

DUCHESNE COUNTY SCHOOL DISTRICT

1010 East 200 North
Roosevelt, Utah 84066
(435) 738-1240

Financial Statements

Year Ended June 30, 2024



Jason Young, Superintendent of Schools
Dee E. Miles, Business Administrator

Prepared by
Dee E. Miles, CPA

DUCHESNE COUNTY SCHOOL DISTRICT

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Aycock, Miles & Associates, CPAs, P.C.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Honorable Board of Education
To the Duchesne County School Board
Duchesne County, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and budgetary comparison information of Duchesne County School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Duchesne County School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and budget comparison information of the Duchesne County School District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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 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 Duchesne County School 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 Duchesne County School 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 generally accepted auditing standards 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 generally accepted 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 School District's internal control. Accordingly, no such opinion is expressed.

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- 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 School 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 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 Duchesne County School District's basic financial statements. The combining and individual nonmajor fund financial statements 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 nonmajor fund financial statements are 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 annual report. The other information comprises the statistical section and continuing disclosure 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 November 22, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 School District's internal control over financial reporting and compliance.

Aycock, Miles & Associates, CPAs

Roosevelt, Utah
November 22, 2024

Management's Discussion and Analysis

The following discussion and analysis presents an overview of the financial performance of Duchesne County School District (District) for the year ended June 30, 2024. Readers should integrate the information presented here with the additional information furnished in the financial statements that follow this section.

Financial Highlights

- ❑ The District's General Fund receives revenue based on the number of pupils enrolled and other student demographic allocation formulas. State Legislative appropriations account for 76% of the funding and another 4% came from Federal restricted programs which are declining as the Congressional funding for COVID related initiatives subside. The remaining 20% came from local sources. The taxable value of local property increased 17% due to the increased value of residences and investments in property by businesses operating in the County.
- ❑ The District's financial status as measured by total net position in excess of liabilities was \$164 million as of the close of the fiscal year, which was a net increase of \$17 million from the prior year due to investments in new buildings, and increases in reserves.
- ❑ The general fund balance increased \$81,803 due to increased economic stabilization reserves, and higher interest rates. Undistributed reserves are 4.1% of the budget. The capital projects fund balance decreased \$16 million in reserves due to the expenditures for construction of the Duchesne High project. The fund also has an additional reserve for catastrophic events of \$2 million.
- ❑ District enrollment increased 16 students with 5,150 enrolled on October 1, 2023. Birth rates in the County have declined and will likely affect future enrollments. The ongoing operations and new oil and gas investments in the County are contributing to a relatively stable economy. State base funding per student increased 5%.
- ❑ A master plan for buildings was moving forward with remodel plans for Duchesne High almost complete. Replacement of the Altamont High School vocational education shops began in the summer.

Overview of the Financial Statements

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

District-wide financial statements. The statement of net position and the statement of activities are designed to provide a broad overview of the District's financial position as a whole, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets and liabilities of the District with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial condition of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets 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 for some items where the cash flows occur in future periods (e.g. uncollected taxes).

Fund financial statements. The District uses separate funds to segregate activities and ensure compliance with finance-related legal requirements. Governmental and fiduciary types of funds are used.

Governmental funds account for the functions reported as *governmental activities* in the District-wide financial statements. However, unlike District-wide financial statements, the focus is on near-term inflows, outflows, and fiscal year-end balances of spendable resources. Reconciliations are also provided from the narrower focused governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances to the *governmental activities* of the District-wide financial statements.

Notes to the basic financial statements. The notes provide additional information for a full understanding of the data provided in the District-wide and fund financial statements.

Other information. Individual fund statements and schedules immediately follow the notes.

District-wide Financial Analysis

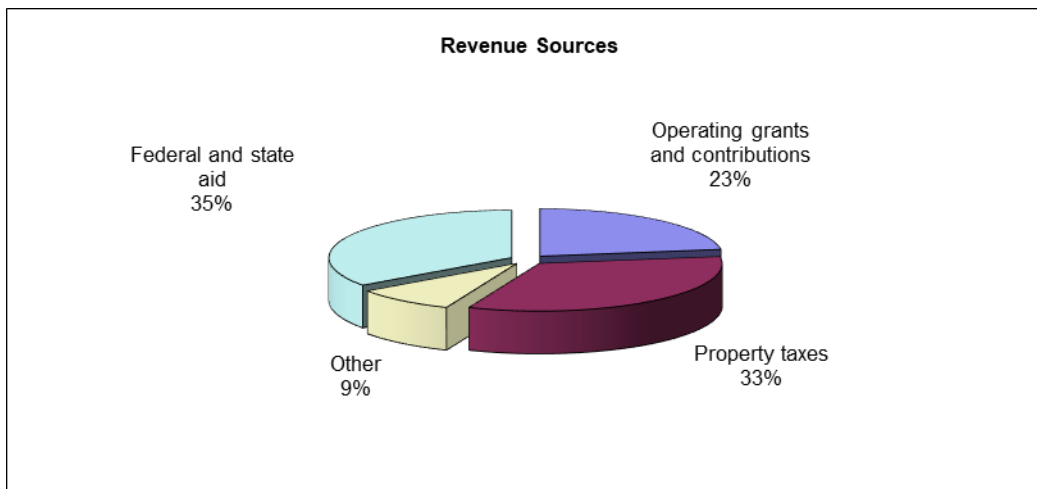
Net position. The District’s assets are invested in land, buildings, and equipment less outstanding general obligation and revenue bonds used to acquire those assets. The net position of the District increased 11.4% with increased investment in buildings, debt reductions, and depreciation of assets. The District is still on schedule with its master building plan and management of existing debt. These building assets are used to provide educational programs and are not considered available resources for future spending. Payments on the outstanding debt also come from other sources and not from the assets themselves. Assets subject to external restrictions on how they may be used represent 20% of net assets.

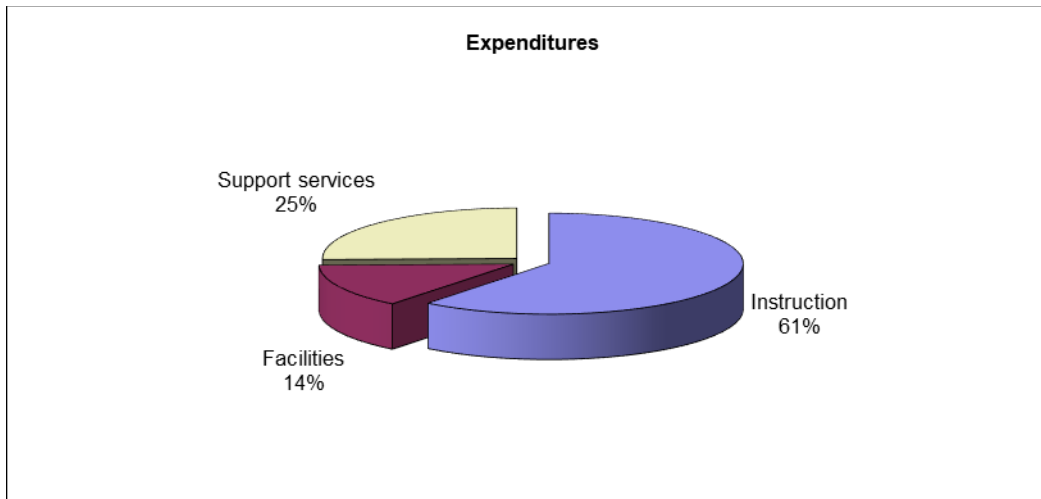
Changes in net position. Net position increased \$16,708,459 due to increases in reserves and investment in buildings. The District’s total revenues increased 11% with increases in State and local revenues more than offsetting decreases in Federal funds. Local tax values increased 17% with half from residential values and half from centrally assessed businesses. State revenues increased due to legislative appropriation increases, and additional targeted funds for at-risk students. Federal funding decreased 26% as extra funding to help students recover from the pandemic run out. These Federal funds were completely exhausted mid-year. Expenditures increased 12% with targeted funds for teachers that increased their pay, and additional one-time funds for security and building needs.

The District reports deferred outflows and inflows of resources related to participation in Utah Retirement Systems pension plans. Deferred outflows of \$9,614,217 were reported for contributions subsequent to the measurement date. Deferred inflows related to the difference between expected and actual experience of the pension plan and changes in assumptions were \$132,499.

