

POPULAR ANNUAL FINANCIAL REPORT

For the year ended June 30, 2022

Please note that the digital copy of Cache County School District's Popular Annual Financial Report is best viewed with the following options enabled in Adobe Acrobat:

- Two-page view
- Show cover page in two-page view

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15 March 2023

To the Citizens of Cache County School District:

We are pleased to present our first Popular Annual Financial Report (PAFR). This report is for the fiscal year ended June 30, 2022 and is intended to make the financial operations of the district easier to understand. The PAFR reflects our desire for public transparency and to keep you informed.

The PAFR has been prepared to summarize and highlight important financial information of the district and focuses on the district's four most significant funds (i.e. the General Fund, Capital Projects Fund, Debt Service Fund, and School Food Services Fund).

For those interested in a more comprehensive and technical financial report, we refer you to the Financial Audit Report (FAR) of the district. The FAR is prepared in accordance with Generally Accepted Accounting Principles of the United States of America. It includes audited financial statements, disclosures, opinions of our independent auditor, and other detailed financial and nonfinancial information. Copies of the FAR and PAFR are available at www.ccsdut.org/Page/2088.

The independent audit of the district was performed by Allred-Jackson, in accordance with auditing standards generally accepted in the United States of America. While the PAFR is not separately audited, it is prepared using financial information from the audited FAR.

We would like to take this opportunity to recognize the outstanding work and cooperative nature of our employees and the contributions they make toward the successful implementation of the district's financial objectives. We would also like to thank the members of the Board of Education for their invaluable trust and support as we strive to be good stewards of our public financial resources.

The district is committed to financial transparency and we are proud to present this report as one of many tools available to help our citizens understand how their tax dollars are being utilized to educate our students. Questions or comments are welcome and may be directed to the business services team at 435-752-3925.

Respectfully submitted,

Steven C. Norton
Superintendent

Jared Black
Business Administrator

CACHE COUNTY SCHOOL DISTRICT

Our mission is to educate students for success in a changing world.



SCHOOLS

17 elementary schools
3 middle schools
4 high schools
1 alternative high school



ESTABLISHED
1908



20,391
STUDENTS
(Including Preschool)

SERVING THE COMMUNITIES OF:

Amalga, Avon, Benson, Clarkston, College Ward, Cornish, Cove, Hyde Park, Hyrum, Lewiston, Mendon, Millville, Newton, Nibley, North Logan, Paradise, Petersboro, Providence, Richmond, River Heights, Smithfield, Trenton, Wellsville, and Young Ward



Leading the state in language arts and math proficiency



Districtwide
EMPHASIS ON
LITERACY:
78% of students
read at grade-
level by 3rd grade*

*2021-2022 Middle-of-the-Year
Acadience Testing



20.5
Average
ACT Score
2021-2022

(UT 19.9; National 19.8)

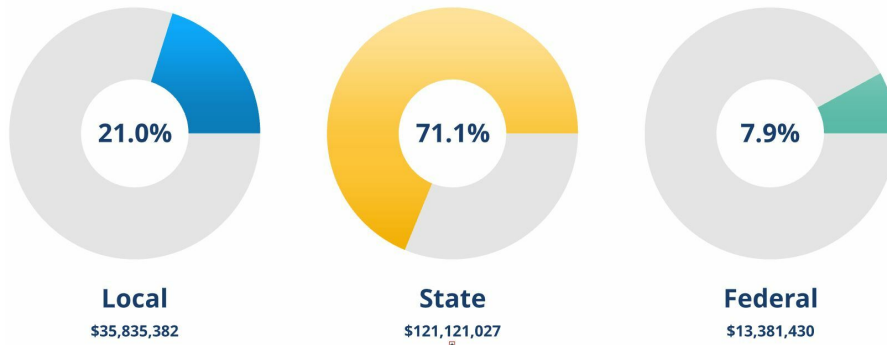


CCSD students earned
THE 2ND HIGHEST
MATH PROFICIENCY
SCORES
as a school district
in Utah on the
2022 RISE Test.

