$ 15,653,761	
Issuance of debt	-	
Interest expense/accrual change-general obligation bonds	(1,284)	
Amortization of bond issuance costs/premium/refunding	<u>509,466</u>	16,161,943

An internal service fund is used by the District to charge the costs of health and life insurance benefits to individual funds. The change in net position of the internal service fund is reported with governmental activities.

1,165,788

Change in net position of governmental activities \$ 20,468,174

CACHE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund

For the Year Ended June 30, 2023

	Budgeted Amount Original	Budgeted Amount Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 31,509,840	\$ 35,456,385	\$ 35,433,301	\$ (23,084)
Earnings on investments	100,000	1,750,000	1,696,470	(53,530)
Other local sources	3,113,818	3,472,617	3,835,463	362,846
State aid	138,021,601	140,437,796	137,338,986	(3,098,810)
Federal aid	22,325,951	21,702,274	13,086,192	(8,616,082)
Total revenues	<u>195,071,210</u>	<u>202,819,072</u>	<u>191,390,412</u>	<u>(11,428,660)</u>
Expenditures:				
Current:				
Instructional services	130,576,496	136,462,906	126,623,219	9,839,687
Supporting services:				
Students	9,106,727	9,821,396	8,993,816	827,580
Instructional staff	11,566,664	13,386,296	12,068,802	1,317,494
District administration	7,390,639	7,390,414	952,313	6,438,101
School administration	9,637,817	9,877,541	9,858,285	19,256
Business	6,759,313	7,238,275	4,864,748	2,373,527
Operation and maintenance of facilities	15,492,578	22,109,503	14,545,746	7,563,757
Transportation	11,231,629	11,565,687	11,106,846	458,841
Total expenditures	<u>201,761,863</u>	<u>217,852,018</u>	<u>189,013,775</u>	<u>28,838,243</u>
Excess (deficiency) of rev. over exp.	<u>(6,690,653)</u>	<u>(15,032,946)</u>	<u>2,376,637</u>	<u>17,409,583</u>
Other financing sources (uses):				
Other revenue	6,000	7,000	6,551	(449)
Transfer in/out	-	-	-	-
Net change in fund balance	<u>(6,684,653)</u>	<u>(15,025,946)</u>	<u>2,383,188</u>	<u>17,409,134</u>
Fund balance, beginning	<u>15,025,946</u>	<u>15,025,946</u>	<u>15,025,946</u>	<u>-</u>
Fund balance, ending	<u>\$ 8,341,293</u>	<u>\$ -</u>	<u>\$ 17,409,134</u>	<u>\$ 17,409,134</u>

CACHE COUNTY SCHOOL DISTRICT
Statement of Fund Net Position
Proprietary Fund

As of June 30, 2023

	Governmental Activities - Internal Service Fund
	Self Insurance
Assets:	
Cash and cash equivalents	\$ 3,714,017
Other assets	190,000
Total assets	<u>\$ 3,904,017</u>
Liabilities:	
Accounts payable	\$ -
Accrued medical claims	3,240,984
Total liabilities	<u>3,240,984</u>
Net position:	
Unrestricted	<u>663,033</u>
Total fund balance	<u>663,033</u>
Total liabilities and fund balance	<u>\$ 3,904,017</u>

CACHE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund

For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Fund
	Self Insurance
Revenues:	
Local sources:	
Medical premiums - District	\$ 20,760,448
Dental premiums - Employees	508,393
Interest earnings	63,902
Total local sources	21,332,743
Expenditures:	
Current:	
Employee benefits	20,115,059
Interest expense	51,896
Total expenditures	20,166,955
Excess (deficiency) of revenues over (under) expenditures	1,165,788
Net position, beginning	(502,755)
Net position, ending	\$ 663,033

CACHE COUNTY SCHOOL DISTRICT
Statement of Fund Cash Flows
Proprietary Fund

For the Year Ended June 30, 2023

	Governmental Activities - Internal Service Fund <u>Self Insurance</u>
Cash flows from operating activities:	
Receipts from interfund services provided	\$ 21,268,841
Payments to suppliers	-
Payments for medical fees and insurance claims	(17,668,317)
Payments for administrative fees	<u>(2,163,971)</u>
Net cash provided by operating activities	<u>1,436,553</u>
Cash flows from investing activities:	
Interest received	<u>63,902</u>
Net cash provided by investing activities	<u>63,902</u>
Cash flows from financing activities:	
Interest paid	<u>(51,896)</u>
Net cash used in investing activities	<u>(51,896)</u>
Net increase in cash and cash equivalents	1,448,559
Cash and cash equivalents, beginning	<u>2,265,458</u>
Cash and cash equivalents, ending	<u><u>\$ 3,714,017</u></u>
Reconciliation of operating income to net cash used by operating activities:	
Operating income	\$ 1,153,782
Adjustments to reconcile operating income to net cash used by operating activities:	
(Increase) decrease in operating assets:	
Other assets	(190,000)
Increase (decrease) in operating liabilities:	
Liabilities	<u>472,771</u>
Total adjustments	<u>282,771</u>
Net cash provided by operating activities	<u><u>\$ 1,436,553</u></u>
Noncash investing, capital and financing activities:	None

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Cache County 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. The Board establishes District policies, approves the budget, appoints a superintendent with responsibilities for administering all educational activities of the District, and appoints a business administrator with responsibilities for fiscal matters. The Board is authorized to issue bonds, incur short-term debt, levy property taxes, and is independent of any other unit of local government.

These financial statements present the activities of the District and its component unit, Cache Education Foundation (the “Foundation”), for which the District is considered to be financially accountable. The District is not a component unit of any other primary government. Although a legally separate entity, a blended component unit is, in substance, part of the District’s operations.

- *Blended component unit* – The Cache Education Foundation is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible donations to the District. The Foundation exclusively services the District. The Foundation is presented as a special revenue fund of the District.

Government-wide financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the statements of changes in net position) report information on all of the activities of the District and the Foundation. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct *expenses* are those that are clearly identifiable with a specific function. Indirect expense allocations made in the funds are reversed for the Statement of Activities. Depreciation expense for capital assets specifically identified with a function is included in its direct expenses. Interest on long-term liabilities is considered an indirect expense and is presented as a separate line. *Program revenues* include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

Fund financial statements

The fund financial statements provide information about the District's funds, including its blended component unit. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as insurance premiums, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as interest, result from non-exchange 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 District, except those required to be accounted for in another fund.
- The *debt service fund* accounts for resources accumulated and payments of general obligation, bond principal and interest due annually.
- The *capital projects fund* is used to account for the costs incurred in acquiring and improving sites, construction, remodeling, and equipment.

Additionally, the District reports the following fund type:

- The *internal service fund* (a proprietary fund) is the only internal service fund used by the District and accounts for the activities associated with the District's self-insurance plan covering employee health and accident claims. Premiums are charged to the District's other funds to cover anticipated costs.

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 the *accrual basis of accounting*. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred regardless of when the related cash flows take place. Non-exchange 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 the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements are satisfied.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

Measurement focus, basis of accounting, and financial statement presentation – *continued*

The 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 as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to termination benefits are recorded only when payment is due. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as *program revenues* include 1) charges to students for tuition, fees, rental, material, supplies, or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

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

Budgetary Data

The District operates within budget requirements for school districts as specified by state law and as interpreted by the State Superintendent of Public Instruction. Budgets are presented in accordance with accounting principles generally accepted in the United States of America using the modified accrual basis of accounting for all governmental funds except for the Cache Education Foundation special revenue fund, and on the accrual basis for the self-insurance fund (internal service fund). The budget for the self-insurance fund is not legally required for budgetary control; this budget is for management purposes. Budgets are not adopted on a District level for the Cache Education Foundation special revenue fund. The following procedures are used in establishing the budgetary data reflected in the financial statements:

- During June 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.
- Copies of the proposed budget are made available for public inspection and review by patrons of the District.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

Budgetary Data – *continued*

- If the District does not exceed the certified tax rate, a public hearing is held prior to June 30 at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when 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.
- Minor interim adjustments in estimated revenue and appropriations during the year ended June 30, 2023, 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.