Net Position	2024	2023	Total Change
Current and other assets	\$ 88,155,968	\$ 102,256,493	\$ (14,100,525)
Capital assets	234,358,549	210,928,637	23,429,912
Total assets	<u>322,514,517</u>	<u>313,185,130</u>	<u>9,329,387</u>
Deferred outflows of resources	9,614,217	8,619,026	995,191
Total assets and deferred outflows	<u>332,128,734</u>	<u>321,804,156</u>	<u>10,324,578</u>
Current and other liabilities	19,379,484	19,497,727	(118,243)
Long-term liabilities outstanding	105,255,061	114,346,385	(9,091,324)
Net pension liability	<u>13,295,145</u>	<u>13,262,542</u>	<u>32,603</u>
Total liabilities	<u>137,929,690</u>	<u>147,106,654</u>	<u>(9,176,964)</u>
Deferred Inflows of resources	<u>30,470,647</u>	<u>27,819,581</u>	<u>2,651,066</u>
Net Position			
Invested in capital assets, net of related debt	120,636,983	88,648,337	31,988,646
Restricted	33,415,237	50,105,825	(16,690,588)
Unrestricted	<u>9,676,177</u>	<u>8,123,759</u>	<u>1,552,418</u>
Total net position	<u>\$ 163,728,397</u>	<u>\$ 146,877,921</u>	<u>\$ 16,850,476</u>

Changes in Net Position	<u>2024</u>	<u>2023</u>	<u>Total Change</u>
Revenues			
Program revenues			
Charges for services	\$ 2,415,190	\$ 2,073,899	\$ 341,291
Operating grants and contributions	21,595,626	23,538,328	(1,942,702)
Capital grants and contributions	14,652	-	14,652
General revenues			
Property taxes	31,942,299	28,897,903	3,044,396
Federal and state aid	33,186,600	24,504,093	8,682,507
Earnings on investments	3,556,795	2,795,209	761,586
Miscellaneous	2,466,269	3,765,432	(1,299,163)
Total revenues	<u>95,177,431</u>	<u>85,574,864</u>	<u>9,602,567</u>
Expenses			
Instructional services	47,471,148	40,665,202	6,805,946
Supporting services:			
Students	2,233,681	1,990,448	243,233
Instructional staff	2,791,365	2,030,375	760,990
District administration	530,568	598,531	(67,963)
School administration	4,385,443	3,822,680	562,763
Business	2,115,162	1,948,695	166,467
Operation and maintenance of facilities	7,342,376	7,678,634	(336,258)
Transportation	4,136,992	3,867,346	269,646
School lunch services	3,627,350	3,062,727	564,623
Interest on long-term liabilities	3,692,870	3,941,596	(248,726)
Total Expenses	<u>78,326,955</u>	<u>69,606,234</u>	<u>8,720,721</u>
Increase (decrease) in net assets	16,850,476	15,968,630	881,846
Net position - beginning	<u>146,877,921</u>	<u>130,909,291</u>	<u>15,968,630</u>
Net position - ending	<u>\$ 163,728,397</u>	<u>\$ 146,877,921</u>	<u>\$ 16,850,476</u>





Financial Analysis of the District’s Funds

Governmental funds. The focus of the District’s governmental funds is to provide information regarding the inflow, outflow, and remaining balances of resources. Revenues provided to the District are intended to be used during the period for which they were generated. Fund balances of each fund must be spent within the purposes of the fund. The difference between assets and liabilities is reported as fund balance which is divided into nonspendable, restricted, and unrestricted. *Nonspendable* includes inventories that are not expected to be converted to cash. *Restricted* are subject to external constraints, laws, or creditors (as in the case of restricted programs, debt service, capital projects, and other governmental funds). The unrestricted balance is divided between committed, assigned, and unassigned portions. *Committed* balances reflect the District’s self-imposed limitations and amounts set aside to meet specific obligations. *Assigned* balances are intended to be used for specific purposes. *Unassigned* balances are all remaining fund resources.

Under Utah law, a budget may not include an unassigned fund balance. Utah law allows an economic stabilization committed reserve of fund balance in the general fund of up to 5% of its budget.

At the completion of the year the combined governmental fund balance was \$47 million, \$16.2 million less than the prior year. These funds were procured to finance the construction project at Duchesne High School.

General fund budgetary highlights. The Board of Education revised the budget during the year for changes in programs, funding, and needs. The final budget anticipates revenues and expenditures to be approximately equal with only minor variances between the budget and actual results. The difference between the original budget and the final amended budget included adjustments for State revenue allocation updates, capital expenditures and other minor categorical adjustments.

Capital Asset and Debt Administration

Capital Assets. The capital outlay fund accounts for the acquisition of land, construction and remodeling of buildings, and procurement of equipment necessary for the operation of the District. The following projects were under way:

- ❑ Remodel and addition for Duchesne High was nearing completion.
- ❑ Replacing the shops at Altamont High School began.

Capital assets as of June 30, 2024 (Net of accumulated depreciation)	2024	2023	Total Change
Land	\$ 6,319,301	\$ 5,493,806	\$ 825,495
Construction in progress	59,099,444	31,553,180	27,546,264
Buildings and improvements	164,416,772	170,310,047	(5,893,275)
Furniture and equipment	4,518,315	3,552,272	966,043
Total capital assets	<u>\$234,353,832</u>	<u>\$210,909,305</u>	<u>\$ 23,444,527</u>

Debt Administration.

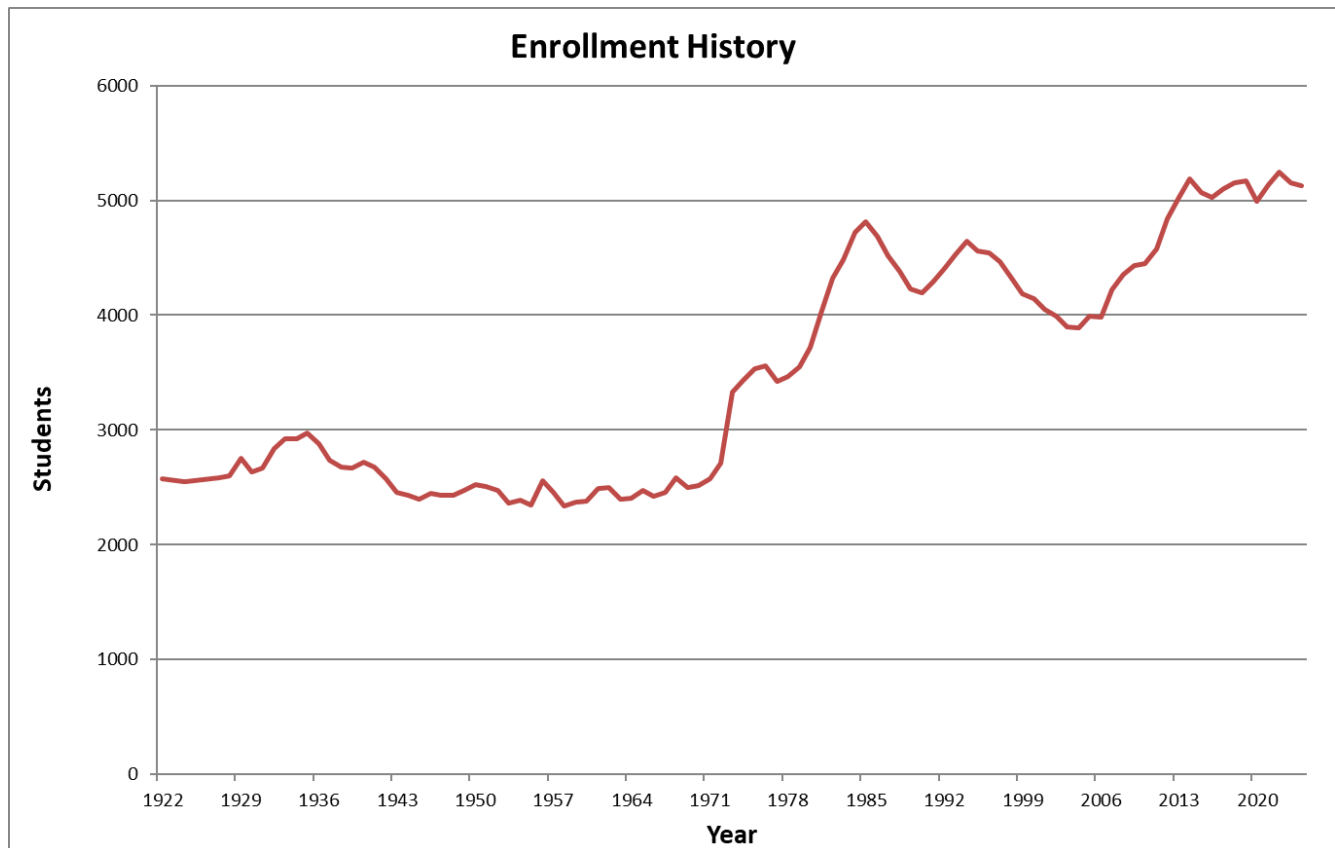
General obligation debt is limited by Utah Law to 4% of the market value of property. Current unused legal debt capacity is \$142 million or 74%.

Outstanding long-term debt as of June 30, 2024

	2024	2023	Total Change
General obligation bonds	\$ 47,679,000	\$ 51,509,000	\$ (3,830,000)
Lease revenue bonds	54,362,000	56,622,025	(2,260,025)
Loans	8,038,951	10,038,433	(1,999,482)
Unamortized bond issuance premium	3,636,898	4,091,510	(454,612)
Total debt	<u>\$ 113,716,849</u>	<u>\$ 122,260,968</u>	<u>\$ (8,544,119)</u>

Student Enrollment

Enrollment declined approximately 2% per year from 1994 to 2004 with a total decline of 755 students. Aging population and the loss of jobs in a depressed economy contributed to the decline. In 2004 the high price of oil created a rebound in the local economy and spawned increased enrollment in all grades, and a younger population bringing increases in birth rates and student enrollment that moved up through the grades. From 2004 to 2014 enrollments increased 3% per year with a total increase for that period of 33%. A decline in oil prices and the opening of a charter school slowed the rate of growth and resulted in a loss of 160 students from 2015 through 2016. During 2017 to 2019 enrollments grew slightly again. Fall of 2020 with the COVID-19 pandemic, brought decreased enrollment and more online enrollment. In 2021 the students returned to the District and live instruction and new economic growth also increased enrollment. In 2023 and 2024 enrollment decreased 2% as a small bubble of students graduated.



Requests for Information

This financial report is designed to provide an overview of the District’s finances. Any questions regarding this information or requests for additional information should be directed to the Business Administrator, Duchesne School District, 1010 East 200 North, Roosevelt, Utah, 84066 or by visiting dcsd.org.