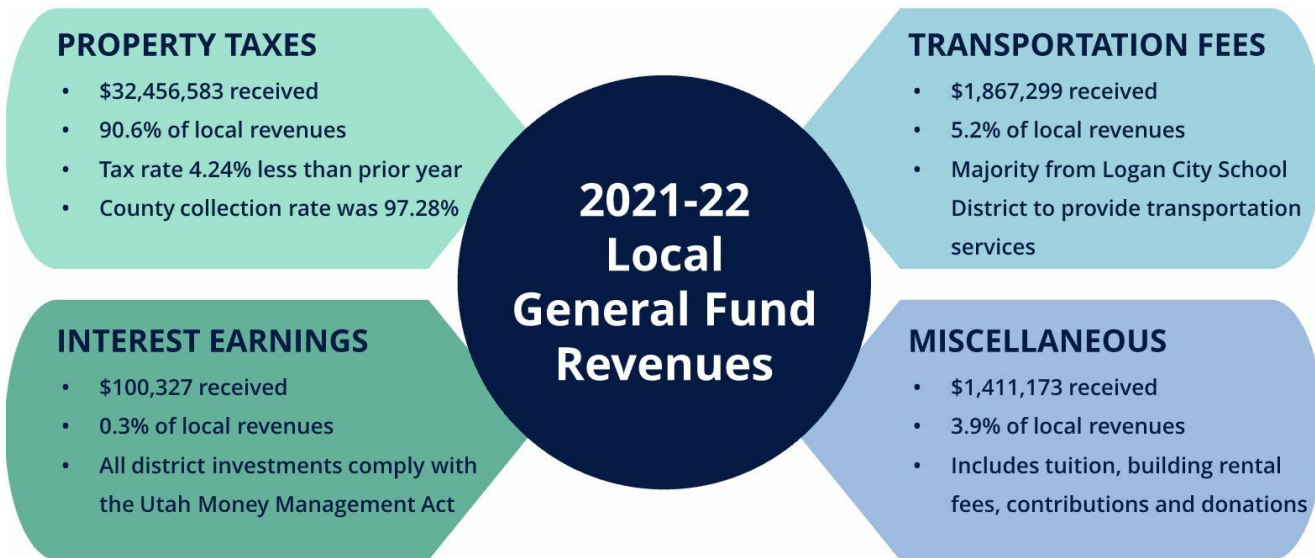


95%
2021
District
Graduation Rate

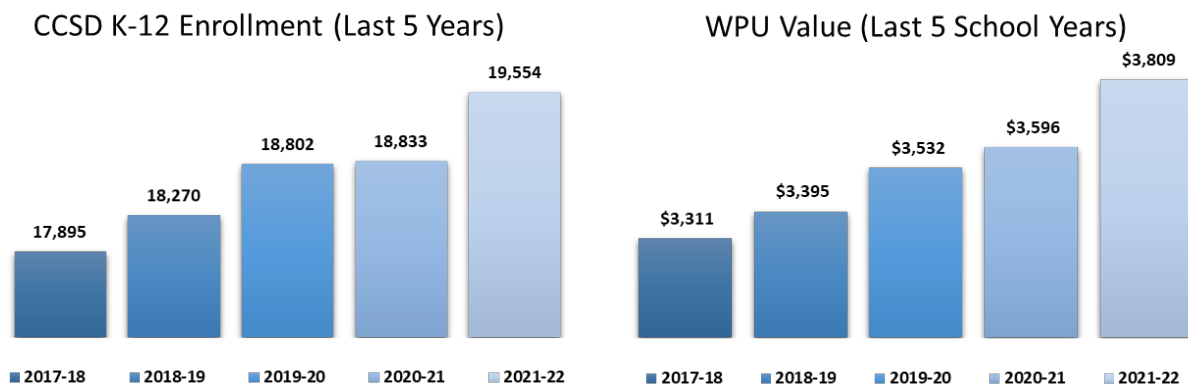
The **General Fund** is the primary operating fund for the district. General Fund revenue for the 2021-22 year totaled just over \$170 million. Each year, our general fund revenue comes from **local, state, and federal** sources:



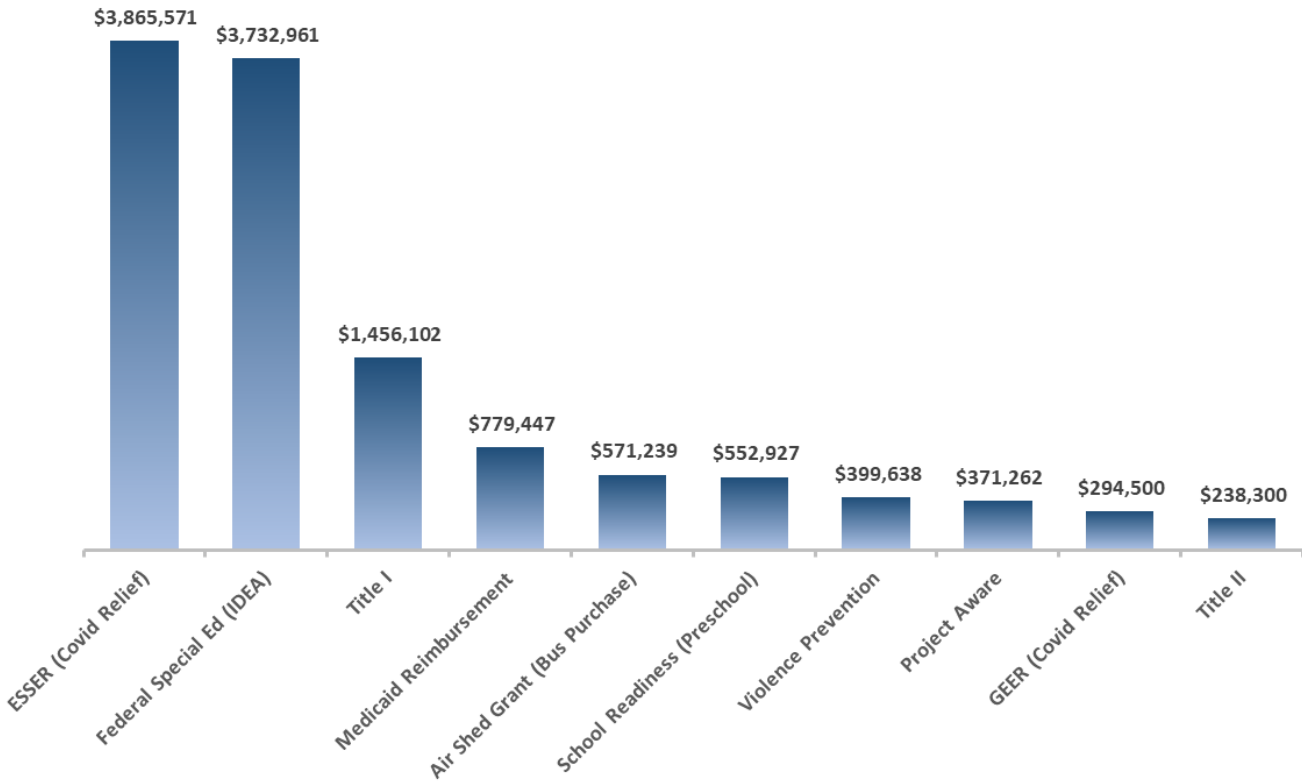
The majority of **local revenue** received in the General Fund comes from property taxes. Other revenue sources include investment earnings, transportation fees (primarily from Logan City School District), facility rentals, and other sources.