The District employs an accounting system in which purchase orders for the expenditure of funds are recorded to restrict that portion of the applicable appropriation. Appropriations outstanding at the end of the fiscal year lapse with the exception of those indicated as a fund balance reserve. The District intends to honor these commitments and provides for the expenditure in the subsequent year.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenues variances will be negative and overall fund expenditures variances will be positive.

Cash and Cash Equivalents and Investments

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).

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

Cash and Cash Equivalents and Investments – *continued*

Investments are recorded at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The cash balances of governmental activities are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The reported value of the pool is the same as the fair value of the pool shares. Earnings on pooled funds are apportioned and paid or credited to the funds based on the average balance of each participating fund.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., current portion of interfund loans).

Inventories

Inventories are valued at cost, using the moving average method with the exception of the treatment of donated inventories described below. The consumption method of accounting is applied to the inventories of all funds.

Inventories of donated United States Department of Agriculture (USDA) commodities on hand at year-end are reported on the balance sheet at fair market value on the date received as inventory. Commodities used during the year are reported as revenues and expenditures on the operating statement.

Capital Assets

Capital assets, which include land, water stock, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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 life of an asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

Capital Assets - *continued*

Building and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	40
Building improvements and portable classrooms	15
Maintenance equipment	10
Vocational education equipment	10
Buses	20
Musical instruments	10
Furniture	10
Office equipment	10
Athletic equipment	10
Vehicles	10
Audio visual equipment	5
Computer equipment	5

Debt Premiums, Discounts, Issuance Costs and Debt Refunding Gains and Losses

Debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the Statement of Net Position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt (new debt) and the refunded debt (old debt). Bond issuance costs are recognized as an outflow of resources in the reporting period in which they are incurred.

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. In the event of termination or death, an employee is reimbursed for accumulated vacation days up to a maximum of 20 days.

The experience of the District is that most employees use vacation leave in the same year it is earned. Vacation leave may accumulate indefinitely. However, no more than 30 vacation days may be used in any contract year. The District defines the liquidation period or the current period to be one year and sufficient expendable financial resources are available in the applicable governmental funds. The District has accordingly accrued the entire amount of accumulated vacation leave subject to reimbursement as an expenditure and a fund liability of the governmental fund that will pay it.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

Accrued medical claims

The self-insurance fund records estimates of claims incurred but not reported for medical claims. The liabilities are based on experience and information provided by the plan administrator and do not include costs to process the claims or reinsurance premiums.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 are reported as debt service expenditures.

Pensions

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

Fund Balance Classifications

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 nonspendable 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 inventories, prepaid expenditures, and endowments are classified as nonspendable. Endowment amounts classified as nonspendable include funds received by the Cache Education Foundation in support of scholarships.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

Fund Balance Classifications – *continued*

- *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 following:
 - a) Unspent tax revenues for specific purposes (capital projects and debt service).
 - b) Remaining fund balances in the School Lunch Fund.

- *Committed* – This category includes amounts that can only be used for specific purposes established by formal action of the District’s Board of Education. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the Board of Education. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Education has approved to commit fund balance amounts for the following purposes:
 - a) As defined in Utah law as an “undistributed reserve,” the District maintains for economic stabilization up to five percent of General Fund budgeted expenditures. 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.”
 - b) Resources held by schools in the other governmental funds.
 - c) Employee obligations related to the phase out of early retirement stipends.

- *Assigned* – This category includes General Fund balance amounts that the District intends to be used for a specific purpose but are neither restricted nor committed. This intent is expressed by written approval of the District’s administration comprised of superintendent, assistant superintendents, and business administrator. This category also includes the remaining positive fund balance for other governmental funds. The District has assigned General Fund resources that are to be used for textbooks, supplies, and other unrestricted school programs.

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

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources. Of the unrestricted resources, committed resources will be used first, followed by assigned resources, and then unassigned resources.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *Continued*

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position reports a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports the deferred charge on refunding reported in the government-wide Statement of Net Position. The deferred charge on refunding resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflow of resources related to pensions results from contributions made prior to year-end, but subsequent to the measurement date.

In addition to liabilities, the Statement of Financial Position reports 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 and so will not be recognized as an inflow of resources (revenue) until that time. The District reports property taxes as deferred inflows of resources since they are recognized as receivables before the period for which the taxes are levied. The District also reports deferred inflow of resources for pensions.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual amounts could differ from these estimates.

Comparative Data

Comparative data for the prior year has been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. Certain reclassifications have been made to the June 30, 2022 balances to conform with the June 30, 2023 presentation.

2. DEPOSITS AND INVESTMENTS

Deposits/Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. As of June 30, 2023, \$15,851,586 of the local government's bank balances of \$19,857,588 was uninsured and uncollateralized. No deposits are collateralized, nor are they required to be by state statute.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

2. DEPOSITS AND INVESTMENTS – *Continued*

Deposits/Custodial Credit Risk – *continued*

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2023 as shown on the financial statements is as follows:

Governmental funds cash and cash equivalents (\$11,412,048 restricted)	\$ 45,168,089
Internal service fund cash and cash equivalents	<u>3,714,017</u>
Total cash and cash equivalents	48,882,106
Investments (\$1,710,461 restricted)	<u>9,948,236</u>
Total cash and investments	<u><u>\$ 58,830,342</u></u>

Investments

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

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

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

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

2. DEPOSITS AND INVESTMENTS – *Continued*

Investments – *continued*

Statutes authorize the District to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers’ Investment Fund.

The Utah State Treasurer’s Office operates the Public Treasurers’ Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The District includes the PTIF funds as cash and cash equivalents.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Fair Value of Investments

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

2. DEPOSITS AND INVESTMENTS – *Continued*

Investments – *continued*

At June 30, 2023, the District had the following recurring fair value measurements.

Investments by fair value level	6/30/2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt securities				
Corporate bonds	\$ 2,213,161	\$ -	\$ 2,213,161	\$ -
US Obligations	6,647,747	6,647,747	-	-
Corporate floating bonds	299,609	-	299,609	-
Marketable CD's	234,107	-	234,107	-
Utah Public Treasurers' Investment Fund	33,664,471	-	33,664,471	-
Total debt securities	<u>43,059,095</u>	<u>6,647,747</u>	<u>36,411,348</u>	<u>-</u>
Equity securities				
Common stock	46,883	46,883	-	-
Exchange traded products	506,729	-	506,729	-
Total investments measured at fair value	<u>\$ 43,612,707</u>	<u>\$ 6,694,630</u>	<u>\$ 36,918,077</u>	<u>\$ -</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets; and
- Utah Public Treasurers' Investment Fund: application of the June 30, 2023 fair value factor, as calculated by the Utah State Treasurer, to the District's average daily balance in the Fund.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

2. DEPOSITS AND INVESTMENTS – *Continued*

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’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State’s Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to five years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years.

As of June 30, 2023, the District’s investments had the following maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Debt securities				
Corporate bonds	\$ 2,213,161	\$ 798,071	\$ 1,415,090	\$ -
US Obligations	6,647,747	2,618,335	4,029,412	-
Corporate floating bonds	299,609	-	299,609	-
Marketable CD's	234,107	234,107	-	-
Utah Public Treasurers'				
Investment Fund	33,664,471	33,664,471	-	-
Total debt securities	<u>43,059,095</u>	<u>37,314,984</u>	<u>5,744,111</u>	<u>-</u>
Equity securities				
Common stock	46,883	46,883	-	-
Exchange traded products	506,729	506,729	-	-
Total investments				
measured at fair value	<u>\$ 43,612,707</u>	<u>\$ 37,868,596</u>	<u>\$ 5,744,111</u>	<u>\$ -</u>

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 State’s Money Management Act, as previously discussed.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

2. DEPOSITS AND INVESTMENTS – *Continued*

Credit Risk – *continued*

For the year ended June 30, 2023, the District had investments of \$33,664,471 with the PTIF. The entire balance had a maturity of less than one year. The PTIF pool has not been rated. The District also had debt securities of \$9,394,624 (all material corporate bonds were rated A or higher by Moody’s Investor Service, Fitch, DBRS or by Standard & Poor’s).