Basic Financial Statements

DUCHESNE COUNTY SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets:	
Cash and investments	\$ 54,862,036
Restricted cash	-
Receivables:	
Property taxes	31,407,861
Other governments	1,253,224
Local	50,532
Inventories and prepaid expenses	582,315
Net pension asset	-
Capital assets:	
Land and construction in progress	65,418,745
Buildings and other capital assets, net of depreciation	168,935,087
Technology subscriptions, net of amortization	4,717
Total assets	322,514,517
 Deferred Outflows of Resources:	
Deferred outflows of resources relating to pensions	9,614,217
Total assets and deferred outflows	332,128,734
 Liabilities:	
Accounts payable	3,353,099
Accrued interest	338,573
Accrued salaries and benefits	5,446,170
Unearned revenue, State	983,824
Noncurrent liabilities:	
Due within one year	9,253,101
Due after one year	105,255,061
Net pension liability	13,295,145
Technology subscription liability	
Due within one year	4,717
Due after one year	-
Total liabilities	137,929,690
 Deferred Inflows of Resources:	
Property taxes levied for future year	30,338,148
Resources relating to pensions	132,499
Total deferred inflows	30,470,647
 Net Position:	
Net investment in capital assets	120,636,983
Restricted for:	
Programs	2,166,907
School lunch	664,415
Pass-Through Taxes	-
Trust Fund	1,489,461
Student Activities	1,453,081
Capital projects	27,612,637
Debt service	28,736
Unrestricted	9,676,177
Total net position	\$ 163,728,397

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

DUCHESNE COUNTY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2024

Functions	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
			Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instructional services	\$ 47,471,148	\$ 1,760,183	\$ 12,432,719	\$ -	\$ (33,278,246)
Supporting services:					
Students	2,233,681	-	906,675	-	(1,327,006)
Instructional staff	2,791,365	-	759,232	-	(2,032,133)
District administration	530,568	-	-	-	(530,568)
School administration	4,385,443	-	385,722	-	(3,999,721)
Business	2,115,162	-	124,912	-	(1,990,250)
Operation and maintenance of facilities	7,342,376	-	403,388	14,652	(6,924,336)
Transportation	4,136,992	6,339	4,412,845	-	282,192
School lunch services	3,627,350	648,668	2,170,133	-	(808,549)
Interest on long-term liabilities	3,692,870	-	-	-	(3,692,870)
Total school district	\$ 78,326,955	\$ 2,415,190	\$ 21,595,626	\$ 14,652	\$ (54,301,487)
General revenues:					
Property taxes levied for:					
General purposes					16,459,660
Debt service					4,363,076
Capital outlay					11,119,563
Federal and state aid not restricted to specific purposes					33,186,600
Earnings on investments					3,556,795
Miscellaneous					2,466,269
Total general revenues					71,151,963
Change in net position					16,850,476
Net position - beginning					146,877,921
Net position - ending					\$ 163,728,397

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

DUCHESNE COUNTY SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2024

	<u>Major Funds</u>		<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital Projects</u>		
Assets:				
Cash and investments	\$ 20,880,983	\$ 30,894,374	\$ 3,086,679	\$ 54,862,036
Accounts receivable:				
Property tax	15,517,351	10,452,272	5,438,238	31,407,861
Local	50,532	-	-	50,532
State of Utah	388,202	-	76,186	464,388
Federal government	763,644	-	25,192	788,836
Inventories and prepaid expenditures	-	70,602	511,713	582,315
Total assets	<u>\$ 37,600,712</u>	<u>\$ 41,417,248</u>	<u>\$ 9,138,008</u>	<u>\$ 88,155,968</u>
Liabilities:				
Accounts payable	\$ 308,222	\$ 3,038,108	\$ 6,769	\$ 3,353,099
Accrued payroll and benefits	5,366,561	-	79,609	5,446,170
Unearned revenue, State	983,824	-	-	983,824
Total liabilities	<u>6,658,607</u>	<u>3,038,108</u>	<u>86,378</u>	<u>9,783,093</u>
Deferred Inflows of Resources:				
Unavailable property tax revenue	\$ 513,791	\$ 376,086	\$ 114,807	\$ 1,004,684
Property taxes levied for future year	14,970,304	10,051,844	5,316,000	30,338,148
Total deferred inflows of resources	<u>15,484,095</u>	<u>10,427,930</u>	<u>5,430,807</u>	<u>31,342,832</u>
Fund Balances:				
Nonspendable:				
Inventories	-	70,602	511,713	582,315
Restricted:				
Capital projects	-	25,880,608	-	25,880,608
Debt service	-	-	28,736	28,736
Nutrition services	-	-	137,832	137,832
Schools	-	-	101,000	101,000
Extra-curricular	-	-	-	-
Committed:				
Economic stabilization	2,900,000	-	-	2,900,000
Self insurance	375,000	2,000,000	-	2,375,000
Employee benefit obligations	1,540,296	-	-	1,540,296
Assigned:				
Students	-	-	2,841,542	2,841,542
Programs	2,166,907	-	-	2,166,907
Unassigned:	8,475,807	-	-	8,475,807
Total fund balances	<u>15,458,010</u>	<u>27,951,210</u>	<u>3,620,823</u>	<u>47,030,043</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 37,600,712</u>	<u>\$ 41,417,248</u>	<u>\$ 9,138,008</u>	<u>\$ 88,155,968</u>

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

DUCHESNE COUNTY SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

Total net position reported for governmental activities in the statement of net position are different because:

Total fund balance for governmental funds	\$	47,030,043
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$	6,319,301
Construction in progress		59,099,444
Buildings and improvements, net of \$78,008,094 accumulated depreciation		164,416,772
Furniture and equipment, net of \$9,782,741 accumulated depreciation		4,518,315
		234,353,832
The net pension asset is not an available resource and therefore is not reported in the governmental funds.		
		-
Some of the District's property taxes will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.		
		1,004,684
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at year end are:		
Net pension liability		(13,295,145)
Deferred outflows of resources related to pensions		9,614,217
Deferred inflows of resources related to pensions		(132,499)
Debt payable		(110,079,951)
Unamortized bond issuance premiums		(3,636,898)
Accrued interest		(338,573)
Compensated absences payable		(791,313)
		(118,660,162)
Total net assets of governmental activities	\$	163,728,397

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

DUCHESNE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024

	<u>Major Funds</u>		<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
Revenues:				
Property taxes	\$ 16,225,148	\$ 11,119,563	\$ 4,520,136	\$ 31,864,847
Earnings on investments	1,041,218	2,453,820	61,757	3,556,795
School lunch sales	-	-	648,668	648,668
Other local sources	900,484	792,229	2,829,864	4,522,577
State sources	48,496,407	14,652	487,497	48,998,556
Federal sources	4,115,686	-	1,682,636	5,798,322
Total revenues	<u>70,778,943</u>	<u>14,380,264</u>	<u>10,230,558</u>	<u>95,389,765</u>
Expenditures:				
Current:				
Instructional services	40,390,128	-	2,827,193	43,217,321
Supporting services:				
Students	2,280,438	-	-	2,280,438
Instructional staff	2,822,429	-	-	2,822,429
District administration	397,720	-	-	397,720
School administration	4,240,803	-	-	4,240,803
Business	2,130,012	-	-	2,130,012
Operation and maintenance of facilities	6,695,321	124,579	-	6,819,900
Transportation	3,806,883	-	-	3,806,883
School lunch services	-	-	3,539,776	3,539,776
Capital outlay	7,933,406	22,153,889	-	30,087,295
Debt service:				
Principal retirement	-	5,609,507	2,480,000	8,089,507
Interest and fiscal charges	-	2,294,862	1,858,924	4,153,786
Bond issuance and service costs	-	6,751	-	6,751
Total expenditures	<u>70,697,140</u>	<u>30,189,588</u>	<u>10,705,893</u>	<u>111,592,621</u>
Excess (deficiency) of revenues over (under) expenditures	<u>81,803</u>	<u>(15,809,324)</u>	<u>(475,335)</u>	<u>(16,202,856)</u>
Other financing sources (uses):				
Technology subscriptions	-	-	-	-
Bond & Loan Proceeds	-	-	-	-
Bond Refunding	-	-	-	-
Sale of capital assets	-	24,677	-	24,677
Total other financing sources (uses)	<u>-</u>	<u>24,677</u>	<u>-</u>	<u>24,677</u>
Net change in fund balances	81,803	(15,784,647)	(475,335)	(16,178,179)
Fund balances - beginning	<u>15,376,207</u>	<u>43,735,857</u>	<u>4,096,158</u>	<u>63,208,222</u>
Fund balances - ending	<u>\$ 15,458,010</u>	<u>\$ 27,951,210</u>	<u>\$ 3,620,823</u>	<u>\$ 47,030,043</u>

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

DUCHESNE COUNTY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Government Funds to the Statement of Activities
Year Ended June 30, 2024

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

Net change in fund balances-total governmental funds \$ (16,178,179)

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	\$ 30,087,295	
Gain on disposal of capital assets	24,677	
Proceeds from sales of capital assets	(24,677)	
Depreciation expense	<u>(6,642,768)</u>	23,444,524

The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. 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:

General obligation bond proceeds	-	
Bond refunding escrow payment	-	
Repayment of bond principal	8,089,507	
Amortization of bond premium	454,612	
Interest expense - bonds and loans	<u>13,055</u>	8,557,174

Delinquent property taxes are reported as deferred revenue in the governmental funds. However, they are reported as revenues in the statement of activities. 77,452

In the statement of activities, certain operating expenses -- compensated absences (vacation), and special termination benefits (early retirement) -- are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, vacation payable increased by \$62,673 and early retirement payable increased by \$48,817. (111,490)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Pension expense		1,060,992
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Change in net assets of governmental activities \$ 16,850,476

