



**ALLRED  
JACKSON**



**Financial Statements  
For the Year Ended  
June 30, 2024**

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**CACHE COUNTY SCHOOL DISTRICT**  
**Table of Contents**

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**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*

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**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 - current year.....	109
Schedule of state compliance findings and recommendations - prior year.....	110

## **INTRODUCTORY SECTION**

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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, 2024.

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 2024, 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 20,521 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 2024 balances are sufficient to meet the fiscal 2025 budget as presented to the public in June of 2024.

**Economic Condition and Outlook.** According to the United States Congressional Budget Office’s (CBO) June 2024 assessment, economic growth will probably be slower in 2024 (2.0 percent) than in 2023 (3.1 percent), reflecting higher unemployment and slightly lower inflation. Economic growth is expected to remain steady at 2.0 percent in 2025 before dropping slightly to 1.8 percent in 2026 and later years. The overall growth of prices is expected to slow in 2024, with the current rate of 2.7 percent dropping to 2.0 percent by 2026 and stabilizing thereafter.

CBO expects the unemployment rate in 2024 and thereafter to rise gradually for the next several years. The federal unemployment rate rose from 3.6 percent in June 2023 to 4.1 percent in June 2024. The Federal Reserve just reduced interest rates by 50 basis points in order to respond to slowing inflation and rising unemployment. The growth of economic output, measured by federal GDP, is projected to slow in 2024 and then grow by 2.0 percent in 2025.

Utah's economy is in a strong position, ranking as the best state for economic outlook for 17 years in a row. Utah continues to manage its affairs well. Total personal income in the State rose by 5.0 percent in 2024 and the unemployment rate sits at 3.0 percent as of June 2024, more than a percent lower than the federal rate. 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 2.9% in June 2024. Even though this is a 0.9% increase from 2023, it is still a sign of an incredibly tight job market. Due to high interest rates, the number of residential construction permits issued continues to be lower than in previous years. Nonresidential construction permits have increased when compared to the prior year. Gross taxable sales during the 2023 calendar year were 1.92 percent higher than the 2022 calendar year. 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 10.64% for the 2024 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 \$4,494 per weighted pupil unit (WPU), as of August 2024. Each full-time student in grades K-12 equates to a WPU for funding purposes. Part-time students generate a prorated WPU amount. The FY2025 WPU amount moved from \$4,280 to \$4,494, representing a 5.0% 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 Space Dynamics Laboratory, Invitrogen Corporation, Malouf, Icon Health & Fitness, 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 2015</u>	<u>% Increase from 2015</u>
2015	16,457	n/a	n/a
2020	18,802	2,345	14.25%
2021	18,833	2,376	14.44%
2022	19,554	3,097	18.82%
2023	19,731	3,274	19.89%
2024	19,794	3,337	20.28%
2025 (Est)	19,950	3,493	21.23%

**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 2024 totaled \$5,536,283, an increase of \$3,090,696 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.

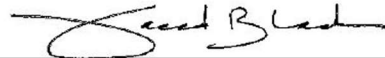
**Acknowledgments.** The dedicated staff of the business department accomplished the preparation of this report on a timely basis. We would like to express appreciation to all members of the department who assisted in the presentation of this report. We would also like to thank the members of the Board of Education for their interest and support in conducting the financial affairs of the District in a responsible and progressive manner.

Respectfully submitted,



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Dr. Todd McKee  
Superintendent of Schools



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Jared Black  
Business Administrator

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

**June 30, 2024**

**Elected Officials**

<b>Name/Title</b>	<b>Present Term Began*</b>	<b>Present Term Expires*</b>	<b>Initial Appointment</b>
<b>Kathy Christiansen</b> Vice President of the Board Precinct VI – Smithfield 1, 2, 3, 4, 5, 6 & 7	January 2021	December 2024	January 2013
<b>Roger Pulsipher</b> Board Member Precinct II – Hyrum 1,2,4 &5, Paradise, Millville 17 & 25, Avon	January 2023	December 2026	January 2015
<b>Brian Chambers</b> Board Member Precinct I – College/Young Ward, Hyrum 3, Mendon 1 & 2, Wellsville 1, 2, 3, 4	December 2023	December 2024	December 2023
<b>D. Jeffrey Nielsen</b> Board Member Precinct III – Nibley 1, 3, 17 & 25, Providence 2, 3 & 5	January 2021	December 2024	April 2015
<b>Randall Bagley</b> Board Member Precinct IV – River Heights 1 & 2, North Logan 5 & 6, Providence 1 & 4	January 2023	December 2026	January 2015
<b>Chris Corcoran</b> Board Member Precinct V – Hyde Park 1 & 2, North Logan 1, 2, 3 & 4	January 2021	December 2024	May 2019
<b>Teri Rhodes</b> President of the Board Precinct VII – Clarkston, Cornish, Cove, Lewiston 1 & 2, Newton 1 & 2, Trenton, Richmond 1 & 2, Amalga, Benson	January 2023	December 2026	July 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*

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**Appointed Officials**

<b>Name/Title</b>	<b>Present Term Began**</b>	<b>Present Term Expires**</b>	<b>Initial Appointment</b>
<b>Todd McKee</b> Superintendent	July 2023	June 2025	July 2023
<b>Jared Black</b> Business Administrator	July 2023	June 2025	July 2021

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

**FINANCIAL SECTION**

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## 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, 2024, 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, 2024, 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 26, 2024 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 26, 2024

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

**For the Year Ended June 30, 2024**

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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, 2024. 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 23 percent to \$162,731,353
- The total net position of Cache County School District is made up of \$116,325,084 in capital assets net of related debt and \$46,406,269 in other net position.
- Total capital assets decreased \$591,181.
- Governmental fund balance increased \$82,764,639.

**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*

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**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 \$162,731,353 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	
	2024	2023
Current and other assets	\$ 216,893,764	\$ 128,818,207
Capital assets	223,542,510	224,133,691
Deferred outflow of resources	37,165,696	36,065,377
Total assets and deferred outflow of resources	477,601,970	389,017,275
Long-term liabilities outstanding	226,091,688	172,173,619
Other liabilities	27,784,510	24,310,939
Deferred inflow of resources	60,994,419	60,621,436
Total liabilities and deferred inflow of resources	314,870,617	257,105,994
Net position:		
Net investment in capital assets	116,325,084	104,215,138
Restricted	18,352,886	13,378,435
Unrestricted	28,053,383	14,317,708
Total net position	\$ 162,731,353	\$ 131,911,281

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

*Continued*

	<b>Governmental Activities 2024</b>	<b>Memorandum Only 2023</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 9,938,529	\$ 9,278,489
Operating grants and contributions	118,874,892	106,659,986
Capital grants and contributions	824,407	2,329,249
General revenues:		
Property taxes	62,142,593	59,789,711
Federal and state aid not restricted to specific purposes	95,266,772	83,899,950
Earnings on investments	5,536,283	2,445,587
Miscellaneous	366,256	95,731
Total revenues	<u>292,949,732</u>	<u>264,498,703</u>
<b>Expenses:</b>		
Instruction services	168,090,150	154,774,824
Supporting services:		
Students	9,520,437	8,993,816
Instructional staff	17,842,495	17,745,942
District administration	953,498	952,313
School administration	10,509,270	9,858,285
Fiscal services	5,538,152	4,864,748
Operation and maintenance of facilities	14,866,243	14,079,555
Transportation	13,864,229	12,537,987
Other	249,780	432,048
Non-instructional services	10,635,890	11,092,086
Capital outlay	9,404,046	7,263,320
Interest on long-term liabilities	3,423,869	3,918,282
Pension expense	<u>(2,768,399)</u>	<u>(2,482,677)</u>
Total expenses	<u>262,129,660</u>	<u>244,030,529</u>
Change in net position	30,820,072	20,468,174
Net position, beginning	<u>131,911,281</u>	<u>111,443,107</u>
Net position, ending	<u>\$ 162,731,353</u>	<u>\$ 131,911,281</u>