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 policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to five to ten percent of total investments depending upon the total dollar amount held in the portfolio.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a formal policy for custodial credit risk.

3. PROPERTY TAXES

The property tax revenue of the District is collected and distributed by the Cache 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 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. Delinquent taxes are subject to a two percent penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at an annual rate equal to the federal discount rate plus six percent; the interest period is from January 1 until date paid.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

3. PROPERTY TAXES – *Continued*

The District has recorded a property tax receivable for the delinquent property taxes due and for the taxes assessed January 1. The District has recorded a corresponding deferred inflow of resources for taxes assessed January 1 but not due and collectible within 30 days of the end of the fiscal year. The property tax revenue of the District is collected and distributed by the Cache County Treasurer as an agent for the District. It is expected that all delinquencies plus accrued interest and penalties will be collected within a five-year period, during which time the county treasurer may force sale of property to collect the delinquent portion. Delinquent property tax receivable is recognized as revenue in the government-wide financial statements. Only the portion of property taxes receivable that meets the revenue recognition criteria is reported as revenue in the fund financial statements.

Beginning January 1, 1992, there was levied in lieu of the ad valorem tax, an annual uniform fee based on the value of motor vehicles. This uniform fee was one and a half percent of the fair market statewide value of the property, as established by the Utah State Tax Commission. On January 1, 1999, legislation became effective which made motor vehicles weighing 12,000 pounds or less subject to an age-based fee that is due each time the vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$10-\$150 based on the age of the vehicle. The revenues collected in each county from the uniform fee are distributed by the respective 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 the age-based fee as revenue when the county collects it.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	June 30, 2022 Balance	New Additions	Retirements	June 30, 2023 Balance
Land and improvements	\$ 7,483,793	\$ 1,755,087	\$ -	\$ 9,238,880
Building and improvements	302,974,641	18,677,530	(626,926)	321,025,245
Equipment	9,352,585	1,255,797	(451,251)	10,157,131
Construction in progress	16,416,356	1,042,604	(16,416,356)	1,042,604
Vehicles and buses	19,680,099	1,482,526	(85,662)	21,076,963
Total Assets	355,907,474	24,213,544	(17,580,195)	362,540,823
Accumulated Depreciation	(128,660,795)	(10,466,032)	719,695	(138,407,132)
Net Capital Assets	<u>\$ 227,246,679</u>	<u>\$ 13,747,512</u>	<u>\$ (16,860,500)</u>	<u>\$ 224,133,691</u>

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

4. CAPITAL ASSETS – *Continued*

Depreciation expense was charged to functions of the District as follows:

Governmental activities:

Instructional services:	\$ 446,093
Supporting services:	
Operation and maintenance of plant services	207,570
Transportation services	1,431,141
School lunch services	54,921
Capital outlay	<u>8,326,307</u>
Total depreciation expense, governmental activities	<u><u>\$ 10,466,032</u></u>

5. PENSION PLANS

General Information about the Pension Plan

Plan description – eligible plan participants are provided with pensions through Utah Retirement Systems. Utah Retirement Systems are comprised of the following pension trust funds:

Defined Benefit Plans

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

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

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

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

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

5. PENSION PLANS – *Continued*

Summary of Benefits by System

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

Retirement benefits are as follows:

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

*actuarial reductions are applied

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

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

5. PENSION PLANS – *Continued*

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2023 were as follows:

<u>Utah Retirement Systems</u>	<u>Employee</u>	<u>Employer</u>	<u>Employer 401k Plan</u>
Contributory System			
12-State and School Division			
Tier 1	6.00%	17.70%	n/a
112-State and School Division			
Tier 2	n/a	19.84%	0.18%
Noncontributory System			
16-State and School Division			
Tier 1	n/a	22.19%	1.50%
Tier 2 DC only			
212 State and School	n/a	10.02%	10.00%

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

For the fiscal year ended June 30, 2023, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 12,653,029	\$ -
Contributory System	35,227	11,941
Tier 2 Public Employees System	6,453,257	-
Tier 2 DC only System	788,715	-
Total contributions	<u>\$ 19,930,228</u>	<u>\$ 11,941</u>

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

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

5. PENSION PLANS – *Continued*

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

At June 30, 2023, we reported a net pension asset of \$0 and a net pension liability of \$49,014,082.

	(Measurement Date): December 31, 2022				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2021	Change (Decrease)
Noncontributory System	\$ -	\$ 47,103,189	2.1814353%	2.1569773%	0.0244580%
Contributory System	-	428,313	3.2773773%	2.6133050%	0.6640723%
Tier 2 Public Employees System	-	1,482,580	1.3615469%	1.4061073%	-0.0445604%
Total	\$ -	\$ 49,014,082			

The net pension asset and liability were measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer’s actual contributions to the Systems during the plan year over the total of all employer contributions to the Systems during the plan year. For the year ended June 30, 2023, we recognized pension expense of \$17,437,748.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,700,172	\$ 58,822
Changes in assumptions	3,176,592	3,771
Net difference between projected and actual earnings on pension plan investments	8,778,167	-
Changes in proportion and differences between contributions and proportionate share of contributions	917,078	75,046
Contributions subsequent to the measurement date	10,116,677	-
Total	\$ 31,688,686	\$ 137,639

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

5. PENSION PLANS – *Continued*

\$10,116,677 reported as deferred outflows of resources related to pensions resulting from contributions made by the District prior to the fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2023	\$ 734,090
2024	1,796,932
2025	3,782,238
2026	14,470,280
2027	133,453
Thereafter	517,377

Actuarial assumptions – The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 %
Salary increases, average, including inflation	3.25 –9.25 %
Investment rate of return	6.85 %*

*net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2022 valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

5. PENSION PLANS – *Continued*

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

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long term expected portfolio real rate of return
Equity securities	35%	6.58%	2.30%
Debt securities	20%	1.08%	0.22%
Real assets	18%	5.72%	1.03%
Private equity	12%	9.80%	1.18%
Absolute return	15%	2.91%	0.44%
Cash and cash equivalents	0%	-0.11%	0.00%
Totals	100%		5.17%
Inflation			2.50%
Expected arithmetic nominal return			7.67%

The 6.85 percent assumed investment rate of return is comprised of an inflation rate of 2.50 percent and a real return of 4.35 percent that is net of investment expense.

Discount rate – The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

5. PENSION PLANS – *Continued*

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate – The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.85%) or one percentage point higher (7.85%) than the current rate:

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 117,729,626	\$ 47,103,189	\$ (11,995,281)
Contributory System	2,262,205	428,313	(1,149,911)
Tier 2 Public Employees System	6,478,061	1,482,580	(2,365,805)
Total	<u>\$ 126,469,892</u>	<u>\$ 49,014,082</u>	<u>\$ (15,510,997)</u>

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

Defined Contribution Savings Plans

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

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

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

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

5. PENSION PLANS – Continued

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

Defined Contribution System

	2023	2022	2021
401(k) Plan			
Employer Contributions	\$ 1,718,670	\$ 1,577,688	\$ 1,514,916
Employee Contributions	1,726,073	1,592,824	1,444,762
457 Plan			
Employee Contributions	280,260	216,822	186,152
Roth IRA Plan			
Employee Contributions	422,549	378,176	360,259
403(b) Plan			
Employee Contributions	226,868	256,679	252,989

* The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) Plan.

6. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2023 was as follows:

Bonds payable:	Beginning Balance	Additions	Reductions	Ending Balance
General obligation bonds	\$ 115,705,000	\$ -	\$ (14,980,000)	\$ 100,725,000
Deferred amounts for issuance premium	7,668,835	-	(1,235,842)	6,432,993
Notes payable	13,434,321	-	(673,761)	12,760,560
Total governmental activity long-term liabilities	<u>\$ 136,808,156</u>	<u>\$ -</u>	<u>\$ (16,889,603)</u>	<u>\$ 119,918,553</u>

Of the amounts above, \$17,205,000 in general obligation bonds and \$690,713 in notes payable are due within one year. Payments on the general obligation bonds are made by the debt service fund with property taxes. Notes payable payments are made through the general fund.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

6. LONG-TERM DEBT – *Continued*

Serial bonds and notes payable

The District’s general long-term debt consists of the following:

\$25,150,000 Series 2022 general obligation refunding bonds due in annual installments ranging from \$500,000 to \$6,340,000 plus interest from 2.64 to 3.36 percent	\$ 24,650,000
\$46,650,000 Series 2021 general obligation refunding bonds due in annual installments ranging from \$4,300,000 to \$9,575,000 plus interest from 1.6 to 3 percent	36,850,000
\$90,000,000 Series 2014 general obligation bonds due in annual installments ranging from \$150,000 to \$8,190,000 plus interest at 2.5 percent	5,355,000
\$43,810,000 Series 2016 general obligation refunding bonds due in annual installments ranging from \$1,050,000 to \$2,825,000 plus interest from 3 to 5 percent	29,220,000
\$10,425,000 Series 2019 general obligation refunding bonds due in annual installments ranging from \$1,350,000 to \$1,600,000 plus interest from 3 to 5 percent	4,650,000
\$2,941,098 Phase 1 Lighting Project due in annual installments ranging from \$138,193 to \$297,417 plus interest of 2.74 percent. Asset value \$2,941,098 with \$408,486 accum. amort. and \$196,073 amort. expense	2,434,465
\$11,902,152 Phase 2 Lighting Project due in annual installments ranging from \$234,850 to \$1,057,199 plus interest of 2.99 percent. Asset value \$11,902,152 with \$608,219 accum. amort. and \$608,219 amort. expense	9,783,904
\$1,298,070 Phase 3 Lighting Project due in annual installments ranging from \$35,432 to \$682,807 plus interest of 2.91 percent. Asset value \$1,298,070 with \$201,922 accum. amort. and \$86,538 amort. expense	<u>542,191</u>
Total long-term debt	<u><u>\$ 113,485,560</u></u>

Advance Refunding – March 17, 2016

The District issued \$43,810,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$5,752,800 of general obligation bonds. As a result, a portion of the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. This advance refunding was undertaken to reduce total debt service payments by \$678,611 and resulted in an economic gain of \$607,522.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

6. LONG-TERM DEBT – *Continued*

Advance Refunding – March 13, 2020

The District issued \$10,425,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$11,250,000 of general obligation bonds. As a result, a portion of the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. This advance refunding was undertaken to reduce total debt service payments by \$1,050,625 and resulted in an economic gain of \$952,189.

Advance Refunding – May 18, 2021

The District issued \$46,650,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$44,660,000 of general obligation bonds. As a result, a portion of the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. This advance refunding was undertaken to reduce total debt service payments by \$12,581,684 and resulted in an economic gain of \$7,182,431.

Advance Refunding – June 9, 2022

The District issued \$25,150,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$24,125,000 of general obligation bonds. As a result, a portion of the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. This advance refunding was undertaken to reduce total debt service payments by \$812,021 and resulted in an economic gain of \$710,816.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2023, including interest payments are as follows:

<u>Year ending June 30,</u>	<u>Debt Outstanding</u>
2024	\$ 22,677,047
2025	18,080,112
2026	15,877,836
2027	17,494,523
2028	15,908,908
2029 - 2033	29,696,189
2034 - 2038	9,834,263
2039 - 2040	1,276,259
Total	130,845,137
Less interest	(17,359,577)
Outstanding principal	<u>\$ 113,485,560</u>

CACHE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements

Continued

7. 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, the District administration believes such disallowance, if any, would be immaterial.

8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; errors and omissions; violation of civil rights; theft of, damage to, and destruction of assets; and natural disasters. These risks are covered by the District's participation in the Utah State Risk Management system for school districts. This is a pooled arrangement where school districts pay experienced 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.

Property physical damage is insured to replacement value with a \$2,500 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. Insurance coverage by major category of risk has remained relatively constant or increased as compared to the prior fiscal year. Insurance settlements have not exceeded insurance coverage for the past three years.

The self-insurance fund, an internal service fund, was established to pay self-insurance claims for health and accident coverage. Health insurance is provided to qualified District employees. The District carries commercial insurance, which covers catastrophic claims over \$250,000 for health coverage. The fund collects premiums, as established by the District and the plan administrator, from other District funds. As of June 30, 2023, the District has recorded estimates of claims incurred by but not reported of \$3,240,984 for medical claims. These liabilities are based on experience and information provided by the plan administrator and does not include costs to process the claims.

9. CONSTRUCTION COMMITMENTS

The District was obligated under certain construction commitments totaling \$1,322,405 as of June 30, 2023. The commitment was related to various repair, maintenance, and project modifications.

10. SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through September 28, 2023, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank.

CACHE COUNTY SCHOOL DISTRICT
Schedule of the Proportionate Share of the Net Pension Liability

June 30, 2023
Last Ten Fiscal Years*

	<u>As of fiscal year ended June 30,</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered- employee payroll</u>	<u>Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability/(asset)</u>
Noncontributory System	2015	1.7008433%	\$ 42,734,176	\$ 47,464,729	90.03%	87.20%
	2016	1.7415385%	54,706,712	47,657,830	114.79%	84.50%
	2017	1.7620442%	57,106,388	48,358,301	118.09%	84.90%
	2018	1.8407956%	45,014,119	49,529,652	90.88%	89.20%
	2019	1.9112210%	71,107,305	51,170,476	138.96%	84.10%
	2020	2.1071111%	46,813,727	52,463,144	89.23%	90.10%
	2021	2.1311347%	28,410,622	53,385,943	53.22%	94.30%
	2022	2.1569773%	(14,737,424)	54,512,776	-27.03%	102.70%
	2023	2.1814353%	47,103,189	55,843,486	84.35%	91.60%
Contributory System	2015	1.2864269%	\$ 141,055	\$ 472,657	29.84%	98.70%
	2016	1.3488090%	845,234	427,272	197.82%	92.40%
	2017	1.6629618%	911,233	445,786	204.41%	93.40%
	2018	1.7026128%	112,039	387,392	28.92%	0.90%
	2019	1.5308611%	1,086,917	297,101	365.84%	94.10%
	2020	1.8279356%	126,197	203,932	61.88%	98.90%
	2021	2.1897595%	(520,810)	211,186	-246.61%	103.70%
	2022	2.6133050%	(2,353,283)	221,199	-1063.88%	114.10%
	2023	3.2773773%	428,313	215,193	199.04%	97.90%
Tier 2 Public Employees System*	2015	0.8839393%	\$ (267,887)	\$ 4,325,201	-6.19%	103.50%
	2016	0.9092118%	(1,985)	5,871,653	-0.03%	100.20%
	2017	0.9445697%	105,366	7,746,229	1.36%	95.10%
	2018	1.1382455%	100,356	11,168,834	0.90%	97.40%
	2019	1.2788148%	547,689	15,039,126	3.64%	90.80%
	2020	1.3325004%	299,689	18,553,657	1.62%	96.50%
	2021	1.3710094%	197,189	21,963,142	0.90%	98.30%
	2022	1.4061073%	(595,117)	26,219,095	-2.27%	103.80%
	2023	1.3615469%	1,482,580	29,909,163	4.96%	92.30%

*In accordance with paragraph 81.a of GASB 68, employers need to disclose a 10-year history of their proportionate share of the net pension liability (asset) in their RSI. This schedule will be built prospectively.