DUCHESNE COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 14,400,000	\$ 16,171,000	\$ 16,225,148	\$ 54,148
Earnings on investments	250,000	600,000	1,041,218	441,218
Other local sources	50,000	550,000	900,484	350,484
State sources	48,115,000	47,303,000	48,496,407	1,193,407
Federal sources	3,980,000	4,071,000	4,115,686	44,686
Total revenues	<u>66,795,000</u>	<u>68,695,000</u>	<u>70,778,943</u>	<u>2,083,943</u>
Expenditures:				
Current:				
Instructional services	39,300,000	42,000,000	40,524,105	1,475,895
Supporting services:				
Students	2,300,000	2,450,000	2,280,438	169,562
Instructional staff	1,930,000	2,500,000	2,822,429	(322,429)
District administration	375,000	460,000	397,720	62,280
School administration	4,086,000	4,194,000	4,240,803	(46,803)
Business	2,000,000	2,102,000	2,139,298	(37,298)
Operation and maintenance of facilities	10,020,000	12,100,000	13,126,319	(1,026,319)
Transportation	4,110,000	5,060,000	5,166,028	(106,028)
Total expenditures	<u>64,121,000</u>	<u>70,866,000</u>	<u>70,697,140</u>	<u>168,860</u>
Excess of revenues over expenditures	<u>2,674,000</u>	<u>(2,171,000)</u>	<u>81,803</u>	<u>2,252,803</u>
Fund balances - beginning	<u>15,376,207</u>	<u>15,376,207</u>	<u>15,376,207</u>	<u>-</u>
Fund balances - ending	<u>\$ 18,050,207</u>	<u>\$ 13,205,207</u>	<u>\$ 15,458,010</u>	<u>\$ 2,252,803</u>

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

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies

The financial statements of Duchesne County School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The following is a summary of the significant accounting policies of the District.

The Reporting Entity – The District was established in 1915 as an independent political entity under the Constitution and laws of the State of Utah and provides elementary and secondary education in Duchesne County, Utah. The Board of Education, comprised of five elected officials, has primary governing authority for the District. Each Board Member is elected from the precinct in which they reside and serves for four years. The Board establishes policies, approves budgets, appoints administrators, and has authority to levy taxes and issue debt instruments. The District is not a component unit of any other government.

These financial statements present the activities of the District and its component units, the *Duchesne County School District Foundation* and the *Municipal Building Authority*, for which the District is considered to be financially accountable. Although a legally separate entity, a blended component unit is, in substance, a part of the District's operations.

Blended Component Units. The Duchesne County School District Foundation, established under Internal Revenue Service regulations as a nonprofit 501(c)(3) organization, raises tax-deductible donations for educational and charitable purposes, and is presented as a special revenue fund of the District. The Municipal Building Authority facilitates the issuance of financing for building projects.

Government-Wide and Fund Financial Statements – The *government-wide financial statements* (i.e. the statement of net position) reports on all of the non-fiduciary activities of the District and its component unit.

The statement of activities compares the expenses of the District, categorized by function or activity, to program revenues by function. Program revenues include fees paid by recipients of goods or services provided by a function, and grants that are restricted to a particular function. Taxes and other revenues not identified with a specific function are presented as general revenues.

Fund financial statements are provided for governmental funds. Each fund has a different purpose and is accounted for separately. The emphasis of the fund statements is on the major governmental funds with each reported in a separate column. Remaining governmental funds are aggregated and reported as non-major funds.

The District reports major governmental funds as follows:

- ❑ The *general fund* is the District's primary operating fund. It accounts for all financial resources not required to be in another fund.
- ❑ The *capital projects fund* accounts for the accumulated resources and payments to acquire building sites, construct and remodel facilities, and procurement of equipment and supplies.

Basis of Accounting – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred regardless of when related cash flows take place. Property taxes are recognized as revenues when levied. Grant revenues are recognized when eligibility requirements are satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when both measurable and available. The District considers revenues to be available if collectable within thirty days after year-end with the exception of property taxes which are accrued when levied. Expenditures are recorded when a liability is incurred except for early retirement, and compensated absences, which are recognized to the extent they have matured. When both restricted and unrestricted resources are available for use, restricted resources are used first. Unrestricted resources are also used: committed first, followed by assigned, and then unassigned.

Budgetary Data - Budgets are prepared on the modified accrual basis of accounting. Annual appropriations lapse at the end of each fiscal year with the exception of restricted programs indicated as an assigned fund balance. The following procedures are used to establish budgets:

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2024

- ❑ A proposed budget for the fiscal year commencing July 1 is submitted to the Board of Education during a public hearing in June.
- ❑ The budget is legally adopted by the Board prior to June 30.
- ❑ A final budget, including any interim adjustments approved by the Board, is adopted the following June just prior to year-end.
- ❑ Expenditures may not legally exceed budgeted appropriations at the fund level.

Inter-fund Balances – Most internal fund activity has been eliminated from the government-wide statement of activities. There were no inter-fund payables or receivables to be eliminated from the financial statements.

Inventories and Prepaid Expenses – Inventories are valued using a weighted moving average cost, or fair value if donated. An equal reservation of fund balance as nonspendable is reported to indicate they are not “expendable resources.”

Capital Assets – Assets are capitalized and depreciated using the straight-line method according to the schedule blow. Assets are reported at cost or estimated historical cost in the government-wide financial statements. Land and construction in progress are not depreciated.

<u>Asset Class</u>	<u>Useful Life (Years)</u>	<u>Capitalization Threshold</u>
Land	N/A	\$ 5,000
Buildings	45	100,000
Remodeling, Improvements, Systems	20	100,000
Athletic, Instructional, & Musical Equipment	10	5,000
Kitchen Custodial & Grounds Equipment	15	5,000
Computers, Copiers	5	5,000
Furniture	20	5,000
Vehicles (Cars, Trucks, Buses)	10	5,000

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

These items are reported in the government-wide statement of net position. Accordingly, the item, *deferred outflows of resources related to pensions*, is reported and includes a) changes of assumptions in the measurement of the net pension liability (asset), b) net difference between projected and actual earnings on pension plan investments, c) changes in proportion and differences between contributions and proportionate share of contributions, and d) District contributions subsequent to the measurement date.

Deferred inflows of resources related to pensions is reported on the statement of net position and includes a) differences between expected and actual experience, b) changes of assumptions in the measurement of the net pension liability (asset), and c) net difference between projected and actual earnings on pension plan investments, and d) changes in proportion and differences between District contributions and proportionate share of contributions.

Under the modified accrual basis of accounting the item, *unavailable property tax revenue*, is reported in the governmental funds balance sheet and consists of uncollected, delinquent property taxes. The item, *property taxes levied for future year*, is reported in both the statement of net position and the governmental funds balance sheet and accounts for a property tax lien that is effective in January but the taxes levied will be collected for the following school year.

Net Position/Fund Balances—The residual of all other elements presented in a statement of net position is *net position* and the residual of all other elements presented in a balance sheet on the governmental fund financial statements is *fund balance*. Net position is divided into three components: net investment in capital assets (capital assets net of related debt less unspent bond proceeds), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon it by external parties or are imposed by constitutional provisions or enabling legislation.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2024

Fund Balance Classification – 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 classifications are as follows:

- ❑ *Nonspendable* are in the form of inventories instead of cash.
- ❑ *Restricted* have external constraints imposed by creditors, grantors, laws, or other government entities.
- ❑ *Committed* can only be used for purposes established by the Board of Education or contractual obligations.
 - The District has committed an “undistributed reserve” for economic stabilization to cover potential budget cuts or other significant events and to maintain liquidity as per Utah Code 53A-19-103. The commitment can only be used by resolution of the Board of Education and cannot be used in the settlement of contract salaries.
 - The self-insurance balance in the capital fund has been committed to repair any major building failures.
 - Employee benefit obligations include commitments for accrued vacation and early retirement incentives.
- ❑ *Assigned* amounts include remaining balances of other governmental funds and programs.
- ❑ Residual balances become *unassigned*.

Fund balance flow assumptions – Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

2. Deposits and Investments

Resources from all funds are pooled for deposit and investment purposes. A separate accounting is maintained for each fund. Deposits and investments are stated at fair value, and are managed according to the Utah Money Management Act.

Deposits and investments at year-end appear in the financial statements as summarized below:

Cash	\$ 2,523,001
Unexpended cash from bond proceeds	-
Investments	<u>52,339,035</u>
Total cash and investments	<u><u>\$ 54,862,036</u></u>
Cash and investments - governmental funds, balance sheet	<u>\$ 54,862,036</u>
Total cash and investments	<u><u>\$ 54,862,036</u></u>

The District complies with the State Money Management Act (Utah Code Title 51, Chapter 7) (the Act) and related Rules of the Money Management Council (the Council) in handling our depository and investing transactions. Our funds are deposited in qualified depositories as defined by the Act. The Act also authorizes us to invest in the Utah Public Treasurers' Investment Fund (PTIF), certificates of deposit, US Treasury obligations, US agency issues, first-tier commercial paper, banker's acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the State of Utah.

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

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2024

Deposits

The carrying amount of bank deposits at year-end was \$2,523,001 and the bank balance was \$4,727,984 of which \$508,651 was covered by federal depository insurance, \$0 was collateralized, and \$4,219,333 was exposed to custodial credit risk as uninsured and uncollateralized.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government’s deposits may not be returned to it. We do not have a formal deposit policy for custodial credit risk. The uninsured amount of our bank deposits was uncollateralized nor is it required by state law.

Investments

The Money Management Act defines the types of securities and the conditions for making investments. Only qualified depositories and certified dealers may conduct transactions.