**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.

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

*Continued*

**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, 2024, the District's combined governmental fund balance was \$123,197,840 (\$242,926 nonspendable, \$86,646,668 restricted, \$17,492,878 committed, \$4,951,273 assigned, and \$13,864,095 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 \$13,864,095 while the total fund balance was \$26,470,347. The unassigned fund balance increased by \$5,862,800 and the total fund balance increased by \$9,061,213 during the current fiscal year. Key factors in this change are as follows:

- State aid increased \$19,917,113 or 14.5 percent due primarily to an increase in student enrollment and a 5.0 percent increase in the value of the weighted-pupil unit, with corresponding increases in the Voted & Board Levy guarantee programs. In addition, funding for the Educator Salary Adjustment was doubled and the pupil transportation and TSSA programs saw significant funding increases.
- Local revenues increased \$1,197,659 or 2.9 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 \$124,995,578 while the associated fringe benefits of retirement, social security, unemployment, industrial insurance, and health and accident insurance added \$56,592,747. In combination, salary and benefit expenses totaled 88.3 percent of total general fund expenditures.

*Capital Projects Fund* – The capital projects fund had a total fund balance of \$74,823,186, all of which is restricted for acquisition of capital assets and purchase of equipment, and related expenditures. The fund balance increased by \$70,724,210, primarily due to the receipt of bond funds from the 2023 general obligation bond approval. Significant projects included the completion of a new bus canopy and football field lighting at Mountain Crest High School, a chiller replacement at Canyon Elementary School, building access controls throughout the District, a carport addition at the transportation garage, and beginning construction of new middle schools in Hyde Park and Nibley. The majority of the remaining fund balance is being held for these new school projects with approximately 5 million of fund balance reserved for various other capital projects throughout the District.

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

### *Continued*

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*Debt Service Fund* – The debt service fund had a total fund balance of \$4,132,613 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 \$1,738,487. This is due to higher than expected property tax revenues, including fee-in-lieu and redemption taxes, as well as a revised payment schedule due to refunding opportunities. 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 \$7,718,816 reflects a increase of \$579,736 in total fund balance. This is due to additional interest earnings and a significant increase in State funding that is generated from liquor tax sales in Utah. The school activity fund has a total fund balance of \$8,506,666 which increased by \$625,725 primarily due to a combination of increased interest earnings and decreased overall expenditures, specifically in the categories of travel and dues/fees. The Cache Education Foundation received contributions of \$1,465,082 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 \$23,028,211 or 10.6 percent of total general fund expenditures and is summarized as follows:

- \$9,895,196 increase in instructional services, or a 7.0 percent increase due to new programs and grants, a mid-year salary supplement provided to all employees, and reclassifying certain teacher salaries from the staff assistance category to the instructional services category.
- \$3,291,065 decrease in instructional staff, or a 25.6 percent decrease due to reclassifying certain teacher salaries from the staff assistance category to the instructional services category.
- \$14,838,597 increase in operation and maintenance of plant, or a 90.2 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 \$8,071,725 budget to actual variance in total general fund revenues, and the \$26,470,848 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, 2024 and 2023 are outlined below:

	Governmental activities	
	2024	2023
Land	\$ 9,238,880	\$ 9,238,880
Construction in progress	6,522,764	1,042,604
Buildings and improvements	323,563,218	321,025,245
Furniture and equipment	10,563,971	10,157,131
Vehicles	22,341,792	21,076,963
Accumulated depreciation	<u>(148,688,115)</u>	<u>(138,407,132)</u>
Total capital assets, being depreciated	<u>\$ 223,542,510</u>	<u>\$ 224,133,691</u>

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 2044 and notes payable debt by 2039.

**Outstanding Debt**

	Governmental activities	
	2024	2023
General obligation bonds	\$ 151,520,000	\$ 100,725,000
Notes payable	12,069,848	12,760,560

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.

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## **BASIC FINANCIAL STATEMENTS**

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**CACHE COUNTY SCHOOL DISTRICT**  
**Statement of Net Position**

**As of June 30, 2024 (with comparative totals for 2023)**

	<b>Governmental Activities 2024</b>	<b>Memorandum Total 2023</b>
<b>Assets and Deferred Outflows of Resources:</b>		
Cash and cash equivalents	\$ 133,719,253	\$ 48,882,106
Short-term investments	11,551,080	9,948,236
Receivables:		
Local	63,099,813	63,099,687
State	2,445,126	1,415,145
Federal	5,703,630	5,035,053
Total receivables	<u>71,248,569</u>	<u>69,549,885</u>
Inventories	182,926	246,044
Other assets	191,936	191,936
Capital assets:		
Land	9,238,880	9,238,880
Buildings	323,563,218	321,025,245
Construction in progress	6,522,764	1,042,604
Vehicles	22,341,792	21,076,963
Equipment	10,563,971	10,157,131
Accumulated depreciation	<u>(148,688,115)</u>	<u>(138,407,132)</u>
Total capital assets	<u>223,542,510</u>	<u>224,133,691</u>
Net pension asset	<u>-</u>	<u>-</u>
Total assets	<u>440,436,274</u>	<u>352,951,898</u>
Deferred outflows of resources - pensions	33,515,382	31,688,686
Deferred outflows of resources - bond premiums and refunding	<u>3,650,314</u>	<u>4,376,691</u>
Total assets and deferred outflow of resources	<u>\$ 477,601,970</u>	<u>\$ 389,017,275</u>

**CACHE COUNTY SCHOOL DISTRICT**  
**Statement of Net Position**

*Continued*

	<b>Governmental Activities 2024</b>	<b>Memorandum Total 2023</b>
<b>Liabilities and deferred inflows of resources:</b>		
Accounts payable	\$ 4,603,305	\$ 2,295,949
Accrued interest	381,729	313,747
Accrued salaries and benefits	17,875,359	16,120,039
Unearned revenue: program revenues	4,924,117	5,581,204
Noncurrent liabilities:		
Net pension liability	48,097,173	49,014,082
Accrued medical claims	2,777,089	3,240,984
Due within one year	15,315,388	17,895,713
Due in more than one year	159,902,038	102,022,840
Total liabilities	<u>253,876,198</u>	<u>196,484,558</u>
Deferred inflows of resources - pensions	112,845	137,639
Deferred inflows of resources - property taxes	60,881,574	60,483,797
Total liabilities and deferred inflows of resources	<u>314,870,617</u>	<u>257,105,994</u>
<b>Net position:</b>		
Net investment in capital assets	116,325,084	104,215,138
Restricted for:		
School lunch	7,718,816	7,139,080
Foundation endowment (nonspendable)	60,000	60,000
Capital projects	6,823,186	4,098,976
Debt service	3,750,884	2,080,379
Unrestricted	28,053,383	14,317,708
Total net position	<u>\$ 162,731,353</u>	<u>\$ 131,911,281</u>

**CACHE COUNTY SCHOOL DISTRICT**  
**Statement of Activities**

**For the Year Ended June 30, 2024 (with comparative totals for 2023)**

<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 2024</u>	<u>Memorandum</u> <u>Only</u> <u>Total 2023</u>
<b>Governmental activities:</b>						
Instructional services	\$ 168,090,150	\$ 3,790,793	\$ 77,491,812	\$ -	\$ (86,807,545)	\$ (82,552,311)
Supporting services:						
Students	9,520,437	-	1,308,880	-	(8,211,557)	(7,421,949)
Instructional staff	17,842,495	-	831,827	-	(17,010,668)	(16,541,503)
District administration	953,498	-	-	-	(953,498)	(952,313)
School administration	10,509,270	-	-	-	(10,509,270)	(9,858,285)
Fiscal services	5,538,152	-	23,692,062	-	18,153,910	16,404,094
Operation and maintenance of facilities	14,866,243	14,017	1,736,275	-	(13,115,951)	(12,695,378)
Transportation	13,864,229	2,676,072	7,563,085	-	(3,625,072)	(3,190,162)
Other	249,780	-	-	-	(249,780)	(432,048)
Non instructional services	10,635,890	3,457,647	6,250,951	-	(927,292)	(2,153,274)
Capital outlay	9,404,046	-	-	824,407	(8,579,639)	(4,934,071)