Refer to accompanying notes.

CACHE COUNTY SCHOOL DISTRICT
Schedule of Contributions

June 30, 2023
Last Ten Fiscal Years*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System	2014	\$ 9,509,001	\$ 9,509,001	\$ -	\$ 47,790,994	19.90%
	2015	10,220,978	10,220,978	-	47,205,187	21.65%
	2016	10,589,890	10,589,890	-	48,190,755	21.97%
	2017	10,688,494	10,688,494	-	48,697,292	21.95%
	2018	11,071,375	11,071,375	-	50,426,966	21.96%
	2019	11,347,515	11,347,515	-	51,619,283	21.98%
	2020	11,661,157	11,661,157	-	53,004,222	22.00%
	2021	11,942,847	11,942,847	-	54,278,636	22.00%
	2022	12,075,198	12,075,198	-	54,857,779	22.01%
	2023	12,653,029	12,653,029	-	57,497,410	22.01%
Contributory System	2014	\$ 81,833	\$ 81,833	\$ -	\$ 521,926	15.68%
	2015	74,321	74,321	-	426,400	17.43%
	2016	78,540	78,540	-	443,730	17.70%
	2017	75,132	75,132	-	424,476	17.70%
	2018	62,820	62,820	-	354,916	17.70%
	2019	39,611	39,611	-	223,793	17.70%
	2020	37,002	37,002	-	209,053	17.70%
	2021	38,394	38,394	-	216,918	17.70%
	2022	40,436	40,436	-	228,452	17.70%
	2023	35,227	35,227	-	199,023	17.70%
Tier 2 Public Employees System*	2014	\$ 605,304	\$ 605,304	\$ -	\$ 3,668,662	16.50%
	2015	896,755	896,755	-	4,962,028	18.07%
	2016	1,256,459	1,256,459	-	6,965,933	18.04%
	2017	1,621,292	1,621,292	-	8,896,416	18.22%
	2018	2,483,142	2,483,142	-	13,502,370	18.39%
	2019	3,147,503	3,147,503	-	16,744,553	18.80%
	2020	3,803,204	3,803,204	-	20,048,878	18.97%
	2021	4,685,385	4,685,385	-	24,528,382	19.10%
	2022	5,353,219	5,353,219	-	27,665,474	19.35%
	2023	6,453,257	6,453,257	-	32,638,870	19.77%
Tier 2 Public Employees DC Only System*	2014	\$ 38,144	\$ 38,144	\$ -	\$ 469,469	8.12%
	2015	79,815	79,815	-	806,678	9.89%
	2016	132,987	132,987	-	1,337,962	9.94%
	2017	162,000	162,000	-	1,620,297	10.00%
	2018	206,467	206,467	-	2,060,550	10.02%
	2019	293,655	293,655	-	2,930,686	10.02%
	2020	363,558	363,558	-	3,628,317	10.02%
	2021	489,244	489,244	-	4,881,911	10.02%
	2022	583,566	583,566	-	5,830,057	10.01%
	2023	788,715	788,715	-	7,871,485	10.02%

*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011. In accordance with paragraph 81.b of GASB 68, employers will need to disclose a 10-year history of their proportionate share of contributions in RSI. Contributions as a percentage of covered payroll may be different than the board-certified rate due to rounding and other administrative practices. This schedule will be built prospectively.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Required Supplementary Information

For the Year Ended June 30, 2023

1. Changes in Assumptions

No changes were made in actuarial assumptions from the prior year's valuation.

This page intentionally left blank.

SUPPLEMENTARY INFORMATION

This page intentionally left blank.

CACHE COUNTY SCHOOL DISTRICT
Description of Nonmajor Special Revenue Funds

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

Cache Education Foundation Expendable Trust Fund – This fund is used to account for donations received by the District. The activities of the Foundation are governed by no less than 10 and no more than 30 voting Board of Director members. In addition, the Foundation may invite other members to serve on committees to help promote the purposes of the Foundation and perform the work to do so. Although the Foundation’s activities and records are operated and maintained separate from the District, the District is considered to be financially accountable for the Foundation.

Tax Increment Fund – This fund is used to account for property tax increment funding that flows through to other entities.

Student Activity Fund – This fund is comprised of revenue and expenses from school-based operations. The revenues are comprised of interest earnings, gate receipts, fundraisers and student fees. Expenditures support curricular and extra-curricular activities.

CACHE COUNTY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds

As of June 30, 2023 (with comparative totals for 2022)

	Special Revenue				Nonmajor Governmental Funds Total 2023	Memorandum Only Total 2022
	School Lunch Fund	Cache Education Foundation Trust Fund	Tax Increment Fund	Student Activity Fund		
Assets:						
Cash and cash equivalents	\$ 7,185,381	\$ 924,662	\$ -	\$ 7,880,941	\$ 15,990,984	\$ 15,035,437
Short-term investments	-	619,806	-	-	619,806	530,633
Due from others	85,071	5,750	-	-	90,821	259,055
Inventories	32,880	-	-	-	32,880	38,439
Other assets	-	1,936	-	-	1,936	1,936
Total assets	<u>\$ 7,303,332</u>	<u>\$ 1,552,154</u>	<u>\$ -</u>	<u>\$ 7,880,941</u>	<u>\$ 16,736,427</u>	<u>\$ 15,865,500</u>
Liabilities:						
Accounts payable	\$ 115,001	\$ 41,210	\$ -	\$ -	\$ 156,211	\$ 89,713
Accrued salaries and benefits	49,251	-	-	-	49,251	46,808
Total liabilities	<u>164,252</u>	<u>41,210</u>	<u>-</u>	<u>-</u>	<u>205,462</u>	<u>136,521</u>
Deferred inflows of resources	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>164,252</u>	<u>41,210</u>	<u>-</u>	<u>-</u>	<u>205,462</u>	<u>136,521</u>
Fund balances:						
Nonspendable:						
Inventory	32,880	-	-	-	32,880	38,439
Endowment	-	60,000	-	-	60,000	60,000
Restricted:						
Food service	7,106,200	-	-	-	7,106,200	7,555,020
Committed:						
Schools	-	1,450,944	-	7,880,941	9,331,885	8,075,520
Total fund balances	<u>7,139,080</u>	<u>1,510,944</u>	<u>-</u>	<u>7,880,941</u>	<u>16,530,965</u>	<u>15,728,979</u>
Total liabilities and fund balances	<u>\$ 7,303,332</u>	<u>\$ 1,552,154</u>	<u>\$ -</u>	<u>\$ 7,880,941</u>	<u>\$ 16,736,427</u>	<u>\$ 15,865,500</u>

CACHE COUNTY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds

For the Year Ended June 30, 2023 (with comparative totals for 2022)

	<u>Special Revenue</u>				Nonmajor Governmental Funds Total 2023	Memorandum Only Total 2022
	School Lunch Fund	Cache Education Foundation Trust Fund	Tax Increment Fund	Student Activity Fund		
Revenues:						
Property taxes	\$ -	\$ -	\$ 1,380,099	\$ -	\$ 1,380,099	\$ 1,378,752
Earnings on investments	263,875	33,525	-	235,099	532,499	56,124
Lunch sales	3,303,564	-	-	-	3,303,564	677,391
Other local revenues	93,138	2,490,595	-	11,712,844	14,296,577	11,831,600
State aid	1,207,024	-	-	-	1,207,024	1,612,846
Federal aid	4,335,086	-	-	-	4,335,086	9,654,445
Total revenues	<u>9,202,687</u>	<u>2,524,120</u>	<u>1,380,099</u>	<u>11,947,943</u>	<u>25,054,849</u>	<u>25,211,158</u>
Expenditures:						
Current:						
Instructional services	-	2,341,407	-	5,197,151	7,538,558	4,125,900
Supporting services:						
Other	-	-	-	5,677,140	5,677,140	6,824,113
Non-instructional	9,657,066	-	1,380,099	-	11,037,165	10,049,840
Total expenditures	<u>9,657,066</u>	<u>2,341,407</u>	<u>1,380,099</u>	<u>10,874,291</u>	<u>24,252,863</u>	<u>20,999,853</u>
Excess/(deficiency) of revenues over expenditures	(454,379)	182,713	-	1,073,652	801,986	4,211,305
Other financing sources:						
Transfers in	-	-	-	-	-	-
Net change in fund balances	(454,379)	182,713	-	1,073,652	801,986	4,211,305
Fund balances, beginning	7,593,459	1,328,231	-	6,807,289	15,728,979	11,517,674
Fund balances, ending	<u>\$ 7,139,080</u>	<u>\$ 1,510,944</u>	<u>\$ -</u>	<u>\$ 7,880,941</u>	<u>\$ 16,530,965</u>	<u>\$ 15,728,979</u>