Investments are primarily through the Utah Public Treasurers’ Investment Fund (PTIF). The PTIF is an external local government investment pool managed by the Utah State Treasurer. The PTIF is authorized and makes investments in accordance with the Act. The Council provides regulatory oversight for the PTIF. Participant accounts with the PTIF are not insured or otherwise guaranteed by the state. Participants in the PTIF share proportionally in the income, costs, gains, and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio, which consists of debt securities held by the state or in the state’s name by the state’s custodial banks, including investment-grade corporate bonds and notes, 94.0%; money market mutual funds, 1%; and first-tier commercial paper, 5.3%. The portfolio has a weighted average maturity of 83 days. The majority of the PTIF’s corporate bonds and notes are variable-rate securities, which reset every three months to the prevailing market interest rates. The PTIF is not rated. The PTIF has no debt securities with more than 5% of its total investments in a single issuer. The reported value of the pool is the same as the fair value of the pool shares.

As of June 30 the District had the following investments maturities and corresponding quality ratings:

As of June 30, 2024 the District had the following investments maturities and corresponding quality ratings:

Investment Type	Quality Rating	Fair Value	Investment Maturities (in years)			
			Less than 1	1-5	6-10	More than 10
State of Utah						
Public Treasurer's Investment Fund (PTIF)	Unrated	\$ 52,339,035	\$ 52,339,035	-	-	-
		-	-	-	-	-
		-	-	-	-	-
Total Investments		\$ 52,339,035	\$ 52,339,035	\$ -	\$ -	\$ -

Interest rate risk – The risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Money Management Act requires the remaining term to maturity of an investment may not exceed the availability of the funds to be invested.

Credit risk – The risk that an issuer will not fulfill its obligations. The Act limits investments in commercial paper to a first-tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody’s Investors Service or by Standard & Poor’s.

Custodial credit risk – In the event of the failure of a counter party, this is the risk that the District would not be able to recover the value of an investment or collateral securities in the possession of an outside party. Our policy for managing this risk is to comply with the Act and related rules.

Concentration of credit risk – The risk of loss due to the magnitude of investments in a single issuer. The Act does not place any investment limitations on securities issued by the U.S. government and its agencies.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2024

3. Fair Value Measurements

In 2016, the District adopted Government Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*.

The new standard provides guidance for determining a fair value measurement for financial reporting purposes. The standard also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The District's financial statements are not affected by this new standard.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of the end of the fiscal year:

- Public Treasurers' Investment Fund of \$52,339,035 held in the PTIF are valued at the District's position in the PTIF multiplied by the published fair value factor (Level 2 inputs).

4. Property Taxes

The Duchesne County Treasurer collects property taxes for the District according to Utah statutes. A tax lien attaches to property as of January 1. Taxes are levied on September 1 and are payable on November 30. Motor vehicles are subject to an "age-based" fee due each year at registration, which is recognized as property tax revenue by the District when collected.

At year-end the District reported deferred inflows of resources for property taxes in the fund financial statements of \$30,470,647. A major portion of this accrual, \$30,338,148, represents taxes levied on January 1 that are not due and collectable until November, does not meet the revenue recognition criteria, and is also reported as deferred inflows of resources in the District-wide financial statements in the current reporting period. The remainder represents delinquent taxes that are reported as revenue.

5. Technology Subscriptions / Subscription Based Information Technology Arrangements (SBITA)

Short-term SBITAs for educational technology lasting twelve months or less are expensed when incurred. The District may enter into long-term SBITAs of up to six years. The subscription assets net of related amortization is \$4,717 with \$4,717 due in fiscal year 2025.

5. Capital Assets

Construction is under way to replace the older portion of Duchesne High School with \$57,325,719 expended. The project will be financed with Capital Fund revenues, a loan from the State, and lease revenue bonds. Construction began at Altamont High School to replace the shops with \$881,225 expended, and was financed with capital fund local revenues. The District also purchased additional property next to Duchesne High including a bowling alley to renovate for educational classrooms.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2024

Capital asset activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 5,493,806	\$ 825,495	\$ -	\$ 6,319,301
Construction in progress	31,553,180	27,546,264	-	59,099,444
Total capital assets, not being depreciated	37,046,986	28,371,759	-	65,418,745
Capital assets, being depreciated:				
Buildings and improvements	242,424,866	-	-	242,424,866
Furniture and equipment	12,888,689	1,715,536	(303,169)	14,301,056
Total capital assets, being depreciated	255,313,555	1,715,536	(303,169)	256,725,922
Accumulated depreciation for:				
Buildings and improvements	(72,114,819)	(5,893,275)	-	(78,008,094)
Furniture and equipment	(9,336,417)	(749,493)	303,169	(9,782,741)
Total accumulated depreciation	(81,451,236)	(6,642,768)	303,169	(87,790,835)
Total capital assets, being depreciated, net	173,862,319	(4,927,232)	-	168,935,087
Governmental activities capital assets, net	<u>\$ 210,909,305</u>	<u>\$ 23,444,527</u>	<u>\$ -</u>	<u>\$ 234,353,832</u>

Depreciation expense for the year ended June 30, 2024 was allocated to functions of the District as follows:

Governmental activities:	
Instructional services	\$ 4,946,510
Supporting services:	
District administration	137,784
School administration	212,359
Business	18,640
Operation and maintenance of facilities	553,085
Transportation	382,160
School lunch services	392,230
Total depreciation expense, governmental activities	<u>\$ 6,642,768</u>

The District is obligated at June 30, 2024 under construction commitments for remodeling of Duchesne High School with \$65,267,812 authorized for the project, \$57,325,719 costs to date, and \$7,942,093 still to complete.

The District is obligated at June 30, 2024 under construction commitments for remodeling of Altamont High School with \$6,531,968 authorized for the project, \$881,225 costs to date, and \$5,630,743 still to complete.

Funding necessary to fulfill these commitments is on hand in the capital projects fund balance.

6. Retirement Plans

General Information About the Pension Plan

Plan Description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems (URS) are comprised of the following Pension Trust Funds:

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2024

Defined Benefit Plans

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

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

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

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

Summary of Retirement 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	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	Highest 5 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2% per year July 1975 to present	Up to 4%
Tier 2	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. 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.

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 Utah State Retirement 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

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2024

employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

	<u>Employee Paid</u>	<u>Paid by employer for employee</u>	<u>Employer Contribution Rate</u>	<u>Employer rate for 401(k) plan</u>
Contributory System				
12 State / School - Tier 1	1.00	5.00	17.70	n/a
112 State / School – Tier 2			19.84	0.18
Noncontributory System				
16 State / School – 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.

	<u>Employer</u>	<u>Employee</u>
Employer and employee contributions for the fiscal year were:		
Noncontributory System	\$ 3,247,418	-
Contributory System	14,556	4,934
Tier 2 Public Employees System	3,008,446	-
Tier 2 DC Only System	193,063	-
Total Contributions	<u>\$ 6,463,483</u>	<u>\$ 4,934</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.

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

At June 30 we reported the following net pension asset and net pension liability:

	<u>Measurement Date: December 31, 2023</u>				
	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Proportionate Share</u>	<u>Proportionate Share December 31, 2022</u>	<u>Change (Decrease)</u>
Noncontributory System	\$ -	\$ 12,122,032	0.5916112%	0.5817319%	0.0098793%
Contributory System	-	141,690	1.5257394%	1.1476706%	0.3780688%
Tier 2 Public Employees System	-	1,031,423	0.5299184%	0.5063518%	0.0235666%
Total	<u>\$ -</u>	<u>\$ 13,295,145</u>			

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 System during the plan year. For the fiscal year we recognized pension expense of \$5,396,292.

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

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,690,211	\$ 16,891
Changes in assumptions	1,752,574	815
Net difference between projected and actual earnings on pension plan investments	1,728,037	-
Changes in proportion and differences between contributions and proportionate share of contributions	218,850	114,792
Contributions subsequent to the measurement date	3,224,547	-
Total	<u>\$ 9,614,219</u>	<u>\$ 132,498</u>

\$3,224,547 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our 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 Ending December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2024	\$ 1,232,640
2025	1,636,258
2026	3,425,665
2027	(617,430)
2028	105,539
Thereafter	474,502

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, we recognized pension expense of \$4,083,153. At June 30 we reported deferred outflows and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,359,853	\$ -
Changes in assumptions	1,162,192	-
Net difference between projected and actual earnings on pension plan investments	1,541,084	-
Changes in proportion and differences between District contributions and proportionate share of contributions	79,463	89,215
Contributions subsequent to the measurement date	1,615,109	-
Total	<u>\$ 6,757,701</u>	<u>\$ 89,215</u>

\$ 1,615,109 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our 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 and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

DUCHESNE COUNTY SCHOOL DISTRICT
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June 30, 2024

<u>Year Ended</u> <u>December 31,</u>	<u>Net Deferred Outflows</u> <u>(Inflows) of Resources</u>
2024	\$ 1,237,491
2025	1,491,286
2026	2,976,815
2027	(652,215)
2028	-
Thereafter	-

Contributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, we recognized pension expense of (\$ 34,730). At June 30 we reported deferred outflows and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	70,481	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	7,312	-
Total	<u>\$ 77,793</u>	<u>\$ -</u>

\$ 7,312 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our 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</u> <u>December 31,</u>	<u>Net Deferred Outflows</u> <u>(Inflows) of Resources</u>
2024	\$ (102,920)
2025	5,822
2026	210,605
2027	(43,026)
2028	-
Thereafter	-

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024 we recognized pension expense of \$1,347,869. At June 30 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 330,358	\$ 16,891
Changes in assumptions	590,382	815
Net difference between projected and actual earnings on pension plan investments	116,471	-
Changes in proportion and differences between District contributions and proportionate share of contributions	139,387	25,577
Contributions subsequent to the measurement date	1,602,126	-
Total	\$ 2,778,724	\$ 43,283

\$1,602,126 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our 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:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 98,069
2025	139,150
2026	238,245
2027	77,811
2028	105,539
Thereafter	474,502

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 percent; Salary increases 3.5 – 9.5 percent, average, including inflation; Investment rate of return 6.85 percent, 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 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 an actuarial experience study for the period ending December 31, 2022.