**CACHE COUNTY SCHOOL DISTRICT**  
**Statement of Activities**

*Continued*

<b>Functions</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense)</b>	<b>Net (Expense)</b>
		<b>Charges for</b>	<b>Operating</b>	<b>Capital</b>	<b>Revenue and</b>	<b>Revenue and</b>
		<b>Services</b>	<b>Grants and</b>	<b>Grants and</b>	<b>Changes in Net</b>	<b>Changes in Net</b>
			<b>Contributions</b>	<b>Contributions</b>	<b>Position</b>	<b>Position</b>
					<b>Governmental</b>	<b>Memorandum</b>
					<b>Activities</b>	<b>Only</b>
					<b>Total 2024</b>	<b>Total 2023</b>
Interest on long-term liabilities	3,423,869	-	-	-	(3,423,869)	(3,918,282)
Pension expense	(2,768,399)	-	-	-	2,768,399	2,482,677
Total school district	<u>\$ 262,129,660</u>	<u>\$ 9,938,529</u>	<u>\$ 118,874,892</u>	<u>\$ 824,407</u>	<u>(132,491,832)</u>	<u>(125,762,805)</u>
<b>General revenues:</b>						
Property taxes levied for:						
General purposes					34,748,308	36,813,400
Debt service					22,214,957	19,483,268
Capital					5,179,328	3,493,043
Federal and state aid not restricted to specific purposes					95,266,772	83,899,950
Earnings on investments					5,536,283	2,445,587
Miscellaneous					366,256	95,731
Total general revenues					<u>163,311,904</u>	<u>146,230,979</u>
Change in net position					30,820,072	20,468,174
Net position, beginning					<u>131,911,281</u>	<u>111,443,107</u>
Net position, ending					<u>\$ 162,731,353</u>	<u>\$ 131,911,281</u>

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

**As of June 30, 2024 (with comparative totals for 2023)**

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Governmental Funds Total 2024</u>	<u>Memorandum Only Total 2023</u>
<b>Assets:</b>						
Cash and cash equivalents	\$ 34,303,867	\$ 73,666,618	\$ 3,739,915	\$ 16,787,284	\$ 128,497,684	\$ 45,168,089
Short-term investments	7,545,006	3,233,574	-	772,500	11,551,080	9,948,236
Due from others	44,508,307	5,248,461	21,198,148	293,653	71,248,569	69,549,885
Inventories	154,979	3,169	-	24,778	182,926	246,044
Other assets	-	-	-	1,936	1,936	1,936
Total assets	<u>\$ 86,512,159</u>	<u>\$ 82,151,822</u>	<u>\$ 24,938,063</u>	<u>\$ 17,880,151</u>	<u>\$ 211,482,195</u>	<u>\$ 124,914,190</u>
<b>Liabilities, deferred inflows of resources and fund balances:</b>						
Liabilities:						
Accounts payable	\$ 2,683,632	\$ 1,896,945	\$ -	\$ 22,728	\$ 4,603,305	\$ 2,295,949
Accrued salaries and benefits	17,789,630	-	-	85,729	17,875,359	16,120,039
Unearned revenue: programs	4,648,773	275,344	-	-	4,924,117	5,581,204
Total liabilities	<u>25,122,035</u>	<u>2,172,289</u>	<u>-</u>	<u>108,457</u>	<u>27,402,781</u>	<u>23,997,192</u>
Deferred inflows of resources	<u>34,919,777</u>	<u>5,156,347</u>	<u>20,805,450</u>	<u>-</u>	<u>60,881,574</u>	<u>60,483,797</u>
Total liabilities and deferred inflows of resources	<u>\$ 60,041,812</u>	<u>\$ 7,328,636</u>	<u>\$ 20,805,450</u>	<u>\$ 108,457</u>	<u>\$ 88,284,355</u>	<u>\$ 84,480,989</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 2024</u>	<u>Memorandum Only Total 2023</u>
Fund balances:						
Nonspendable:						
Inventories	\$ 154,979	\$ 3,169	\$ -	\$ 24,778	\$ 182,926	\$ 246,044
Endowment, non expendable	-	-	-	60,000	60,000	60,000
Restricted:						
Debt service	-	-	4,132,613	-	4,132,613	2,394,126
Capital outlay	-	74,820,017	-	-	74,820,017	4,094,873
Food service	-	-	-	7,694,038	7,694,038	7,106,200
Committed:						
Undistributed reserve	7,500,000	-	-	-	7,500,000	5,500,000
Schools	-	-	-	9,992,878	9,992,878	9,331,885
Assigned:						
Restricted program balances	4,921,273	-	-	-	4,921,273	3,668,778
Fire insurance deductible	30,000	-	-	-	30,000	30,000
Unassigned:						
General fund	13,864,095	-	-	-	13,864,095	8,001,295
Total fund balances	<u>26,470,347</u>	<u>74,823,186</u>	<u>4,132,613</u>	<u>17,771,694</u>	<u>123,197,840</u>	<u>40,433,201</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 86,512,159</u>	<u>\$ 82,151,822</u>	<u>\$ 24,938,063</u>	<u>\$ 17,880,151</u>	<u>\$ 211,482,195</u>	<u>\$ 124,914,190</u>

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

**As of June 30, 2024**

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

Total fund balance - governmental funds	\$	123,197,840
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 \$372,230,625 and the accumulated depreciation is \$148,688,115.		223,542,510
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.		2,634,480
To recognize net pension assets and deferred outflows of resources related to pensions		
Net pension asset		-
Deferred outflow of resources related to pensions		33,515,382
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 and notes payable		(163,589,848)
Deferred amounts for bond issuance premium		(11,627,578)
Net pension liability		(48,097,173)
Deferred inflow of resources related to pensions		(112,845)
Accrued interest on bonds		(381,729)
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.		3,650,314
Total net position - governmental activities	\$	<u>162,731,353</u>

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

**For the Year Ended June 30, 2024 (with comparative totals for 2023)**

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Governmental Funds Total 2024</u>	<u>Memorandum Only Total 2023</u>
<b>Revenues:</b>						
Property taxes	\$ 33,705,469	\$ 5,179,328	\$ 22,214,957	\$ 1,042,840	\$ 62,142,594	\$ 59,789,711
Earnings on investments	3,211,573	1,277,491	84,417	850,683	5,424,164	2,381,684
School lunch sales	-	-	-	3,356,460	3,356,460	3,303,564
Other local sources	5,245,851	-	-	12,528,372	17,774,223	18,132,040
State aid	157,256,099	1,723,676	-	2,147,452	161,127,227	142,140,251
Federal aid	15,217,385	-	-	4,103,499	19,320,884	17,421,278
Total revenues	<u>214,636,377</u>	<u>8,180,495</u>	<u>22,299,374</u>	<u>24,029,306</u>	<u>269,145,552</u>	<u>243,168,528</u>
<b>Expenditures:</b>						
Current:						
Instructional services	139,186,622	-	-	6,606,794	145,793,416	134,161,777
Supporting services:						
Students	9,520,437	-	-	-	9,520,437	8,993,816
Instructional staff	12,229,799	-	-	5,612,696	17,842,495	17,745,942
District administration	953,498	-	-	-	953,498	952,313
School administration	10,509,270	-	-	-	10,509,270	9,858,285
Business	5,538,152	-	-	-	5,538,152	4,864,748
Operation and maintenance of facilities	15,333,726	-	-	-	15,333,726	14,545,746
Transportation	12,303,660	-	-	-	12,303,660	11,106,846
Non-instructional services	-	-	-	10,569,087	10,569,087	11,037,165
Capital outlay	-	11,722,623	-	-	11,722,623	7,243,666