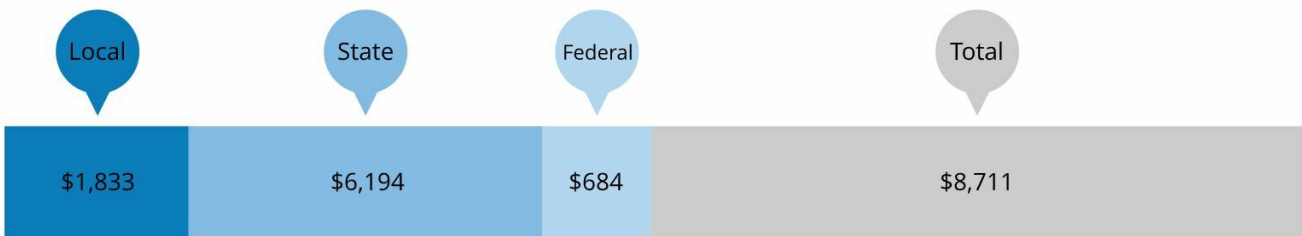
State revenue largely comes from income tax and is our biggest source of General Fund revenues. Utah guarantees a specific dollar amount per full-time student. This is known as the WPU, or Weighted Pupil Unit. For the 2021-22 school year, the WPU value was \$3,809. State aid also includes funding for programs such as student transportation, special education, career and technical education (CTE), and school land trust.



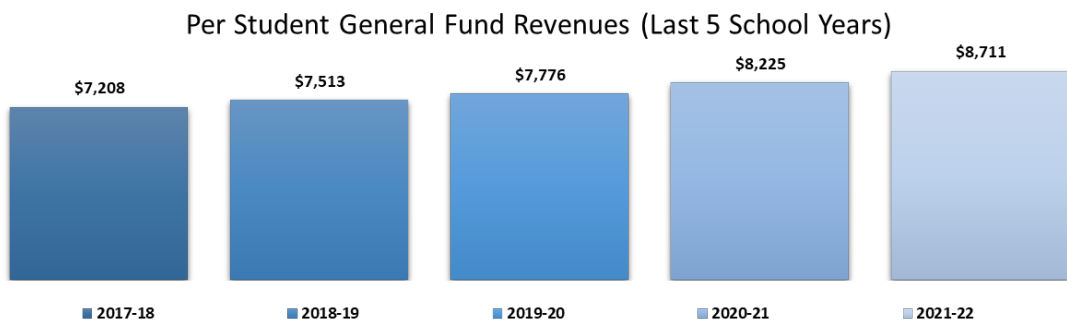
Federal revenue is provided through specific grants the district applies for each year. The majority of federal revenue is earmarked for specific purposes such as school lunch and breakfast, special education, Title I services, and other programs for disadvantaged students. In addition, the district received significant federal funding this year through one-time pandemic relief programs. Here is a summary of the top 10 federal grants received in the General Fund during the 2021-22 school year:



Per student revenue is shown in the graphic below to demonstrate the total amount of revenue, per student, from all general fund sources during the 2021-22 school year:



Per student revenue by year is shown in the graphic below to demonstrate per student funding growth over the last five school years:



8 Categories

For allocating Expenditures



Instruction

Expenses pertaining to the direct interaction between teachers and students. Examples include salaries and benefits, supplies, textbooks, and instructional aides.