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 is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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June 30, 2024

Asset Class	Expected Return Arithmetic Basis		
	Target Allocation	Real Return Arithmetic Basis	Long-Term Expected 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%
Total	100%		5.44%
Inflation			2.50%
Expected arithmetic nominal return			7.94%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, and a real return of 4.35% 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.

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 (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 32,128,289	\$ 12,122,032	\$ (4,647,859)
Contributory System	968,262	141,690	(573,200)
Tier 2 Public Employees System	3,543,822	1,031,423	(916,942)
Total	\$ 36,640,373	\$ 13,295,145	\$ (6,138,001)

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

Defined Contribution Savings Plans

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

Fiscal Year	401(k)		457	IRA & Roth
	District Contributions	Employee Contributions	Employee Contributions	Employee Contributions
2024	\$ 451,846	\$ 543,779	\$ 6,149	\$ 99,036
2023	399,925	449,700	5,435	93,078
2022	413,348	437,009	2,666	84,814

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OPEB & Termination Benefits – The Governmental Accounting Standards Board (GASB) Statement No. 45 requires the entire liability for Other Post-Employment Benefits (post-retirement health care benefits) to be accrued. The District does not offer any OPEB plans and has no liability under GASB Statement No. 45.

The District does offer voluntary termination benefits which are governed by GASB Statement No. 47 and are recognized to the extent they become payable in the current year. The District offers an early retirement incentive, for up to four years or until Medicare eligibility, to employees with at least ten years of employment. The incentive is half the savings of hiring a replacement employee and allows retirees to purchase health care coverage prior to becoming eligible for Medicare at 132% of the employee rate. The discounted present value method was used to value the expected future benefit payments with a 5% discount rate and 7% health care inflation trend.

Outstanding termination benefits payable as of June 30, 2024	Total		
	2024	2023	Change
Early retirement incentive	\$ 333,130	\$ 276,902	\$ 56,228
Retiree health plan	7,188	14,599	(7,411)
Total early retirement benefits payable	\$ 340,318	\$ 291,501	\$ 48,817

7. Risk Management

The District carries insurance coverage for general, automotive, personal injury, errors and omissions, and malpractice liability up to \$10 million per occurrence through policies issued by Utah State Risk Management Fund, a public entity risk pool. The District also insures its buildings and vehicles through the same entity. Unemployment compensation is handled on a cost of benefits reimbursement basis with the State of Utah. Worker’s compensation insurance is pooled with other districts in the state through the Utah School Boards Risk Management Mutual Insurance Association.

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2024

8. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 51,509,000	\$ -	\$ (3,830,000)	\$ 47,679,000	\$ 3,949,000
Lease revenue bonds	56,622,025	-	(2,260,025)	54,362,000	2,264,000
Loans	10,038,433	-	(1,999,482)	8,038,951	1,987,684
Unamortized bond premiums	4,091,510	-	(454,612)	3,636,898	454,612
Total debt payable	122,260,968	-	(8,544,119)	113,716,849	8,655,296
Other Liabilities					
Net pension liability	13,262,542	65,206	(32,603)	13,295,145	-
Accrued vacation payable	388,322	441,287	(378,614)	450,995	439,720
Early retirement benefits payable	291,501	188,152	(139,335)	340,318	158,085
Total other liabilities	13,942,365	694,645	(550,552)	14,086,458	597,805
Total long-term liabilities	\$ 136,203,333	\$ 694,645	\$ (9,094,671)	\$ 127,803,307	\$ 9,253,101

Payments on the general obligation bonds and leases are made by the debt service and capital outlay funds from property taxes. Accrued vacation and early retirement will be paid by the fund in which the employee worked.

Debt reserve and sinking fund requirements are located in the footnotes of the supplemental information *Continuing Disclosure Undertaking*.

The District's lease revenue bonds are direct borrowings and placements related to governmental activities and contain a provision that in the event of default, outstanding amounts become immediately due if the District is unable to make payment. The lease revenue bonds are secured by school buildings as follows: Series 2022 - Duchesne High; Series 2019 - Union High; Series 2017 - Tabiona Community Center; Series 2011A - Altamont High School; Series 2005 - Jr. High School Auditorium. The outstanding loans are unsecured.

General Obligation Debt

Annual amortization of general obligation debt, including interest, as of June 30, 2024 is as follows:

Issue Date Year Ending June 30,	Lease Revenue Building Bonds		Lease Revenue Building Bonds		Qualified School Construction Bonds (QSCB)		Lease Revenue Building Loan		General Obligation Building Bonds	
	2019	2005	2011	2023	2022	2019	2005	2011	2023	2022
Original Amount	\$22,683,000	\$3,000,000	\$9,000,000	\$10,000,000	\$15,803,000					
Interest Rate	2.74%	0.00%	0.44%	1.00%	1.92%					
Maturity Date	6/1/2035	6/15/2026	3/1/2026	1/1/2028	6/1/2029					
Year Ending June 30,	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal
2025	\$ 1,054,000	\$ 150,000	\$ 643,000	\$ 1,980,002	\$ 80,396	\$ 1,980,002	\$ 2,524,000	\$ 238,038		
2026	1,074,000	150,000	643,000	1,999,802	60,596	1,999,802	2,568,000	192,101		
2027	459,000	-	-	2,019,800	40,598	2,019,800	2,615,000	145,363		
2028	466,000	-	-	2,031,665	20,400	2,031,665	2,662,000	97,770		
2029	476,000	-	-	-	-	-	2,710,000	49,322		
2030-2034	7,554,000	-	-	-	-	-	-	-		
2035	3,904,000	-	-	-	-	-	-	-		
Total	\$ 14,987,000	\$ 300,000	\$ 1,286,000	\$ 8,031,269	\$ 201,990	\$ 8,031,269	\$ 13,079,000	\$ 722,594		
Issue Date Year Ending June 30,	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal
2025	\$ 295,000	\$ 1,425,000	\$ 122,000	\$ 7,682	\$ 8,200,684	\$ 7,682	\$ 3,997,925	\$ 12,198,609		
2026	310,000	1,500,000	125,000	-	8,369,802	-	3,824,514	12,194,316		
2027	325,000	3,000,000	128,000	-	8,546,800	-	3,643,618	12,190,418		
2028	345,000	3,150,000	131,000	-	8,783,665	-	3,398,115	12,183,780		
2029	360,000	3,300,000	134,000	-	6,980,000	-	3,141,922	10,121,922		
2030-2034	2,100,000	22,225,000	724,000	-	32,603,000	-	11,492,053	44,095,053		
2035-2039	22,015,000	-	480,000	-	26,399,000	-	6,165,860	32,564,860		
2040-2041	10,195,000	-	-	-	10,195,000	-	645,113	10,840,113		
Total	\$ 35,945,000	\$ 34,600,000	\$ 1,844,000	\$ 7,682	\$ 110,079,951	\$ 7,682	\$ 36,309,119	\$ 146,389,070		
Issue Date Year Ending June 30,	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest
2025	\$ 1,705,606	\$ 1,507,750	\$ 50,325	\$ 7,682	\$ 8,200,684	\$ 7,682	\$ 3,997,925	\$ 12,198,609		
2026	1,690,856	1,436,500	47,275	-	8,369,802	-	3,824,514	12,194,316		
2027	1,675,356	1,361,500	44,150	-	8,546,800	-	3,643,618	12,190,418		
2028	1,659,106	1,211,500	40,950	-	8,783,665	-	3,398,115	12,183,780		
2029	1,641,856	1,054,000	37,675	-	6,980,000	-	3,141,922	10,121,922		
2030-2034	7,919,281	1,801,000	136,300	-	32,603,000	-	11,492,053	44,095,053		
2035-2039	5,998,981	-	36,875	-	26,399,000	-	6,165,860	32,564,860		
2040-2041	645,113	-	-	-	10,195,000	-	645,113	10,840,113		
Total	\$ 22,936,156	\$ 8,372,250	\$ 393,550	\$ 7,682	\$ 110,079,951	\$ 7,682	\$ 36,309,119	\$ 146,389,070		
Issue Date Year Ending June 30,	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest
2025	\$ 36,730,000	\$ 39,000,000	\$ 2,684,000	\$ 369,011	\$ 8,200,684	\$ 369,011	\$ 3,997,925	\$ 12,198,609		
2026	4.36%	2.99%	2.50%	0.00%	8,369,802	0.00%	3,824,514	12,194,316		
2027	6/1/2041	6/1/2032	3/1/2038	1/1/2025	8,546,800	1/1/2025	3,643,618	12,190,418		
Total										