**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 2024</u>	<u>Memorandum Only Total 2023</u>
<b>Expenditures (cont.):</b>						
Debt service:						
Principal retirement	-	-	17,205,000	-	17,205,000	14,980,000
Interest and fiscal charges	-	-	3,355,887	-	3,355,887	3,919,566
Total expenditures	<u>205,575,164</u>	<u>11,722,623</u>	<u>20,560,887</u>	<u>22,788,577</u>	<u>260,647,251</u>	<u>239,409,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,061,213</u>	<u>(3,542,128)</u>	<u>1,738,487</u>	<u>1,240,729</u>	<u>8,498,301</u>	<u>3,758,658</u>
<b>Other financing sources (uses):</b>						
Transfers	-	-	-	-	-	-
Sale of capital assets/other	-	6,949	-	-	6,949	12,096
Bond premium on issuance	-	(252,437)	-	-	(252,437)	-
Issuance of debt	-	68,000,000	-	-	68,000,000	-
Payment to refunded bond escrow	-	6,511,826	-	-	6,511,826	-
Total other financing sources (uses)	<u>-</u>	<u>74,266,338</u>	<u>-</u>	<u>-</u>	<u>74,266,338</u>	<u>12,096</u>
Net change in fund balances	9,061,213	70,724,210	1,738,487	1,240,729	82,764,639	3,770,754
Fund balances, beginning	<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>
Fund balances, ending	<u>\$ 26,470,347</u>	<u>\$ 74,823,186</u>	<u>\$ 4,132,613</u>	<u>\$ 17,771,694</u>	<u>\$ 123,197,840</u>	<u>\$ 40,433,201</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, 2024**

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

Net change in fund balances-total governmental funds \$ 82,764,639

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	\$ 10,027,947	
Depreciation expense	(10,614,836)	
Loss on sale of assets	<u>(4,292)</u>	(591,181)

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.

2,768,399

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	\$ 17,895,712	
Issuance of debt	(68,000,000)	
Addition of new bond premium	(6,511,826)	
Interest expense/accrual change-general obligation bonds	(67,982)	
Amortization of bond issuance costs/premium/refunding	<u>590,864</u>	(56,093,232)

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.

1,971,447

Change in net position of governmental activities

\$ 30,820,072

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

**For the Year Ended June 30, 2024**

	<b>Budgeted Amount Original</b>	<b>Budgeted Amount Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues:</b>				
Property taxes	\$ 34,083,409	\$ 33,725,522	\$ 33,705,469	\$ (20,053)
Earnings on investments	1,000,000	3,300,000	3,211,573	(88,427)
Other local sources	3,328,609	3,797,208	5,245,851	1,448,643
State aid	155,232,953	166,014,618	157,256,099	(8,758,519)
Federal aid	14,878,913	15,870,754	15,217,385	(653,369)
Total revenues	<u>208,523,884</u>	<u>222,708,102</u>	<u>214,636,377</u>	<u>(8,071,725)</u>
<b>Expenditures:</b>				
Current:				
Instructional services	142,292,097	152,187,293	139,186,622	13,000,671
Supporting services:				
Students	10,079,807	10,589,364	9,520,437	1,068,927
Instructional staff	12,880,541	9,589,476	12,229,799	(2,640,323)
District administration	7,458,795	7,450,494	953,498	6,496,996
School administration	10,761,870	10,839,004	10,509,270	329,734
Business	5,204,991	5,836,376	5,538,152	298,224
Operation and maintenance of facilities	16,459,463	31,298,060	15,333,726	15,964,334
Transportation	11,951,962	12,327,670	12,303,660	24,010
Total expenditures	<u>217,089,526</u>	<u>240,117,737</u>	<u>205,575,164</u>	<u>34,542,573</u>
Excess (deficiency) of rev. over exp.	<u>(8,565,642)</u>	<u>(17,409,635)</u>	<u>9,061,213</u>	<u>26,470,848</u>
<b>Other financing sources (uses):</b>				
Other revenue	500	500	-	(500)
Transfer in/out	-	-	-	-
Net change in fund balance	<u>(8,565,142)</u>	<u>(17,409,135)</u>	<u>9,061,213</u>	<u>26,470,348</u>
Fund balance, beginning	<u>17,409,134</u>	<u>17,409,134</u>	<u>17,409,134</u>	<u>-</u>
Fund balance, ending	<u>\$ 8,843,992</u>	<u>\$ (1)</u>	<u>\$ 26,470,347</u>	<u>\$ 26,470,348</u>

**CACHE COUNTY SCHOOL DISTRICT**  
**Statement of Fund Net Position**  
**Proprietary Fund**

**As of June 30, 2024**

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	<b>Governmental Activities - Internal Service Fund</b>
	<b>Self Insurance</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 5,221,569
Other assets	190,000
Total assets	<u>\$ 5,411,569</u>
<b>Liabilities:</b>	
Accounts payable	\$ -
Accrued medical claims	2,777,089
Total liabilities	<u>2,777,089</u>
<b>Net position:</b>	
Unrestricted	<u>2,634,480</u>
Total fund balance	<u>2,634,480</u>
Total liabilities and fund balance	<u>\$ 5,411,569</u>

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

**For the Year Ended June 30, 2024**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Revenues:</b>	<b>Self Insurance</b>
Local sources:	
Medical premiums - District	\$ 23,163,056
Dental premiums - Employees	529,006
Interest earnings	112,118
Total local sources	23,804,180
<b>Expenditures:</b>	
Current:	
Employee benefits	21,775,231
Interest expense	57,502
Total expenditures	21,832,733
Excess (deficiency) of revenues over (under) expenditures	1,971,447
Net position, beginning	663,033
Net position, ending	\$ 2,634,480

**CACHE COUNTY SCHOOL DISTRICT**  
**Statement of Fund Cash Flows**  
**Proprietary Fund**

**For the Year Ended June 30, 2024**

	<b>Governmental Activities - Internal Service Fund Self Insurance</b>
<b>Cash flows from operating activities:</b>	
Receipts from interfund services provided	\$ 23,692,062
Payments to suppliers	-
Payments for medical fees and insurance claims	(19,839,196)
Payments for administrative fees	(2,399,930)
Net cash provided by operating activities	<u>1,452,936</u>
<b>Cash flows from investing activities:</b>	
Interest received	<u>112,118</u>
Net cash provided by investing activities	<u>112,118</u>
<b>Cash flows from financing activities:</b>	
Interest paid	<u>(57,502)</u>
Net cash used in investing activities	<u>(57,502)</u>
Net increase in cash and cash equivalents	1,507,552
Cash and cash equivalents, beginning	<u>3,714,017</u>
Cash and cash equivalents, ending	<u><u>\$ 5,221,569</u></u>
Reconciliation of operating income to net cash used by operating activities:	
Operating income	\$ 1,916,831
Adjustments to reconcile operating income to net cash used by operating activities:	
(Increase) decrease in operating assets:	
Other assets	-
Increase (decrease) in operating liabilities:	
Liabilities	<u>(463,895)</u>
Total adjustments	<u>(463,895)</u>
Net cash provided by operating activities	<u><u>\$ 1,452,936</u></u>
Noncash investing, capital and financing activities:	None

**CACHE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

**For the Year Ended June 30, 2024**

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**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*

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**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*

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**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*

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**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, 2024, 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*

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**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*

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**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*

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**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*

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**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*

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**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, 2023 balances to conform with the June 30, 2024 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, 2024, \$18,001,817 of the District's bank balances of \$22,536,574 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*

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**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, 2024 as shown on the financial statements is as follows:

Governmental funds cash and cash equivalents (\$84,941,038 restricted)	\$ 128,497,684
Internal service fund cash and cash equivalents	<u>5,221,569</u>
Total cash and cash equivalents	133,719,253
Investments (\$1,153,399 restricted)	<u>11,551,080</u>
Total cash and investments	<u><u>\$ 145,270,333</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*

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**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, 2024, the District had the following recurring fair value measurements.