CACHE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
School Lunch Fund
Nonmajor Special Revenue Fund

For the Year Ended June 30, 2023 (with comparative totals for 2022)

	2023		Variance with Final Budget - Positive (Negative)	Memorandum Only Total 2022
	Final Budgeted Amounts	Actual Amounts		
Revenues:				
Local sources:				
Lunch sales - children	\$ 3,260,000	\$ 3,199,159	\$ (60,841)	\$ 580,542
Lunch sales - adult	110,000	104,405	(5,595)	96,849
Other local sales	100,000	93,138	(6,862)	21,681
Earnings on investments	270,000	263,875	(6,125)	19,241
Total local sources	<u>3,740,000</u>	<u>3,660,577</u>	<u>(79,423)</u>	<u>718,313</u>
State sources:				
State lunch program	1,700,000	1,207,024	(492,976)	1,612,846
Total state sources	<u>1,700,000</u>	<u>1,207,024</u>	<u>(492,976)</u>	<u>1,612,846</u>
Federal sources:				
Free and reduced assistance	3,383,635	3,388,570	4,935	8,194,046
Breakfast program	-	224,474	224,474	594,183
Other federal	-	40,696	40,696	76,637
Donated commodities	681,346	681,346	-	789,579
Total federal sources	<u>4,064,981</u>	<u>4,335,086</u>	<u>270,105</u>	<u>9,654,445</u>
Total revenues	<u>9,504,981</u>	<u>9,202,687</u>	<u>(302,294)</u>	<u>11,985,604</u>

CACHE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
School Lunch Fund
Nonmajor Special Revenue Fund

Continued

	2023		Variance with Final Budget - Positive (Negative)	Memorandum Only Total 2022
	Final Budgeted Amounts	Actual Amounts		
Expenditures:				
Current:				
Salaries	2,364,399	2,443,722	(79,323)	2,350,576
Employee benefits	1,469,000	1,360,201	108,799	1,181,778
Purchased services	97,040	141,077	(44,037)	90,284
Supplies	12,402,000	4,750,322	7,651,678	4,355,261
Equipment	360,000	442,600	(82,600)	205,937
Miscellaneous	406,000	519,144	(113,144)	487,252
Total expenditures	<u>17,098,439</u>	<u>9,657,066</u>	<u>7,441,373</u>	<u>8,671,088</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,593,458)</u>	<u>(454,379)</u>	<u>7,139,079</u>	<u>3,314,516</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Sale of capital assets/other	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(7,593,458)	(454,379)	7,139,079	3,314,516
Fund balance, beginning	<u>7,593,459</u>	<u>7,593,459</u>	<u>-</u>	<u>4,278,943</u>
Fund balance, ending	<u>\$ 1</u>	<u>\$ 7,139,080</u>	<u>\$ 7,139,079</u>	<u>\$ 7,593,459</u>

CACHE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Cache Education Foundation Trust Fund
Nonmajor Special Revenue Fund

For the Year Ended June 30, 2023 (with comparative totals for 2022)

	<u>2023</u>	<u>Memorandum Only Total 2022</u>
Revenues:		
Local sources:		
Contributions	\$ 2,490,595	\$ 1,629,573
Interest earnings	33,525	11,467
Total revenues	<u>2,524,120</u>	<u>1,641,040</u>
Expenditures:		
Current:		
Program services - supplies and materials donated to schools	<u>2,341,407</u>	<u>1,517,127</u>
Net change in fund balance	182,713	123,913
Fund balance, beginning	<u>1,328,231</u>	<u>1,204,318</u>
Fund balance, ending	<u><u>\$ 1,510,944</u></u>	<u><u>\$ 1,328,231</u></u>

CACHE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Tax Increment Fund
Nonmajor Special Revenue Fund

For the Year Ended June 30, 2023 (with comparative totals for 2022)

	<u>2023</u>		Variance with Final Budget - Positive (Negative)	Memorandum Only Total 2022
	Final Budgeted Amounts	Actual Amounts		
Revenues:				
Local sources:				
Property taxes	\$ 1,380,099	\$ 1,380,099	\$ -	\$ 1,378,752
Total revenues	<u>1,380,099</u>	<u>1,380,099</u>	<u>-</u>	<u>1,378,752</u>
Expenditures:				
Current:				
Miscellaneous	\$ 1,380,099	1,380,099	-	1,378,752
Total expenditures	<u>1,380,099</u>	<u>1,380,099</u>	<u>-</u>	<u>1,378,752</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CACHE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Student Activities Fund
Nonmajor Special Revenue Fund

For the Year Ended June 30, 2023 (with comparative totals for 2022)

	2023		Variance with Final Budget - Positive (Negative)	Memorandum Only Total 2022
	Final Budgeted Amounts	Actual Amounts		
Revenues:				
Local sources:				
Interest earnings	\$ 50,000	\$ 235,099	\$ 185,099	\$ 25,416
Student fees	3,652,500	2,944,969	(707,531)	3,073,216
Other	8,060,000	8,767,875	707,875	7,107,130
Total local sources	<u>11,762,500</u>	<u>11,947,943</u>	<u>185,443</u>	<u>10,205,762</u>
State sources:				
State teacher aid	-	-	-	-
Total state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>11,762,500</u>	<u>11,947,943</u>	<u>185,443</u>	<u>10,205,762</u>
Expenditures:				
Current:				
Instructional services:				
Purchased services	550,000	3,091,027	(2,541,027)	706,250
Supplies	7,087,288	1,825,495	5,261,793	1,902,523
Property	150,000	280,629	(130,629)	-
Total instructional services	<u>7,787,288</u>	<u>5,197,151</u>	<u>2,590,137</u>	<u>2,608,773</u>
Support services:				
Other support services	<u>10,782,500</u>	<u>5,677,140</u>	<u>5,105,360</u>	<u>6,824,113</u>
Total expenditures	<u>18,569,788</u>	<u>10,874,291</u>	<u>7,695,497</u>	<u>9,432,886</u>
Excess (deficiency) of revenues over (under) expenditures	(6,807,288)	1,073,652	7,880,940	772,876
Fund balance, beginning	<u>6,807,289</u>	<u>6,807,289</u>	<u>-</u>	<u>6,034,413</u>
Fund balance, ending	<u>\$ 1</u>	<u>\$ 7,880,941</u>	<u>\$ 7,880,940</u>	<u>\$ 6,807,289</u>

CACHE COUNTY SCHOOL DISTRICT
Statement of Changes in Assets and Liabilities
Student Activities Agency Fund