DUCHESNE COUNTY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	<u>Special Revenue</u>					<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>School Lunch</u>	<u>Pass-Through Taxes</u>	<u>Trust Fund</u>	<u>Student Activities</u>	<u>Total</u>		
Assets:							
Cash and investments	\$ 122,832	\$ -	\$ 1,489,461	\$ 1,453,081	\$ 3,065,374	\$ 21,305	\$ 3,086,679
Accounts receivable:							
Local	-	-	-	-	-		-
Property tax	-	-	-	-	-	5,438,238	5,438,238
State of Utah	76,186	-	-	-	76,186	-	76,186
Federal government	25,192	-	-	-	25,192	-	25,192
Inventories	511,713	-	-	-	511,713	-	511,713
Total assets	<u>\$ 735,923</u>	<u>\$ -</u>	<u>\$ 1,489,461</u>	<u>\$ 1,453,081</u>	<u>\$ 3,678,465</u>	<u>\$ 5,459,543</u>	<u>\$ 9,138,008</u>
Liabilities:							
Accounts payable	\$ 6,769	\$ -	\$ -	\$ -	\$ 6,769	\$ -	\$ 6,769
Accrued payroll and benefits	79,609	-	-	-	79,609	-	79,609
Due to general fund	-	-	-	-	-	-	-
Deferred property tax revenue	-	-	-	-	-	-	-
Total liabilities	<u>86,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,378</u>	<u>-</u>	<u>86,378</u>
Deferred Inflows of Resources:							
Unavailable property tax revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,807	\$ 114,807
Property taxes levied for future year	-	-	-	-	-	5,316,000	5,316,000
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,430,807</u>	<u>5,430,807</u>
Fund balances:							
Nonspendable:							
Inventories	511,713	-	-	-	511,713	-	511,713
Restricted:							
Debt service	-	-	-	-	-	28,736	28,736
Schools	-	-	101,000	-	101,000	-	101,000
Nutrition services	137,832	-	-	-	137,832	-	137,832
Extra-curricular	-	-	-	-	-	-	-
Assigned:							
Students	-	-	1,388,461	1,453,081	2,841,542	-	2,841,542
Total fund balances	<u>649,545</u>	<u>-</u>	<u>1,489,461</u>	<u>1,453,081</u>	<u>3,592,087</u>	<u>28,736</u>	<u>3,620,823</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 735,923</u>	<u>\$ -</u>	<u>\$ 1,489,461</u>	<u>\$ 1,453,081</u>	<u>\$ 3,678,465</u>	<u>\$ 5,459,543</u>	<u>\$ 9,138,008</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2024

8. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 51,509,000	\$ -	\$ (3,830,000)	\$ 47,679,000	\$ 3,949,000
Lease revenue bonds	56,622,025	-	(2,260,025)	54,362,000	2,264,000
Loans	10,038,433	-	(1,999,482)	8,038,951	1,987,684
Unamortized bond premiums	4,091,510	-	(454,612)	3,636,898	454,612
Total debt payable	122,260,968	-	(8,544,119)	113,716,849	8,655,296
Other Liabilities					
Net pension liability	13,262,542	65,206	(32,603)	13,295,145	-
Accrued vacation payable	388,322	441,287	(378,614)	450,995	439,720
Early retirement benefits payable	291,501	188,152	(139,335)	340,318	158,085
Total other liabilities	13,942,365	694,645	(550,552)	14,086,458	597,805
Total long-term liabilities	\$ 136,203,333	\$ 694,645	\$ (9,094,671)	\$ 127,803,307	\$ 9,253,101

Payments on the general obligation bonds and leases are made by the debt service and capital outlay funds from property taxes. Accrued vacation and early retirement will be paid by the fund in which the employee worked.

Debt reserve and sinking fund requirements are located in the footnotes of the supplemental information *Continuing Disclosure Undertaking*.

The District's lease revenue bonds are direct borrowings and placements related to governmental activities and contain a provision that in the event of default, outstanding amounts become immediately due if the District is unable to make payment. The lease revenue bonds are secured by school buildings as follows: Series 2022 - Duchesne High; Series 2019 - Union High; Series 2017 - Tabiona Community Center; Series 2011A - Altamont High School; Series 2005 - Jr. High School Auditorium. The outstanding loans are unsecured.

DUCHESNE COUNTY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	<u>Special Revenue</u>					<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>School Lunch</u>	<u>Pass-Through Taxes</u>	<u>Trust Fund</u>	<u>Student Activities</u>	<u>Total</u>		
Revenues:							
Property tax	\$ -	\$ 157,060	\$ -	\$ -	\$ 157,060	\$ 4,363,076	\$ 4,520,136
Student fees	-	-	-	1,690,073	1,690,073	-	1,690,073
Lunch sales	648,668	-	-	-	648,668	-	648,668
Earnings on investments	-	-	53,769	7,988	61,757	-	61,757
Other local revenues	-	-	148,272	991,519	1,139,791	-	1,139,791
State aid	487,497	-	-	-	487,497	-	487,497
Federal aid	1,682,636	-	-	-	1,682,636	-	1,682,636
Total revenues	<u>2,818,801</u>	<u>157,060</u>	<u>202,041</u>	<u>2,689,580</u>	<u>5,867,482</u>	<u>4,363,076</u>	<u>10,230,558</u>
Expenditures:							
Current:							
Instructional services	-	157,060	58,133	2,612,000	2,827,193	-	2,827,193
School lunch services	3,539,776	-	-	-	3,539,776	-	3,539,776
Debt service:							
Principal retirement	-	-	-	-	-	2,480,000	2,480,000
Interest and fiscal charges	-	-	-	-	-	1,858,924	1,858,924
Total expenditures	<u>3,539,776</u>	<u>157,060</u>	<u>58,133</u>	<u>2,612,000</u>	<u>6,366,969</u>	<u>4,338,924</u>	<u>10,705,893</u>
Excess of revenues over expenditures	(720,975)	-	143,908	77,580	(499,487)	24,152	(475,335)
Other financing sources:							
Transfer in (out)	-	-	-	-	-	-	-
Net change in fund balances	(720,975)	-	143,908	77,580	(499,487)	24,152	(475,335)
Fund balances - beginning	<u>1,370,520</u>	<u>-</u>	<u>1,345,553</u>	<u>1,375,501</u>	<u>4,091,574</u>	<u>4,584</u>	<u>4,096,158</u>
Fund balances - ending	<u>\$ 649,545</u>	<u>\$ -</u>	<u>\$ 1,489,461</u>	<u>\$ 1,453,081</u>	<u>\$ 3,592,087</u>	<u>\$ 28,736</u>	<u>\$ 3,620,823</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
School Lunch
Nonmajor Special Revenue Fund
Year Ended June 30, 2024
With Comparative Totals for 2023

	<u>2024</u>	<u>2023</u>
	<u>Actual Amounts</u>	<u>Actual Amounts</u>
Revenues:		
Local sources:		
Lunch sales - students	\$ 570,080	\$ 546,047
Lunch Sales - adult	38,552	36,155
Earnings on investments	-	-
Other sales	<u>40,036</u>	<u>16,448</u>
Total local sources	<u>648,668</u>	<u>598,650</u>
State sources:		
State lunch program	<u>487,497</u>	<u>500,340</u>
Total state sources	<u>487,497</u>	<u>500,340</u>
Federal sources:		
Child nutrition program	1,495,839	1,557,111
Donated commodities	<u>186,797</u>	<u>170,195</u>
Total federal sources	<u>1,682,636</u>	<u>1,727,306</u>
Total revenues	<u>2,818,801</u>	<u>2,826,296</u>
Expenditures:		
Current:		
Salaries	959,107	955,602
Employee benefits	278,339	291,360
Purchased services	44,442	8,632
Food	1,308,464	1,206,789
Other supplies	328,330	170,201
Equipment	331,308	45,368
Indirect cost allocation	<u>289,786</u>	<u>256,071</u>
Total expenditures	<u>3,539,776</u>	<u>2,934,023</u>
Excess (deficiency) of revenues over expenditures	<u>(720,975)</u>	<u>(107,727)</u>
Other financing sources (uses):		
Transfer in (out)	<u>-</u>	<u>-</u>
Net change in fund balances	(720,975)	(107,727)
Fund balances - beginning	<u>1,370,520</u>	<u>1,478,247</u>
Fund balances - ending	<u>\$ 649,545</u>	<u>\$ 1,370,520</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
Pass-Through Taxes
Nonmajor Special Revenue Fund
Year Ended June 30, 2024
With Comparative Totals for 2023

	2024	2023
	Actual Amounts	Actual Amounts
Revenues:		
Local sources:		
Property taxes	\$ 157,060	\$ 150,518
Expenditures:		
Contributions to other governments:		
Statewide charter school program	157,060	150,518
Redevelopment agencies	-	-
Total contributions to other governments	157,060	150,518
Excess (deficiency) of revenues over expenditures	-	-
Fund balances - beginning	-	-
Fund balances - ending	\$ -	\$ -

DUCHESNE COUNTY SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Trust Fund
Nonmajor Special Revenue Fund
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues:		
Local sources:		
Contributions	\$ 148,272	\$ 128,456
Earnings on investments	53,769	67,327
Total revenues	<u>202,041</u>	<u>195,783</u>
Expenditures:		
Current:		
Program services - Instruction Support	22,633	49,194
Program services - graduating student scholarships	35,500	43,254
Total expenditures	<u>58,133</u>	<u>92,448</u>
Net change in fund balances	143,908	103,335
Fund balances - beginning	<u>1,345,553</u>	<u>1,242,218</u>
Fund balances - ending	<u><u>\$ 1,489,461</u></u>	<u><u>\$ 1,345,553</u></u>

DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
Student Activities
Nonmajor Special Revenue Fund
Year Ended June 30, 2024
With Comparative Totals for 2023

	<u>2024</u>	<u>2023</u>
	<u>Actual Amounts</u>	<u>Actual Amounts</u>
Revenues:		
Local sources:		
Fees	\$ 1,663,828	\$ 1,368,742
Earnings on investments	7,988	6,095
School vending	222,666	206,847
Rentals	26,245	18,038
Other local sources	768,853	771,467
Total revenues	<u>2,689,580</u>	<u>2,371,189</u>
Expenditures:		
Current:		
Purchased professional services	46,709	74,714
Other purchased services	193,547	233,240
Supplies	2,292,397	1,922,682
Equipment	-	-
Other objects and fees	79,347	151,271
Total expenditures	<u>2,612,000</u>	<u>2,381,907</u>
Excess (deficiency) of revenues over expenditures	<u>77,580</u>	<u>(10,718)</u>
Fund balances - beginning	<u>1,375,501</u>	<u>1,386,219</u>
Fund balances - ending	<u>\$ 1,453,081</u>	<u>\$ 1,375,501</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Fund
Year Ended June 30, 2024
With Comparative Totals for 2023