Student Supports

Expenses for supporting services such as guidance counselors, health aides, psychologists, speech and therapy services, vision services, etc.



Staff Supports

Expenses associated with assisting instructional staff with the content and process of providing instruction. Examples include professional development, librarians, and computer techs.



District Administration

Expenses related to establishing and administering policy and operating the district. Examples include the Board of Education and executive administration.



School Administration

Expenses pertaining to the overall administrative responsibility for a single school. Examples include principals and office staff.



Central Services

Expenses that support other district functions, such as fiscal services, human resources, and information technology.



Operation and Maintenance of Facilities

Expenses that allow facilities to remain open, comfortable, and safe for use. Keeping grounds, buildings, and equipment safe and in working condition.



Student Transportation

Expenses allowing for the conveyance of students to and from school, as well as to and from school activities. Examples include drivers, fuel, and mechanics.

General Fund expenditures totaled around \$169.5 million for the 2021-22 school year. This is approximately \$15 million higher than the previous year.

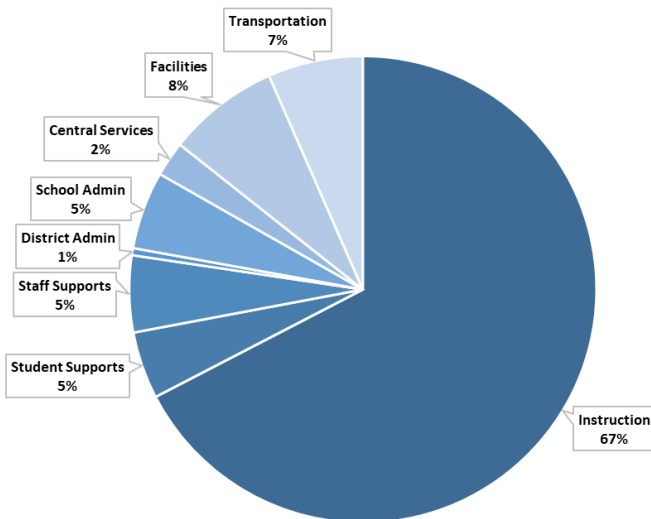
We account for expenditures using a uniform chart of accounts established by the Utah State Board of Education.

The majority of General Fund expenditures are spent each year on employee wages and benefits.

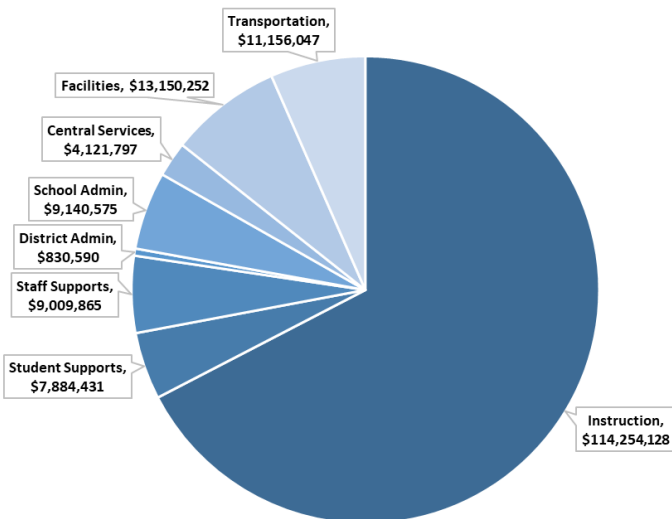
The **categories on the left** show how the district accounts for expenditures by function.

Below you can review charts showing the percentages and dollar amounts of expenditures for each category.

Percentage of General Fund Expenditures by Function



Amount of General Fund Expenditures by Function



General Fund expenditures totaled around \$169.5 million for the 2021-22 school year.

Another way to look at expenditures is by the object of the expenditure.

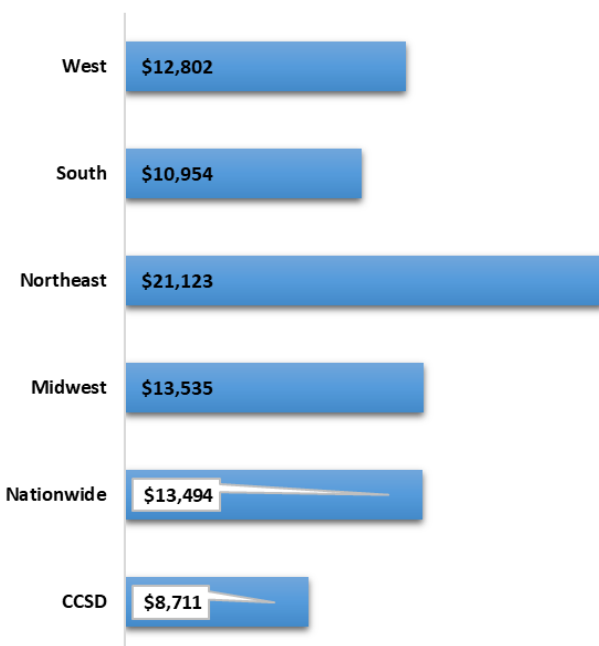
The **categories on the right** show how the district accounts for expenditures by object.