<u>Investments by fair value level</u>	<u>6/30/2024</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt securities				
Corporate bonds	\$ 4,909,057	\$ -	\$ 4,909,057	\$ -
US Obligations	5,579,813	5,579,813	-	-
Corporate floating bonds	301,079	-	301,079	-
Utah Public Treasurers' Investment Fund	115,190,952	-	115,190,952	-
Total debt securities	<u>125,980,901</u>	<u>5,579,813</u>	<u>120,401,088</u>	<u>-</u>
Equity securities				
Common stock	68,368	68,368	-	-
Exchange traded products	692,763	-	692,763	-
Total investments measured at fair value	<u>\$ 126,742,032</u>	<u>\$ 5,648,181</u>	<u>\$ 121,093,851</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, 2024 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, 2024, 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	\$ 4,909,057	\$ 1,392,926	\$ 3,516,131	\$ -
US Obligations	5,579,813	496,940	5,082,873	
Corporate floating bonds	301,079	301,079	-	-
Utah Public Treasurers' Investment Fund	115,190,952	115,190,952	-	-
Total debt securities	<u>125,980,901</u>	<u>117,381,897</u>	<u>8,599,004</u>	<u>-</u>
Equity securities				
Common stock	68,368	68,368		
Exchange traded products	692,763	692,763	-	-
Total investments measured at fair value	<u>\$ 126,742,032</u>	<u>\$ 118,143,028</u>	<u>\$ 8,599,004</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*

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**2. DEPOSITS AND INVESTMENTS – *Continued***

**Credit Risk – *continued***

For the year ended June 30, 2024, the District had investments of \$115,190,952 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 \$10,789,949 (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, 2024 was as follows:

	June 30, 2023 Balance	New Additions	Retirements	June 30, 2024 Balance
Land and improvements	\$ 9,238,880	\$ -	\$ -	\$ 9,238,880
Building and improvements	321,025,245	2,576,548	(38,575)	323,563,218
Equipment	10,157,131	604,740	(197,900)	10,563,971
Construction in progress	1,042,604	6,522,764	(1,042,604)	6,522,764
Vehicles and buses	21,076,963	1,366,499	(101,670)	22,341,792
<b>Total Assets</b>	<b>362,540,823</b>	<b>11,070,551</b>	<b>(1,380,749)</b>	<b>372,230,625</b>
Accumulated Depreciation	(138,407,132)	(10,614,836)	333,853	(148,688,115)
<b>Net Capital Assets</b>	<b>\$224,133,691</b>	<b>\$ 455,715</b>	<b>\$ (1,046,896)</b>	<b>\$ 223,542,510</b>

**CACHE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

*Continued*

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**4. CAPITAL ASSETS – *Continued***

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

**Governmental activities:**

Instructional services:	\$ 464,001
Supporting services:	
Operation and maintenance of plant services	223,229
Transportation services	1,560,569
School lunch services	66,803
Capital outlay	<u>8,300,234</u>
Total depreciation expense, governmental activities	<u><u>\$ 10,614,836</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](http://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, 2024 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, 2024, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 13,243,313	\$ -
Contributory System	37,839	12,827
Tier 2 Public Employees System	7,460,738	-
Tier 2 DC only System	940,980	-
Total contributions	<u>\$ 21,682,870</u>	<u>\$ 12,827</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, 2024, we reported a net pension asset of \$0 and a net pension liability of \$48,097,173.

	(Measurement Date): December 31, 2023				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2022	Change (Decrease)
Noncontributory System	\$ -	\$ 45,115,909	2.2018649%	2.1814353%	0.0204296%
Contributory System	-	372,752	4.0138597%	3.2773773%	0.7364824%
Tier 2 Public Employees System	-	2,608,512	1.3401854%	1.3615469%	-0.0213615%
Total	\$ -	\$ 48,097,173			

The net pension asset and liability were measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023 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, 2024, we recognized pension expense of \$18,977,719.

At June 30, 2024, 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	\$ 9,618,414	\$ 42,718
Changes in assumptions	5,818,559	2,062
Net difference between projected and actual earnings on pension plan investments	6,215,604	-
Changes in proportion and differences between contributions and proportionate share of contributions	741,638	68,065
Contributions subsequent to the measurement date	11,121,167	-
Total	\$ 33,515,382	\$ 112,845

**CACHE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

*Continued*

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**5. PENSION PLANS – *Continued***

\$11,121,167 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, 2023.

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>
2024	\$ 5,032,601
2025	5,861,307
2026	12,239,407
2027	(2,338,761)
2028	273,226
Thereafter	1,213,589

*Actuarial assumptions* – The total pension liability in the December 31, 2023 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	3.5 –9.5 %
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, 2023. 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-2020 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, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

**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%	6.87%	2.40%
Debt securities	20%	1.54%	0.31%
Real assets	18%	5.43%	0.98%
Private equity	12%	9.80%	1.18%
Absolute return	15%	3.86%	0.58%
Cash and cash equivalents	0%	0.24%	0.00%
Totals	100%		5.45%
Inflation			2.50%
Expected arithmetic nominal return			7.95%

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*

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**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	\$ 119,575,413	\$ 45,115,909	\$ (17,298,452)
Contributory System	2,547,270	372,752	(1,507,955)
Tier 2 Public Employees System	8,962,473	2,608,512	(2,318,985)
Total	<u>\$ 131,085,156</u>	<u>\$ 48,097,173</u>	<u>\$ (21,125,392)</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**

	2024	2023	2022
401(k) Plan			
Employer Contributions	\$ 1,879,648	\$ 1,718,670	\$ 1,577,688
Employee Contributions	1,802,851	1,726,073	1,592,824
457 Plan			
Employee Contributions	320,235	280,260	216,822
Roth IRA Plan			
Employee Contributions	506,891	422,549	378,176
403(b) Plan			
Employee Contributions	216,169	226,868	256,679

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, 2024 was as follows:

Bonds payable:	Beginning Balance	Additions	Reductions	Ending Balance
General obligation bonds	\$100,725,000	\$ 68,000,000	\$ (17,205,000)	\$151,520,000
Deferred amounts for issuance premium	6,432,993	6,511,826	(1,317,241)	11,627,578
Notes payable	12,760,560	-	(690,712)	12,069,848
Total governmental activity long-term liabilities	<u>\$119,918,553</u>	<u>\$ 74,511,826</u>	<u>\$ (19,212,953)</u>	<u>\$175,217,426</u>

Of the amounts above, \$14,570,000 in general obligation bonds and \$745,388 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	\$ 24,400,000
\$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	31,250,000
\$68,000,000 Series 2024 general obligation bonds due in annual installments ranging from \$500,000 to \$5,680,000 plus interest from 2.5 to 3.85 percent	68,000,000
\$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	26,640,000
\$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	1,230,000
\$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 \$604,559 accum. amort. and \$196,073 amort. expense	2,275,284
\$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 \$1,419,177 accum. amort. and \$810,958 amort. expense	9,292,315
\$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 \$288,460 accum. amort. and \$86,538 amort. expense	<u>502,249</u>
Total long-term debt	<u><u>\$ 163,589,848</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, 2024, including interest payments are as follows:

Year ending June 30,		
2025	\$	21,915,638
2026		19,475,936
2027		21,015,123
2028		19,654,508
2029		19,684,878
2030 - 2034		48,320,901
2035 - 2039		36,315,383
2040 - 2044		29,486,000
Total		215,868,367
Less interest		(52,278,519)
Outstanding principal	\$	163,589,848

**CACHE COUNTY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

*Continued*

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**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, 2024, the District has recorded estimates of claims incurred by but not reported of \$2,777,089 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, 2024. 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 26, 2024, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**June 30, 2024**  
**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%
	2024	2.2018649%	45,115,909	58,735,511	76.81%	92.49%
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%
	2024	4.0138597%	372,752	208,406	178.86%	98.51%
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%
	2024	1.3401854%	2,608,512	34,648,422	7.53%	89.58%

\*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, 2024**  
**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 Retirement System	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%
	2024	13,243,313	13,243,313	-	60,297,469	21.96%
Contributory Retirement System	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%
	2024	37,839	37,839	-	213,777	17.70%
Tier 2 Public Employees System	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%
	2024	7,460,738	7,460,738	-	37,620,745	19.83%
Tier 2 DC Public Employees System	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%
	2024	940,980	940,980	-	10,159,677	9.26%

\*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 RS. 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, 2024**

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**1. Changes in Assumptions**

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

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**SUPPLEMENTARY INFORMATION**

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**CACHE COUNTY SCHOOL DISTRICT**  
**Description of Nonmajor Special Revenue Funds**

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**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, 2024 (with comparative totals for 2023)**

	<u>Special Revenue</u>				<b>Nonmajor Governmental Funds Total 2024</b>	<b>Memorandum Only Total 2023</b>
	<b>School Lunch Fund</b>	<b>Cache Education Foundation Trust Fund</b>	<b>Tax Increment Fund</b>	<b>Student Activity Fund</b>		
<b>Assets:</b>						
Cash and cash equivalents	\$ 7,474,505	\$ 806,113	\$ -	\$ 8,506,666	\$ 16,787,284	\$ 15,990,984
Short-term investments	-	772,500	-	-	772,500	619,806
Due from others	291,153	2,500	-	-	293,653	90,821
Inventories	24,778	-	-	-	24,778	32,880
Other assets	-	1,936	-	-	1,936	1,936
Total assets	<u>\$ 7,790,436</u>	<u>\$ 1,583,049</u>	<u>\$ -</u>	<u>\$ 8,506,666</u>	<u>\$ 17,880,151</u>	<u>\$ 16,736,427</u>
<b>Liabilities:</b>						
Accounts payable	\$ 22,728	\$ -	\$ -	\$ -	\$ 22,728	\$ 156,211
Accrued salaries and benefits	48,892	36,837	-	-	85,729	49,251
Total liabilities	<u>71,620</u>	<u>36,837</u>	<u>-</u>	<u>-</u>	<u>108,457</u>	<u>205,462</u>
Deferred inflows of resources	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>71,620</u>	<u>36,837</u>	<u>-</u>	<u>-</u>	<u>108,457</u>	<u>205,462</u>
<b>Fund balances:</b>						
Nonspendable:						
Inventory	24,778	-	-	-	24,778	32,880
Endowment	-	60,000	-	-	60,000	60,000
Restricted:						
Food service	7,694,038	-	-	-	7,694,038	7,106,200
Committed:						
Schools	-	1,486,212	-	8,506,666	9,992,878	9,331,885
Total fund balances	<u>7,718,816</u>	<u>1,546,212</u>	<u>-</u>	<u>8,506,666</u>	<u>17,771,694</u>	<u>16,530,965</u>
Total liabilities and fund balances	<u>\$ 7,790,436</u>	<u>\$ 1,583,049</u>	<u>\$ -</u>	<u>\$ 8,506,666</u>	<u>\$ 17,880,151</u>	<u>\$ 16,736,427</u>

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

**For the Year Ended June 30, 2024 (with comparative totals for 2023)**

	<u>Special Revenue</u>				<b>Nonmajor Governmental Funds Total 2024</b>	<b>Memorandum Only Total 2023</b>
	<b>School Lunch Fund</b>	<b>Cache Education Foundation Trust Fund</b>	<b>Tax Increment Fund</b>	<b>Student Activity Fund</b>		
<b>Revenues:</b>						
Property taxes	\$ -	\$ -	\$ 1,042,840	\$ -	\$ 1,042,840	\$ 1,380,099
Earnings on investments	397,384	42,961	-	410,338	850,683	532,499
Lunch sales	3,356,460	-	-	-	3,356,460	3,303,564
Other local revenues	101,188	1,465,082	-	10,962,102	12,528,372	14,296,577
State aid	2,147,452	-	-	-	2,147,452	1,207,024
Federal aid	4,103,499	-	-	-	4,103,499	4,335,086
Total revenues	<u>10,105,983</u>	<u>1,508,043</u>	<u>1,042,840</u>	<u>11,372,440</u>	<u>24,029,306</u>	<u>25,054,849</u>
<b>Expenditures:</b>						
Current:						
Instructional services	-	1,472,775	-	5,134,019	6,606,794	7,538,558
Supporting services:						
Other	-	-	-	5,612,696	5,612,696	5,677,140
Non-instructional	9,526,247	-	1,042,840	-	10,569,087	11,037,165
Total expenditures	<u>9,526,247</u>	<u>1,472,775</u>	<u>1,042,840</u>	<u>10,746,715</u>	<u>22,788,577</u>	<u>24,252,863</u>
Excess/(deficiency) of revenues over expenditures	579,736	35,268	-	625,725	1,240,729	801,986
<b>Other financing sources:</b>						
Transfers in	-	-	-	-	-	-
Net change in fund balances	579,736	35,268	-	625,725	1,240,729	801,986
Fund balances, beginning	7,139,080	1,510,944	-	7,880,941	16,530,965	15,728,979
Fund balances, ending	<u>\$ 7,718,816</u>	<u>\$ 1,546,212</u>	<u>\$ -</u>	<u>\$ 8,506,666</u>	<u>\$ 17,771,694</u>	<u>\$ 16,530,965</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, 2024 (with comparative totals for 2023)**

	<b>2024</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>Memorandum Only Total 2023</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>Revenues:</b>				
Local sources:				
Lunch sales - children	\$ 3,001,315	\$ 3,256,211	\$ 254,896	\$ 3,199,159
Lunch sales - adult	100,000	100,249	249	104,405
Other local sales	100,000	101,188	1,188	93,138
Earnings on investments	390,000	397,384	7,384	263,875
Total local sources	<u>3,591,315</u>	<u>3,855,032</u>	<u>263,717</u>	<u>3,660,577</u>
State sources:				
State lunch program	1,900,000	2,147,452	247,452	1,207,024
Total state sources	<u>1,900,000</u>	<u>2,147,452</u>	<u>247,452</u>	<u>1,207,024</u>
Federal sources:				
Free and reduced assistance	3,785,000	3,086,785	(698,215)	3,388,570
Breakfast program	-	248,868	248,868	224,474
Other federal	-	41,907	41,907	40,696
Donated commodities	726,000	725,939	(61)	681,346
Total federal sources	<u>4,511,000</u>	<u>4,103,499</u>	<u>(407,501)</u>	<u>4,335,086</u>
Total revenues	<u>10,002,315</u>	<u>10,105,983</u>	<u>103,668</u>	<u>9,202,687</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*