For the Year Ended June 30, 2023

School	Balance 7/1/2022	Revenues	Expenses	Balance 6/30/2023
Birch Creek Elementary	\$ 80,900	\$ 61,308	\$ 57,532	\$ 84,676
Canyon Elementary	54,640	92,489	81,834	65,295
Cedar Ridge Elementary	56,243	65,426	96,204	25,465
Greenville Elementary	40,968	62,377	66,461	36,884
Heritage Elementary	17,473	62,249	63,536	16,186
Lewiston Elementary	111,864	47,754	40,757	118,861
Lincoln Elementary	31,015	55,022	37,346	48,691
Millville Elementary	19,675	34,185	32,946	20,914
Mountainside Elementary	29,598	50,781	49,504	30,875
Nibley Elementary	54,333	56,017	27,332	83,018
North Park Elementary	24,068	39,782	33,664	30,186
Providence Elementary	24,717	75,380	57,733	42,364
River Heights Elementary	15,506	52,614	55,611	12,509
Summit Elementary	58,083	71,555	58,094	71,544
Sunrise Elementary	58,926	74,742	74,279	59,389
Wellsville Elementary	20,172	45,203	44,416	20,959
White Pine Elementary (Park)	50,284	56,633	31,964	74,953
North Cache Middle	494,024	377,919	267,553	604,390
South Cache Middle	497,549	295,253	246,473	546,329
Spring Creek Middle	205,986	305,121	229,328	281,779
Cache High	117,215	61,322	75,138	103,399
Green Canyon High	1,012,774	2,450,766	2,367,519	1,096,021
Mountain Crest High	2,025,052	2,401,616	2,014,372	2,412,296
Ridgeline High	1,010,486	2,901,685	2,721,898	1,190,273
Sky View High	695,738	2,245,692	2,137,745	803,685
Elimination of state revenues recorded at District level	-	(94,948)	(94,948)	-
Totals	\$ 6,807,289	\$ 11,947,943	\$ 10,874,291	\$ 7,880,941

CACHE COUNTY SCHOOL DISTRICT

Description of Individual Major Funds

Capital Projects Fund – This 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. Financing is provided by an annual property tax levy and from general obligation bond proceeds. Also, state funds can be obtained by qualifying under guidelines established for school districts determined to be in critical need for construction building aid. Utah law defines the Capital Projects Fund as Capital Outlay Fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest due annually. Financing is provided by an annual property tax levy. Payment of the principal and interest on the bonds when due is guaranteed not only by the full faith and credit and unlimited taxing power of the District, but also the State under the provisions of the Guaranty Act. The Guaranty Act establishes the Utah School Bond Default Avoidance Program (the “Utah School Bond Guaranty Program”). The state’s guaranty is contained in Section 53G-4-802(2)(a) of the Guaranty Act.

CACHE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Major Capital Projects Fund

For the Year Ended June 30, 2023 (with comparative totals for 2022)

	<u>2023</u>			<u>Memorandum Only Total 2022</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	
Revenues:				
Local sources:				
Property taxes	\$ 3,496,000	\$ 3,493,043	\$ (2,957)	\$ 2,472,171
Earnings on investments	150,000	138,226	(11,774)	11,456
Other local	-	-	-	39,131
Total local sources	<u>3,646,000</u>	<u>3,631,269</u>	<u>(14,731)</u>	<u>2,522,758</u>
State sources:				
Capital outlay	<u>4,758,271</u>	<u>3,594,241</u>	<u>(1,164,030)</u>	<u>3,893,997</u>
Total state sources	<u>4,758,271</u>	<u>3,594,241</u>	<u>(1,164,030)</u>	<u>3,893,997</u>
Total revenues	<u>8,404,271</u>	<u>7,225,510</u>	<u>(1,178,761)</u>	<u>6,416,755</u>

CACHE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Major Capital Projects Fund

Continued

	2023			Memorandum Only Total 2022
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	
Expenditures:				
Facilities acquisition & construction				
Purchased services	400,000	185,993	214,007	210,322
Land and improvements	-	1,733,087	(1,733,087)	-
Buildings/remodeling	9,347,203	3,404,168	5,943,035	6,174,899
Furniture & fixtures	955,000	1,094,236	(139,236)	1,194,468
Other equipment	1,819,655	826,182	993,473	1,387,846
Total expenditures	<u>12,521,858</u>	<u>7,243,666</u>	<u>5,278,192</u>	<u>8,967,535</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,117,587)</u>	<u>(18,156)</u>	<u>4,099,431</u>	<u>(2,550,780)</u>
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Debt proceeds	-	-	-	-
Bond premium	-	-	-	-
Cost of issuance	-	-	-	-
Sale of fixed assets/other	6,000	5,545	(455)	189,215
Total other financing sources (uses)	<u>6,000</u>	<u>5,545</u>	<u>(455)</u>	<u>189,215</u>
Net change in fund balances	<u>(4,111,587)</u>	<u>(12,611)</u>	<u>4,098,976</u>	<u>(2,361,565)</u>
Fund balance, beginning	<u>4,111,587</u>	<u>4,111,587</u>	<u>-</u>	<u>6,473,152</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 4,098,976</u>	<u>\$ 4,098,976</u>	<u>\$ 4,111,587</u>

CACHE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Major Debt Service Fund

For the Year Ended June 30, 2023 (with comparative totals for 2022)

	2023		Variance with Final Budget - Positive (Negative)	Memorandum Only Total 2022
	Final Budgeted Amounts	Actual Amounts		
Revenues:				
Property taxes	\$ 19,491,000	\$ 19,483,268	\$ (7,732)	\$ 19,227,106
Earnings on investments	-	14,489	14,489	1,964
Total revenues	<u>19,491,000</u>	<u>19,497,757</u>	<u>6,757</u>	<u>19,229,070</u>
Expenditures:				
Debt service:				
Bond principal	14,980,000	14,980,000	-	13,300,000
Bond interest and fees	6,306,936	3,919,566	2,387,370	4,879,060
Total expenditures	<u>21,286,936</u>	<u>18,899,566</u>	<u>2,387,370</u>	<u>18,179,060</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,795,936)</u>	<u>598,191</u>	<u>2,394,127</u>	<u>1,050,010</u>
Other financing sources (uses):				
Bond premium on issuance of refunded bonds	-	-	-	-
Issuance of refunding bonds	-	-	-	25,150,000
Payment to refunded bond escrow	-	-	-	(25,103,838)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,162</u>
Net change in fund balance	(1,795,936)	598,191	2,394,127	1,096,172
Fund balance, beginning	1,795,935	1,795,935	-	699,763
Fund balance, ending	<u>\$ (1)</u>	<u>\$ 2,394,126</u>	<u>\$ 2,394,127</u>	<u>\$ 1,795,935</u>

This page intentionally left blank.

SINGLE AUDIT SECTION

This page intentionally left blank.

**CACHE COUNTY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2023

Federal Grantor	Federal CFDA Number	Grant Award/Grantor Assigned Number	Program/ Award Amount	Expenditures	Cluster total	Cluster
United States Department of Education						
Title VII - Indian education	84.060A	S060A212458/S060A222458	\$ 180,610	\$ 100,843		
United States Department of Education passed through: Utah State Office of Education						
Title IC migrant children	84.011	S011A200045/S011A210045	75,058	30,344		
NCLB - Title IVA	84.424A	S424A210046	87,143	61,902		
Title IA LEA grants	84.010	S010A210044/S010A220044	2,588,708	1,538,344		
IDEA-B handicapped	84.027	H027A220059	3,356,074	3,356,074	3,726,795	Special Education
IDEA-B handicapped ARP - COVID 19	84.027X	H027X210059	726,565	229,204	3,726,795	Special Education
IDEA-B preschool handicapped	84.173	H173A220092	141,517	141,517	3,726,795	Special Education
NCLB - Title ID	84.013	S013A200044	29,655	682		
Title IV Community Service	84.287	S287C220045	86,261	86,261		
NCLB - Language acquisition	84.365	S365A210044/S365A220044	130,029	57,179		
NCLB - Title IIA	84.367	S367A210042/S367A220042	597,257	439,342		
Governor's Emergency Education Relief - COVID 19	84.425C	S425C210031	227,764	124,134		
Elementary & secondary school readiness - COVID 19	84.425D	S425D210032	4,647,093	1,046,350		
ARP ESSER - COVID 19	84.425U	S425U210032	11,204,042	3,434,921		
Box Elder School District						
ATE -Tech - Perkins	84.048	V048A220044	186,063	186,063		
Total Department of Education			<u>24,263,839</u>	<u>10,833,160</u>		

The accompanying notes are an integral part of this schedule.