Below is a summary of percentages and dollar amounts of General Fund expenditures by object.

Of note, 87.3% of General Fund expenditures are for employee salaries & benefits.

- Salaries: \$101,480,280 or 59.9%
- Benefits: \$46,458,511 or 27.4%
- Prof Services: \$2,817,228 or 1.7%
- Prop Services: \$1,419,766 or 0.8%
- Other Services: \$1,498,303 or 0.9%
- Supplies: \$13,616,213 or 8.0%
- Property: \$1,419,766 or 0.8%
- Other: \$785,538 or 0.5%

Per Pupil Spending by Region
US Census Bureau



8 Objects

Types of Expenditures

- Salaries and Wages**
 Amounts paid to employees in permanent or temporary positions.
- Benefits**
 Amounts paid by the district on behalf of employees for benefits such as retirement, social security and insurance.
- Professional Services**
 Amounts paid for services which, by their nature, can only be performed by persons with specialized skills. Examples include architect services, legal services, and paid presenters.
- Property Services**
 Amounts paid for services rendered by non-district organizations or personnel to operate, repair, maintain, and insure district property.
- Other Services**
 Amounts paid for outside services not included in other categories. Examples include communications, printing, tuition and staff travel.
- Supplies**
 Amounts paid for items of an expendable nature that are consumed in use. Examples include general supplies, books, textbooks, software, and custodial supplies.
- Property**
 Amounts paid to acquire land, buildings and equipment.
- Other**
 Amounts paid for goods and services not otherwise classified, such as dues and fees or debt payments.

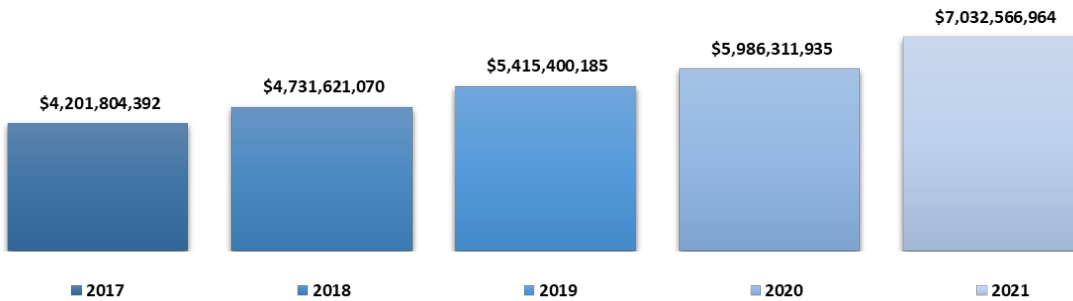
Property taxes are levied by the school district each year to provide necessary revenue for district operations. Each owner of property within the boundaries of the district pays property taxes to the district and to other taxing entities, such as each municipality.

The state of Utah oversees and approves the property tax rates set by each taxing entity. In Utah, taxing entities are only allowed to assess a rate that guarantees the same amount of revenue as the prior year (plus tax revenue from new construction). This rate is known as the **certified tax rate**.

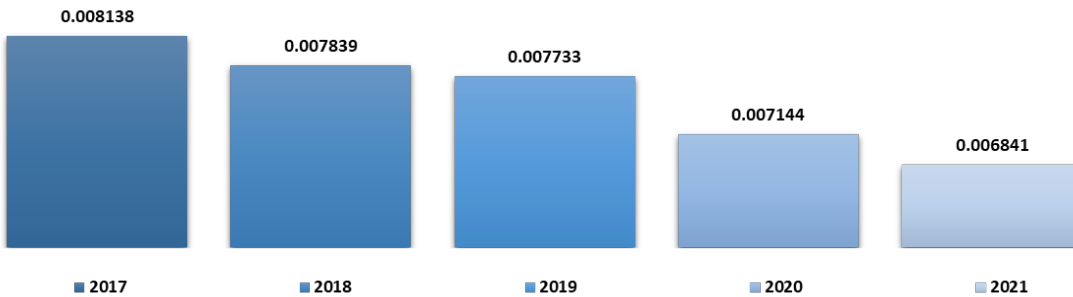
If an entity wants to assess a rate higher than the certified tax rate, it must follow the truth-in-taxation process as outlined in Utah law, including a public hearing.

Generally, if property values increase from the prior year, the corresponding tax rates will decrease. The opposite is also true. This idea is illustrated in the two charts below, which show that the district property tax base has grown over the last 5 years while the property tax rate has decreased each year over the same time.