	<b>2024</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>Memorandum Only Total 2023</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>Expenditures:</b>				
Current:				
Salaries	2,461,165	2,671,663	(210,498)	2,443,722
Employee benefits	1,411,825	1,257,946	153,879	1,360,201
Purchased services	146,000	154,345	(8,345)	141,077
Supplies	12,471,404	4,864,855	7,606,549	4,750,322
Equipment	245,000	105,518	139,482	442,600
Miscellaneous	406,000	471,920	(65,920)	519,144
Total expenditures	<u>17,141,394</u>	<u>9,526,247</u>	<u>7,615,147</u>	<u>9,657,066</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,139,079)</u>	<u>579,736</u>	<u>7,718,815</u>	<u>(454,379)</u>
<b>Other financing sources (uses):</b>				
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	(7,139,079)	579,736	7,718,815	(454,379)
Fund balance, beginning	<u>7,139,080</u>	<u>7,139,080</u>	<u>-</u>	<u>7,593,459</u>
Fund balance, ending	<u>\$ 1</u>	<u>\$ 7,718,816</u>	<u>\$ 7,718,815</u>	<u>\$ 7,139,080</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, 2024 (with comparative totals for 2023)**

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	<u>2024</u>	<u>Memorandum Only Total 2023</u>
<b>Revenues:</b>		
Local sources:		
Contributions	\$ 1,465,082	\$ 2,490,595
Interest earnings	42,961	33,525
Total revenues	<u>1,508,043</u>	<u>2,524,120</u>
<b>Expenditures:</b>		
Current:		
Program services - supplies and materials donated to schools	<u>1,472,775</u>	<u>2,341,407</u>
Net change in fund balance	35,268	182,713
Fund balance, beginning	<u>1,510,944</u>	<u>1,328,231</u>
Fund balance, ending	<u><u>\$ 1,546,212</u></u>	<u><u>\$ 1,510,944</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, 2024 (with comparative totals for 2023)**

	<u>2024</u>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>Memorandum Only Total 2023</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>Revenues:</b>				
Local sources:				
Property taxes	\$1,042,841	\$ 1,042,840	\$ (1)	\$ 1,380,099
Total revenues	<u>1,042,841</u>	<u>1,042,840</u>	<u>(1)</u>	<u>1,380,099</u>
<b>Expenditures:</b>				
Current:				
Miscellaneous	\$1,042,841	1,042,840	1	1,380,099
Total expenditures	<u>1,042,841</u>	<u>1,042,840</u>	<u>1</u>	<u>1,380,099</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance, beginning	-	-	-	-
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, 2024 (with comparative totals for 2023)**

	<u>2024</u>			<u>Memorandum Only Total 2023</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	
<b>Revenues:</b>				
Local sources:				
Interest earnings	\$ 300,000	\$ 410,338	\$ 110,338	\$ 235,099
Student fees	3,515,000	3,283,043	(231,957)	2,944,969
Other	9,000,000	7,679,059	(1,320,941)	8,767,875
Total local sources	<u>12,815,000</u>	<u>11,372,440</u>	<u>(1,442,560)</u>	<u>11,947,943</u>
State sources:				
State teacher aid	-	-	-	-
Total state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>12,815,000</u>	<u>11,372,440</u>	<u>(1,442,560)</u>	<u>11,947,943</u>
<b>Expenditures:</b>				
Current:				
Instructional services:				
Purchased services	750,000	2,574,960	(1,824,960)	3,091,027
Supplies	6,073,653	2,559,059	3,514,594	1,825,495
Property	-	-	-	280,629
Total instructional services	<u>6,823,653</u>	<u>5,134,019</u>	<u>1,689,634</u>	<u>5,197,151</u>
Support services:				
Other support services	<u>13,872,288</u>	<u>5,612,696</u>	<u>8,259,592</u>	<u>5,677,140</u>
Total expenditures	<u>20,695,941</u>	<u>10,746,715</u>	<u>9,949,226</u>	<u>10,874,291</u>
Excess (deficiency) of revenues over (under) expenditures	(7,880,941)	625,725	8,506,666	1,073,652
Fund balance, beginning	<u>7,880,941</u>	<u>7,880,941</u>	<u>-</u>	<u>6,807,289</u>
Fund balance, ending	<u>\$ -</u>	<u>\$8,506,666</u>	<u>\$ 8,506,666</u>	<u>\$ 7,880,941</u>

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

**For the Year Ended June 30, 2024**

<b>School</b>	<b>Balance 7/1/2023</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Balance 6/30/2024</b>
Birch Creek Elementary	\$ 84,676	\$ 60,105	\$ 57,379	\$ 87,402
Canyon Elementary	65,295	76,218	76,663	64,850
Cedar Ridge Elementary	25,465	66,640	49,113	42,992
Greenville Elementary	36,884	51,046	58,131	29,799
Heritage Elementary	16,186	54,178	54,644	15,720
Lewiston Elementary	118,861	43,480	37,149	125,192
Lincoln Elementary	48,691	58,025	55,908	50,808
Millville Elementary	20,914	33,751	28,628	26,037
Mountainside Elementary	30,875	67,197	50,648	47,424
Nibley Elementary	83,018	57,757	41,780	98,995
North Park Elementary	30,186	36,856	35,182	31,860
Providence Elementary	42,364	43,504	45,650	40,218
River Heights Elementary	12,509	65,429	60,366	17,572
Summit Elementary	71,544	75,889	67,924	79,509
Sunrise Elementary	59,389	66,266	60,685	64,970
Wellsville Elementary	20,959	37,527	38,227	20,259
White Pine Elementary (Park)	74,953	33,172	61,647	46,478
North Cache Middle	604,390	327,043	308,437	622,996
South Cache Middle	546,329	335,442	336,632	545,139
Spring Creek Middle	281,779	236,569	245,321	273,027
Cache High	103,399	86,699	66,818	123,280
Green Canyon High	1,096,021	2,612,940	2,391,084	1,317,877
Mountain Crest High	2,412,296	2,315,216	2,354,742	2,372,770
Ridgeline High	1,190,273	2,486,321	2,184,528	1,492,066
Sky View High	803,685	2,110,656	2,044,915	869,426
Elimination of state revenues recorded at District level	-	(65,486)	(65,486)	-
<b>Totals</b>	<b>\$ 7,880,941</b>	<b>\$ 11,372,440</b>	<b>\$ 10,746,715</b>	<b>\$ 8,506,666</b>

## **CACHE COUNTY SCHOOL DISTRICT**

### **Description of Individual Major Funds**

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**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, 2024 (with comparative totals for 2023)**

	<b>2024</b>			<b>Memorandum Only Total 2023</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	
<b>Revenues:</b>				
Local sources:				
Property taxes	\$ 5,184,000	\$ 5,179,328	\$ (4,672)	\$ 3,493,043
Earnings on investments	125,000	1,277,491	1,152,491	138,226
Other local	-	-	-	-
Total local sources	<u>5,309,000</u>	<u>6,456,819</u>	<u>1,147,819</u>	<u>3,631,269</u>
State sources:				
Capital outlay	<u>1,980,082</u>	<u>1,723,676</u>	<u>(256,406)</u>	<u>3,594,241</u>
Total state sources	<u>1,980,082</u>	<u>1,723,676</u>	<u>(256,406)</u>	<u>3,594,241</u>
Total revenues	<u>7,289,082</u>	<u>8,180,495</u>	<u>891,413</u>	<u>7,225,510</u>