CACHE COUNTY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards

Continued

<u>Federal Grantor</u>	<u>Federal CFDA Number</u>	<u>Grant Award/Grantor Assigned Number</u>	<u>Program/ Award Amount</u>	<u>Expenditures</u>	<u>Cluster total</u>	<u>Cluster</u>
Department of Justice passed through:						
Office of Community Oriented Policing Services						
School Violence Prevention	16.710	15JCOPS-21-GG-03684- SSIX	489,754	39,038		
Total Department of Justice			<u>489,754</u>	<u>39,038</u>		
United States Department of Agriculture passed through:						
Utah State Office of Education						
School breakfast	10.553	8001-4574	224,474	224,474	4,331,451	Child Nutrition
Free and reduced lunch	10.555	8001-4571	3,425,631	3,425,631	4,331,451	Child Nutrition
Food commodities	10.555	8001-4970	681,346	681,346	4,331,451	Child Nutrition
Specialty Crop	10.170	7590-4500	500	500		
Pandemic EBT - COVID-19	10.649		3,135	3,135		
State of Utah						
Secure rural schools	10.665		95,855	95,855	95,855	Forest Service Schools and Roads
Total Department of Agriculture			<u>4,430,941</u>	<u>4,430,941</u>		

**CACHE COUNTY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards**

Continued

<u>Federal Grantor</u>	<u>Federal CFDA Number</u>	<u>Grant Award/Grantor Assigned Number</u>	<u>Program/ Award Amount</u>	<u>Expenditures</u>	<u>Cluster total</u>	<u>Cluster</u>
United States Department of Health and Human Services passed through:						
Utah Department of Workforce Services						
School Readiness	93.575	21DWS0184/23DWS0136	1,272,717	1,029,464	1,029,464	CCDF
Utah State Office of Education						
Utah Project Aware	93.243	H79SM080964/H79SM080964	756,440	358,509		
Utah Department of Health						
School Based Skills Development	93.778	2305UT5MAP	912,201	730,166	730,166	Medicaid
Total Department of Health and Human Services			<u>2,941,358</u>	<u>2,118,139</u>		
Total Federal Financial Assistance			<u>\$ 32,125,892</u>	<u>\$ 17,421,278</u>		

The accompanying notes are an integral part of this schedule.

CACHE COUNTY SCHOOL DISTRICT
Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

1. PURPOSES OF THE SCHEDULE

The Schedule of Expenditures of the Federal Awards is a supplementary schedule to the financial statements. The Schedule is required by the U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in the financial position, or cash flows of the District.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The information in the schedule is presented in accordance with the Uniform Guidance. The schedule is prepared using the same accounting policies and basis of accounting as the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

CFDA Numbers

Uniform Guidance requires the schedule to show the total expenditures for each of the entity's federal financial assistance programs as identified in the Catalog of Federal Domestic Assistance (CFDA). The CFDA is a government-wide compendium of individual federal programs. Each program included in the CFDA is assigned a five-digit program identification number (CFDA number).

Subrecipients

The District provided no federal awards to subrecipients.

Non-cash assistance

Donated food commodities are recorded at acquisition value in the nutrition services fund as an inventory asset and federal revenue when received. Donated food commodity inventories are recorded as expenditures in the nutrition services fund when they are consumed by the schools; for purposes of the Schedule, donated food commodities are also recorded as expended when received.

Major Programs

Uniform Guidance establishes the levels of expenditures or expenses and other criteria to be used in defining major federal financial assistance. The federal awards tested as major programs were those with a CFDA number of 84.027, 84.027X, 84.173, 93.575, 93.778, 84.425C, 84.425D, and 84.425U.

Indirect Cost Rate

CCSD charges the following indirect cost rates for the State of Utah Office of Education grants: restricted – 2.54 percent, and unrestricted – 11.04 percent. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



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

Board of Education
Cache County School District
84 East 2400 North
North Logan, UT 84341

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Cache County School District (the “District”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated September 28, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Alfred Jackson". The signature is written in a cursive style with a large initial 'A'.

North Logan, UT
September 28, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Education
Cache County School District
84 East 2400 North
North Logan, Utah 84341

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cache County School District (the “District”)’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2023. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in black ink that reads "Alfred Jackson". The signature is written in a cursive style with a large initial 'A' and a long, sweeping tail on the 'n'.

North Logan, UT
September 28, 2023

**CACHE COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs**

For the Year Ended June 30, 2023

A. SUMMARY OF AUDIT RESULTS

Type of report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No
Federal awards	
Internal control over major programs:	
Material weakness identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	No
Major programs:	
Federal programs tested as major programs:	84.027
	84.027X
	84.173
	93.575
	93.778
	84.425C
	84.425D
	84.425U
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee	Yes

B. FINDINGS- FINANCIAL STATEMENTS AUDIT

There were no current year financial findings.
See state compliance findings 2023-1 and 2023-2 on page 109.

C. FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no current year findings.

CACHE COUNTY SCHOOL DISTRICT
Summary Schedule of Prior Audit Findings
(Client prepared schedule)

For the Year Ended June 30, 2023

There were no prior year audit findings.

This page intentionally left blank.

SUPPLEMENTAL SECTION

This page intentionally left blank.



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

Board of Education
Cache County School District
84 East 2400 North
North Logan, UT 84341

Report on Compliance

We have audited Cache County School District (the "District")'s compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended June 30, 2023.

State compliance requirements were tested for the year ended June 30, 2023 in the following areas:

- Budgetary Compliance
- Fund Balance
- Fraud Risk Assessment
- Governmental Fees
- Cash Management
- Open and Public Meetings Act
- Internal Control Systems
- Public Education Program

Opinion on Compliance

In our opinion, Cache County School District complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the *State Compliance Audit Guide* (Guide). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Guide and which are described in the accompanying schedule of state findings and recommendations as items 2023-1 and 2023-2. Our opinion on compliance is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and recommendations. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report On Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in black ink that reads "Alfred Jackson". The signature is written in a cursive style with a large, sweeping initial 'A'.

North Logan, UT
September 28, 2023

This page intentionally left blank.

**CACHE COUNTY SCHOOL DISTRICT
Schedule of State Compliance Findings and Recommendations**

For the Year Ended June 30, 2023

2023-1: State Compliance – Cash Management

Criteria: District management is responsible to determine that internal controls ensure that compliance requirements described in the *State Compliance Audit Guide* are met.

Condition: The District prepared the Deposit and Investment Report, as required by State law, but did not include all bank accounts on the report.

Cause: District personnel used an excel spreadsheet from the bank to prepare the report but the excel spreadsheet did not include all District accounts.

Effect: The District was not in compliance with State regulations on Cash Management.

Recommendation: We recommend that the District review the reports received from the bank and compare to all District bank accounts to ensure the Deposit and Investment Report is complete and accurate.

Views of Responsible Officials: For years, the District has uploaded a spreadsheet provided by our investment advisor as part of our Deposit & Investment Report upload. Now that we are aware that this spreadsheet has always excluded the balance of one of our accounts, we will produce our own spreadsheet for uploading to the Deposit & Investment Report.

2023-2: State Compliance – Public Education Programs

Criteria: District management is responsible to determine that internal controls ensure that compliance requirements described in the *State Compliance Audit Guide* are met.

Condition: A spend plan was not present for fees charged to students for graduation.

Cause: The District has not communicated the graduation spend plan in writing.

Effect: The District was not in compliance with State regulations on Public Education Programs.

Recommendation: We recommend that the District draft and approve a spend plan to support fees charged for graduation.

Views of Responsible Officials: District administration will work with schools to ensure a spend plan specific to the graduation fee is posted on school websites.