CCSD Tax Base Property Value (Last 5 Tax Years)



CCSD Property Tax Rate (Last 5 Tax Years)



The Board of Education determines the local property tax rates each year, except for two rates that are determined by the State. These are the basic rate and the charter school rate. Below is a chart showing the detail of our tax rates over the last five years. Three levies in the last five years have exceeded the certified tax rate:

Name of Levy	2017-18	2018-19	2019-20	2020-21	2021-22
Basic Levy (set by State)	0.001568	0.001666	0.001661	0.001628	0.001661
Charter School Levy (set by State)	0.000050	0.000055	0.000057	0.000051	0.000050
Voted Local Levy	0.001461	0.001345	* 0.001600	0.001211	0.001515
Board Local Levy	* 0.001415	0.001131	0.001348	* 0.001263	0.001206
Capital Levy	0.000444	0.000409	0.000368	0.000349	0.000310
Debt Service Levy	0.003200	0.003016	0.002784	0.002402	0.002411
Total Tax Rate	0.008138	0.007839	0.007733	0.007144	0.006841

* These levies exceeded the certified tax rate (the certified rate is adjacent) and required a truth-in-taxation hearing

SCHOOL DISTRICT PROPERTY TAX RATES

Below is a description of each of the property tax rates assessed by Cache County School District, as well as information about what the tax revenue from each rate is used for.



Charter School

The charter school rate is also set by the state. The revenue generated by this rate is sent from the State directly to charter schools. CCSD does not receive this funding, but state rules require that the rate be part of the CCSD property tax rate.



Board Local

The board local levy is specifically authorized in Utah law to help school districts in the general fund. Revenue from this levy is used for salaries, benefits, supplies, and other General Fund categories. The maximum rate for this levy is 0.002500.



Debt Service

The debt service levy is used only to pay for GO bond debt, as authorized by voters in prior elections.

Basic

The basic rate is a uniform, statewide rate set annually by the Utah State Tax Commission. The rate is set to guarantee a certain amount of revenue statewide. Revenue from the basic rate is considered part of state WPU funding.



Voted Local

The voted local levy was previously authorized by CCSD voters. This revenue is used to pay for General Fund operations such as salaries, benefits, and supplies. The maximum rate for this levy is 0.002000.

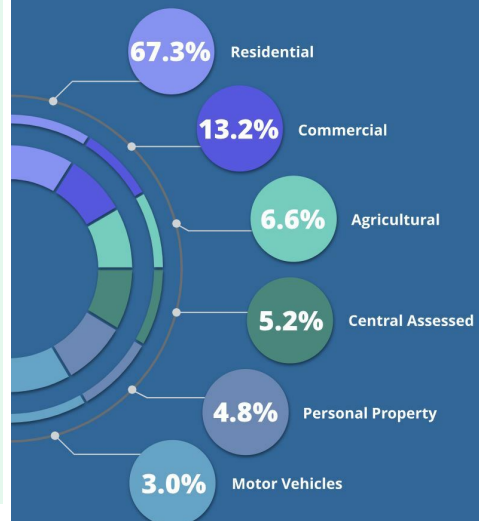


Capital

The capital levy is authorized by Utah law to be used for capital projects and technology programs. The maximum rate for this levy is 0.003000.



CCSD Taxable Value by Category



The **Debt Service Fund** accounts for principal and interest payments related to our general obligation (GO) bonds. GO bonds are authorized by public vote of citizens residing within the boundaries of the school district. An annual tax levy provides revenue sufficient to make payments for these bonds (see property tax section).

In the 2021-22 school year, the district received \$19,229,070 in debt service revenue. This revenue comes entirely from the debt service property tax levy.

The district expended \$18,179,060 on bond principal, interest and fees.

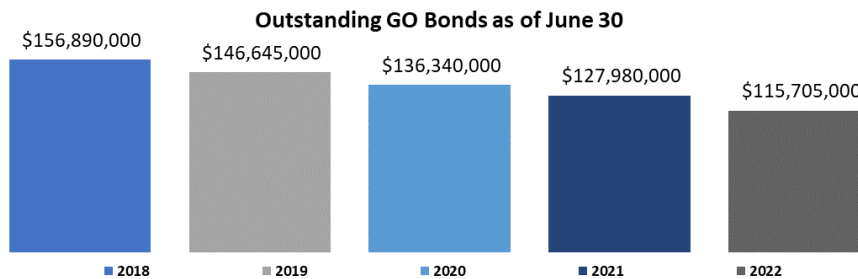


A **credit rating** is given to the district by an independent nationally recognized agency. The better the rating, the less risk is involved in financing the bond and borrowing rates are lower. The district is able to use the **State of Utah's AAA credit rating** in addition to its own **A1 rating** to maximize interest savings when issuing bonds.