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

*Continued*

	<b>2024</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>Memorandum Only Total 2023</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>Expenditures:</b>				
Facilities acquisition & construction				
Purchased services	400,000	236,150	163,850	185,993
Land and improvements	821,891	-	821,891	1,733,087
Buildings/remodeling	83,660,688	8,941,084	74,719,604	3,404,168
Furniture & fixtures	1,050,000	911,876	138,124	1,094,236
Other equipment	965,000	1,633,513	(668,513)	826,182
Total expenditures	<u>86,897,579</u>	<u>11,722,623</u>	<u>75,174,956</u>	<u>7,243,666</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(79,608,497)</u>	<u>(3,542,128)</u>	<u>76,066,369</u>	<u>(18,156)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers	-	-	-	-
Debt proceeds	68,000,000	68,000,000	-	-
Bond premium	7,651,721	6,511,826	(1,139,895)	-
Cost of issuance	(149,200)	(252,437)	(103,237)	-
Sale of fixed assets/other	7,000	6,949	(51)	5,545
Total other financing sources (uses)	<u>75,509,521</u>	<u>74,266,338</u>	<u>(1,243,183)</u>	<u>5,545</u>
Net change in fund balances	<u>(4,098,976)</u>	<u>70,724,210</u>	<u>74,823,186</u>	<u>(12,611)</u>
Fund balance, beginning	<u>4,098,976</u>	<u>4,098,976</u>	<u>-</u>	<u>4,111,587</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 74,823,186</u>	<u>\$ 74,823,186</u>	<u>\$ 4,098,976</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, 2024 (with comparative totals for 2023)**

	<b>2024</b>		<b>Variance with Final Budget - Positive (Negative)</b>	<b>Memorandum Only Total 2023</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>		
<b>Revenues:</b>				
Property taxes	\$ 22,219,275	\$ 22,214,957	\$ (4,318)	\$ 19,483,268
Earnings on investments	-	84,417	84,417	14,489
Total revenues	<u>22,219,275</u>	<u>22,299,374</u>	<u>80,099</u>	<u>19,497,757</u>
<b>Expenditures:</b>				
Debt service:				
Bond principal	18,425,000	17,205,000	1,220,000	14,980,000
Bond interest and fees	6,188,401	3,355,887	2,832,514	3,919,566
Total expenditures	<u>24,613,401</u>	<u>20,560,887</u>	<u>4,052,514</u>	<u>18,899,566</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,394,126)</u>	<u>1,738,487</u>	<u>4,132,613</u>	<u>598,191</u>
<b>Other financing sources (uses):</b>				
Bond premium on issuance of refunded bonds	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Payment to refunded bond escrow	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,394,126)	1,738,487	4,132,613	598,191
Fund balance, beginning	<u>2,394,126</u>	<u>2,394,126</u>	<u>-</u>	<u>1,795,935</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 4,132,613</u>	<u>\$ 4,132,613</u>	<u>\$ 2,394,126</u>

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**SINGLE AUDIT SECTION**

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

**For the Year Ended June 30, 2024**

<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>
<b>United States Department of Education</b>						
Title VII - Indian education	84.060A	S060A232458	\$ 98,342	\$ 55,393		
<b>United States Department of Education passed through: Utah State Office of Education</b>						
Title IC migrant children	84.011	S011A210045/S011A220045	63,139	33,157		
NCLB - Title IVA	84.424A	S424A210046/S424A22004	188,189	59,658		
Title IA LEA grants	84.010	S010A230044/S010A220044 H027A220059/H027A23005	2,958,134	1,555,199		
IDEA-B handicapped	84.027	9/H027A210059	3,818,863	3,784,203	3,928,803	Special Education
Stronger Together	84.424F	S424F220046	188,650	139,858		
IDEA-B preschool handicapped	84.173	H173A230092	144,600	144,600	3,928,803	Special Education
Title IV Community Service	84.287	S287C230045	86,261	84,736		
NCLB - Language acquisition	84.365	S365A230044/S365A220044	160,878	75,431		
NCLB - Title IIA	84.367	S367A230042/S367A220042	664,103	514,983		
Governor's Emergency Education Relief - COVID 19	84.425C	S425C210031	227,764	27,586		
ARP ESSER - COVID 19	84.425U	S425U210032	11,204,042	6,685,139		
<b>Box Elder School District</b>						
ATE -Tech - Perkins	84.048	V048A230044	182,257	178,687		
Total Department of Education			<u>19,985,222</u>	<u>13,338,630</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>
<b>Department of Justice passed through:</b>						
<b>Office of Community Oriented Policing Services</b>						
School Violence Prevention	16.710	15JCOPS-21-GG-03684- SSIX	489,754	47,308		
Total Department of Justice			<u>489,754</u>	<u>47,308</u>		
<b>United States Department of Agriculture passed through:</b>						
<b>Utah State Office of Education</b>						
School breakfast	10.553	8001-4574	248,868	248,868	4,100,243	Child Nutrition Child
Free and reduced lunch	10.555	8001-4571	3,125,436	3,125,436	4,100,243	Nutrition Child
Food commodities	10.555	8001-4970	725,939	725,939	4,100,243	Nutrition
Pandemic EBT - COVID-19	10.649		3,256	3,256		
<b>State of Utah</b>						
Secure rural schools	10.665		93,412	93,412	93,412	Forest Service Schools and Roads
Total Department of Agriculture			<u>4,196,911</u>	<u>4,196,911</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>
<b>United States Department of Health and Human Services passed through:</b>						
<b>Utah Department of Workforce Services</b>						
School Readiness	93.575	23DWS0136	1,679,447	780,491	780,491	CCDF
<b>Utah State Office of Education</b>						
Utah Project Aware	93.243	H79SM080964	345,531	28,982		
<b>Utah Department of Health</b>						
School Based Skills Development	93.778	2305UT5MAP	912,201	928,562	928,562	Medicaid
Total Department of Health and Human Services			<u>2,937,179</u>	<u>1,738,035</u>		
Total Federal Financial Assistance			<u>\$ 27,609,066</u>	<u>\$ 19,320,884</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, 2024**

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**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 10.553, 10.555, 93.778, and 84.367.

**Indirect Cost Rate**

CCSD charges the following indirect cost rates for the State of Utah Office of Education grants: restricted – 2.26 percent, and unrestricted – 10.16 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 (*Government Auditing Standards*), 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, 2024, 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 26, 2024.

**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 26, 2024



**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, 2024. 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, 2024.

***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, sweeping initial 'A'.

North Logan, UT  
September 26, 2024

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

**For the Year Ended June 30, 2024**

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**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:	10.553
	10.555
	84.367
	93.778
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 finding 2024-1 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, 2024**

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There were no prior year audit findings.

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**SUPPLEMENTAL SECTION**

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**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, 2024.

State compliance requirements were tested for the year ended June 30, 2024 in the following areas:

- Budgetary Compliance
- Fund Balance
- Fraud Risk Assessment
- Governmental Fees
- Cash Management
- Tax Levy Revenue Recognition
- 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, 2024.

**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 item 2024-1. 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.



North Logan, UT  
September 26, 2024

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

**For the Year Ended June 30, 2024**

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**2024-1: 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 and some of the accounts were listed with an incorrect amount.

*Cause:* District personnel used an excel spreadsheet to prepare the report but the excel spreadsheet did not include all District accounts and two accounts used the July 2024 balance instead of the June 2024 balance.

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

*Recommendation:* We recommend that the District review the statements 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:* As recommended by our external auditor, we will review the statements received from the bank and compare to all District bank accounts to ensure the Deposit and Investment Report is complete and accurate. In addition, we will have at least two individuals review the report prior to submitting.

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

**For the Year Ended June 30, 2024**

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**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 and some of the accounts were listed with an incorrect amount.

*Cause:* District personnel used an excel spreadsheet to prepare the report but the excel spreadsheet did not include all District accounts and two accounts used the July 2024 balance instead of the June 2024 balance.

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

*Recommendation:* We recommend that the District review the statements 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.

*Status:* See finding 2024-1 for the current year.

**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 presented 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.

*Status:* The spend plan for graduation fees were posted on school websites.