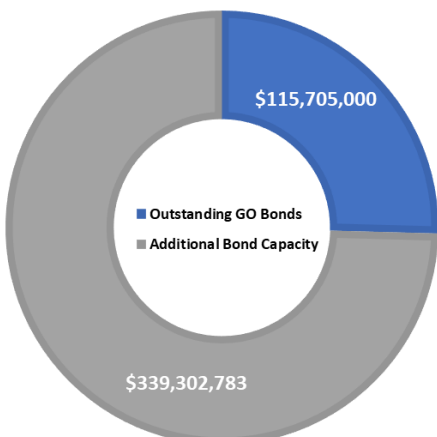


Refunding: Over the years, the district has refunded its GO debt several times. This is similar to refinancing a home mortgage to a lower interest rate. These refunding opportunities have saved local taxpayers several million dollars in interest payments.

As of June 30, 2022, the district has \$115,705,000 in GO bond debt. You can see in the following chart how the outstanding balance has decreased over the last five years.



DEBT MARGIN AS OF JUNE 30, 2022



Debt Capacity

In Utah, school districts are limited to issuing bonded debt up to 4% of the fair market value of taxable property in the district.

The estimated fair market value of taxable property is \$11,375,194,584. This results in a bonding capacity of \$455,007,783 for CCSD.

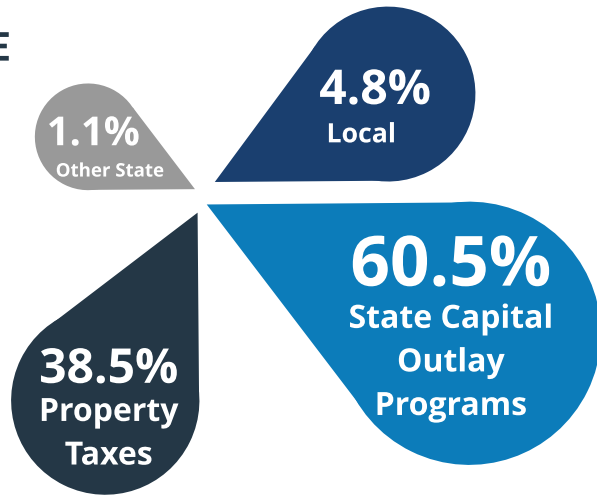
This chart to the left shows the district's current debt and additional bonding capacity.

The **Capital Projects Fund** pays for land, school construction, renovation of existing facilities, school buses, and other school equipment.

Revenue is received from property taxes (the capital local levy) as well as state capital outlay foundation and enrollment growth programs. Capital revenue totaled \$6,416,755.

2021-22 CAPITAL PROJECTS REVENUE

State Programs:	\$3,883,419
Property Tax:	\$2,472,171
Local:	\$50,587
Other State:	\$10,578



Cache County School District is a growing district. As student enrollment increases, we carefully plan our facilities to accommodate all our students. Older schools need renovations, repairs and additions. New schools and buses are also needed to accommodate our growth. CCSD is committed to prudent short and long-term capital planning.

Capital expenditures totaled \$8,967,536 this year. Below is information about some of our projects and expenses in the capital projects fund:

Construction \$6,378,671	1	71.1%	1 GCHS Addition A 10-classroom addition to the south end of Green Canyon High School is accommodating rapid student growth from the last few years.	2 School Buses Twelve new school buses were purchased. In addition to using capital funds, a federal air quality grant was used to pay for our new buses.
Supplies \$1,234,097	2	13.8%	3 Portable Classrooms Portable classrooms were built to help temporarily accommodate student growth. The district currently utilizes over thirty portable classrooms.	4 Stage at SVHS This project was necessary to provide structural security and upgrades to the auditorium at Sky View High School.
School Buses \$1,037,810	3	11.6%	5 Energy Efficiency Retrofits A multi-year project to retrofit most of our buildings with LED lighting and other technologies to improve energy efficiency throughout the district.	
Equipment \$163,208	4	1.8%		
Technology \$153,750	5	1.7%		

The **School Food Services** staff prepares high quality, nutritionally balanced meals and also works to improve nutrition awareness among students. The program offers reduced cost and free meals to qualifying students. In addition to preparing and serving meals, the staff develops annual plans, performs nutritional reviews, and complies with all food handling requirements and numerous state and federal regulations.

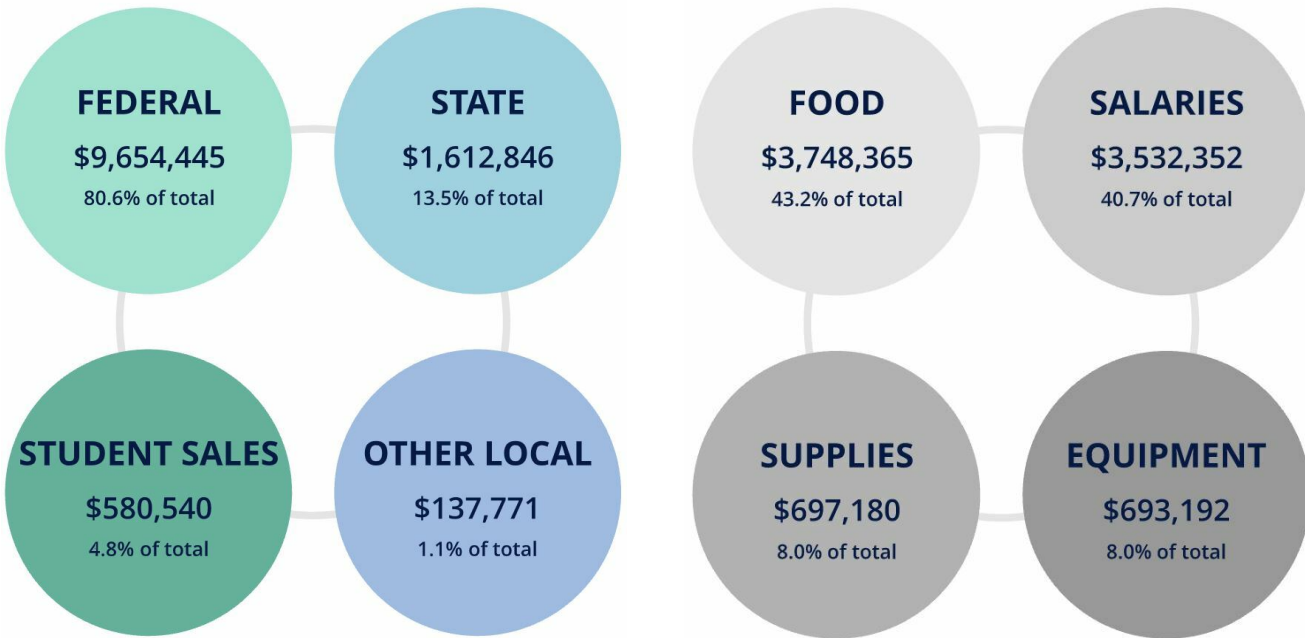
Total revenue received for the 2021-22 school year was \$11,985,602. This is higher than normal due to federal reimbursement of all meals during the pandemic.

Local revenue is received from paying students. State revenue is generated on a per-meal basis and comes from state liquor tax funds. Federal revenue is based on the number of meals served, as well as the number of students qualifying for free or reduced cost meals.

Total expenses for the year were \$8,671,088. Nearly 84% of all expenses in the school food services fund were for employee salaries and benefits and food costs.

2021-22 SCHOOL FOOD REVENUES

2021-22 SCHOOL FOOD EXPENSES



2,252,808
meals served in CCSD
during the 2021-22
school year!



Nestled between the Wellsville and Bear River Mountain Ranges in beautiful Cache Valley, you will find the Cache County School District.

The Mission of the Cache County School District is to educate students for success in a changing world. The Vision of the Board of Education is to provide an equitable, challenging, meaningful, and well-rounded educational learning experience in a measurable way so all students can achieve learning, thinking, character and life skills necessary for success in their personal, educational, and professional endeavors.

In doing this, we pledge to prioritize the students' well-being, support a culture where students and staff feel appreciated and respected, and provide fairness to parents, students, personnel, and the citizens of the district.

In 1908, the Utah State Constitution called for all public schools to be consolidated into organized districts. The Cache County School District was formed to serve the families located within the borders of Cache Valley, Utah.

Since the creation of the district in 1908, CCSD has seen dramatic growth and change within its boundaries. Despite the transformation in demographics and enrollment, the mission to educate and prepare students for a changing world has never wavered.

The district is proud to lead the state in language arts and math proficiency. The dedication of students, parents, staff, and faculty members is a testament to our focus. Some of the programs and opportunities promoted by the district include the following:

- **Utah K-12 Dual Language Immersion Program**— offering Spanish, Chinese, French, or Portuguese in the classroom setting; leading to advanced proficiency and university credit
- **Accomplished Athletic and Activity Programs**— sports such as football, volleyball, soccer, cross country, track and field, tennis, swimming, basketball, softball, golf, wrestling, baseball, and lacrosse, and activities such as debate and the Academic Olympiad
- **Emphasis on the Arts and Creativity**— Fifteen elementary schools are in partnership with the Beverley Taylor Sorenson Arts Learning Program to incorporate art into the classroom. Students also participate in award-winning dance, music, theater, and visual arts programs.
- **STEM Integration and C.T.E. Offerings**— STEM experiences are integrated into the curriculum, including weekly coding instruction in grades one through six; robust career and technical education offerings with hands-on, work-based opportunities
- **Gifted and Talented Programs**— offered at every elementary school; honors-level courses offered in secondary schools
- **Afterschool Programs and Clubs**— both student clubs accommodating a variety of interests, and quality teacher and school employee-facilitated programs
- **Advanced Placement and Concurrent Enrollment Programs**— to encourage students to earn university credit early through 11 AP courses, 39 Concurrent Enrollment options, and many other opportunities through partnerships with Bridgerland Applied Technology College, Utah State University, Utah Valley University, and Weber State University

Popular Annual Financial Report



Prepared by:

CCSD Business Services Team

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Photographs courtesy of CCSD Public Information Office