	2024	2023
	Actual Amounts	Actual Amounts
Revenues:		
Property tax	\$ 4,363,076	\$ 3,910,866
Earnings on Investments	-	-
Total revenues	4,363,076	3,910,866
Expenditures:		
Debt service:		
Bond principal	2,480,000	3,470,000
Bond interest	1,858,424	459,000
Fees	500	500
Total expenditures	4,338,924	3,929,500
Net change in fund balances	24,152	(18,634)
Fund balance - beginning	4,584	23,218
Fund balance - ending	\$ 28,736	\$ 4,584

DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Major Capital Projects Fund
Year Ended June 30, 2024
With Comparative Totals for 2023

	<u>2024</u>	<u>2023</u>
	<u>Actual</u>	<u>Actual</u>
	<u>Amounts</u>	<u>Amounts</u>
Revenues:		
Property taxes	\$ 11,119,563	\$ 10,096,510
Earnings on investments	2,453,820	2,024,598
Other local	792,229	699,060
State sources - capital outlay foundation	14,652	-
Federal sources	-	-
Total revenues	<u>14,380,264</u>	<u>12,820,168</u>
Expenditures:		
Capital outlay:		
Salaries	-	-
Employee benefits	-	-
Purchased services	-	-
Supplies and materials	124,579	147,853
Land and improvements	-	-
Buildings	<u>22,153,889</u>	<u>26,755,666</u>
Total capital outlay	<u>22,278,468</u>	<u>26,903,519</u>
Debt Service:		
Principal	5,609,507	4,028,776
Interest	2,294,862	3,522,792
Bond issuance and service costs	<u>6,751</u>	<u>445,413</u>
Total debt service	<u>7,911,120</u>	<u>7,996,981</u>
Total expenditures	<u>30,189,588</u>	<u>34,900,500</u>
Excess (deficiency) of revenues over expenditures	(15,809,324)	(22,080,332)
Other Financing Sources (Uses):		
Bond proceeds	-	36,730,000
Premium on the issuance of bonds	-	1,581,977
Proceeds of refunding bonds	-	-
Retirement of refunded bonds	-	-
Loan Proceeds	-	10,000,000
Sale of capital assets	<u>24,677</u>	<u>147</u>
Total other financing sources (uses)	<u>24,677</u>	<u>48,312,124</u>
Net change in fund balances	(15,784,647)	26,231,792
Fund balance - beginning	<u>43,735,857</u>	<u>17,504,065</u>
Fund balance - ending	<u>\$ 27,951,210</u>	<u>\$ 43,735,857</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Required Supplementary Information
 June 30, 2024

Schedules of the District's Proportionate Share of the Net Pension Liability (Asset)

Utah Retirement Systems
 Last Ten Plan (Calendar) Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Noncontributory Retirement System:										
District's proportion of the net pension liability (asset)	0.5916112%	0.5817319%	0.6040703%	0.6013232%	0.5887845%	0.5362673%	0.5345900%	0.5391934%	0.5406280%	0.5319443%
District's proportionate share of the net pension liability (asset)	\$ 12,122,032	\$ 12,561,192	\$ (4,127,276)	\$ 8,016,371	\$ 13,081,036	\$ 19,951,917	\$ 13,072,662	\$ 17,474,810	\$ 16,982,674	\$ 13,365,253
District's covered-employee payroll	\$ 14,146,436	\$ 13,573,234	\$ 14,172,505	\$ 13,959,121	\$ 13,646,951	\$ 13,418,312	\$ 13,562,081	\$ 13,888,888	\$ 13,982,342	\$ 14,274,698
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	85.7%	92.5%	-29.1%	57.4%	95.9%	148.7%	96.4%	125.8%	121.5%	93.6%
Plan fiduciary net position as a percentage of the total pension liability (asset)	92.5%	91.6%	102.7%	94.3%	90.1%	84.1%	89.2%	84.9%	84.5%	87.2%
Contributory Retirement System:										
District's proportion of the net pension liability (asset)	1.5257394%	1.1476706%	0.8512645%	0.9122582%	0.8165023%	0.9023387%	0.8549635%	0.8227239%	0.7933442%	0.6958214%
District's proportionate share of the net pension liability (asset)	\$ 141,690	\$ 149,986	\$ (766,564)	\$ (216,970)	\$ 56,370	\$ 640,664	\$ 56,260	\$ 450,818	\$ 497,151	\$ 76,296
District's covered-employee payroll	\$ 79,219	\$ 75,356	\$ 72,054	\$ 87,981	\$ 91,092	\$ 175,120	\$ 194,529	\$ 220,546	\$ 251,313	\$ 254,743
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	178.9%	199.0%	-1063.9%	-246.6%	61.9%	365.8%	28.9%	204.4%	197.8%	30.0%
Plan fiduciary net position as a percentage of the total pension liability	98.5%	97.9%	114.1%	103.7%	98.9%	91.4%	99.2%	93.4%	92.4%	98.7%
Tier 2 Public Employees Retirement System:										
District's proportion of the net pension liability (asset)	0.5299184%	0.5063518%	0.5268532%	0.5452274%	0.5351658%	0.5284115%	0.5105785%	0.5325539%	0.5729846%	0.5697140%
District's proportionate share of the net pension liability (asset)	\$ 1,031,423	\$ 551,363	\$ (222,984)	\$ 78,419	\$ 120,363	\$ 226,307	\$ 45,016	\$ 59,406	\$ (1,251)	\$ (17,265)
District's covered-employee payroll	\$ 13,701,524	\$ 11,112,327	\$ 9,823,937	\$ 8,737,381	\$ 7,451,482	\$ 6,213,178	\$ 5,015,314	\$ 4,367,361	\$ 3,700,062	\$ 2,788,955
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.53%	4.96%	-2.27%	0.90%	1.62%	3.64%	0.90%	1.36%	-0.03%	-0.62%
Plan fiduciary net position as a percentage of the total pension liability	89.6%	92.3%	103.8%	98.3%	96.5%	90.8%	97.4%	95.1%	100.2%	103.5%

DUCHESNE COUNTY SCHOOL DISTRICT
Required Supplementary Information
 June 30, 2024

Schedules of District Contributions
Utah Retirement Systems
 Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Noncontributory System:										
Actuarial determined contributions	\$ 3,247,418	\$ 2,979,729	\$ 3,018,407	\$ 3,153,336	\$ 3,025,528	\$ 2,963,475	\$ 2,940,618	\$ 3,031,156	\$ 3,071,026	\$ 3,028,313
Contributions in relation to the contractually required contribution	(3,247,418)	(2,979,729)	(3,018,407)	(3,153,336)	(3,025,528)	(2,963,475)	(2,940,618)	(3,031,156)	(3,071,026)	(3,028,313)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 14,904,327	\$ 13,615,301	\$ 13,688,739	\$ 14,285,476	\$ 13,706,297	\$ 13,467,730	\$ 13,367,503	\$ 13,855,869	\$ 14,035,482	\$ 14,070,924
Contributions as a percentage of covered payroll	21.8%	21.9%	22.1%	22.1%	22.1%	22.0%	22.0%	21.9%	21.9%	21.5%
Contributory System:										
Actuarial determined contributions	\$ 14,556	\$ 13,620	\$ 12,958	\$ 13,111	\$ 16,930	\$ 19,732	\$ 36,254	\$ 35,228	\$ 43,461	\$ 45,199
Contributions in relation to the contractually required contribution	(14,556)	(13,620)	(12,958)	(13,111)	(16,930)	(19,732)	(36,254)	(35,228)	(43,461)	(45,199)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 82,239	\$ 76,947	\$ 73,210	\$ 74,075	\$ 95,652	\$ 111,481	\$ 204,825	\$ 199,028	\$ 245,467	\$ 259,244
Contributions as a percentage of covered payroll	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.4%
Tier 2 Public Employees System:										
Actuarial determined contributions	\$ 3,008,446	\$ 2,439,689	\$ 1,989,364	\$ 1,761,834	\$ 1,558,688	\$ 1,280,332	\$ 1,021,966	\$ 837,240	\$ 755,181	\$ 592,177
Contributions in relation to the contractually required contribution	(3,008,446)	(2,439,689)	(1,989,364)	(1,761,834)	(1,558,688)	(1,280,332)	(1,021,966)	(837,240)	(755,181)	(592,177)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 15,288,551	\$ 12,345,823	\$ 10,275,999	\$ 9,217,102	\$ 8,211,914	\$ 6,802,400	\$ 5,550,604	\$ 4,585,630	\$ 4,139,328	\$ 3,275,786
Contributions as a percentage of covered payroll	19.7%	19.8%	19.4%	19.1%	19.0%	18.8%	18.4%	18.3%	18.2%	18.1%
Tier 2 Public Employees DC Only:										
Actuarial determined contributions	\$ 193,063	\$ 168,753	\$ 144,990	\$ 120,219	\$ 82,288	\$ 83,531	\$ 66,555	\$ 61,719	\$ 53,019	\$ 29,719
Contributions in relation to the contractually required contribution	(193,063)	(168,753)	(144,990)	(120,219)	(82,288)	(83,531)	(66,555)	(61,719)	(53,019)	(29,719)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,865,821	\$ 1,680,466	\$ 1,426,568	\$ 1,197,274	\$ 821,233	\$ 833,645	\$ 664,222	\$ 615,957	\$ 526,689	\$ 301,885
Contributions as a percentage of covered payroll	10.3%	10.0%	10.2%	10.0%	10.0%	10.0%	10.0%	10.0%	10.1%	9.8%

DUCHESNE COUNTY SCHOOL DISTRICT
Required Supplementary Information
June 30, 2024

Notes to Required Supplementary Information

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.

Statistical Section

Unaudited

DUCHESNE COUNTY SCHOOL DISTRICT
 General Fund - Per Capita Operating Costs By School
 Year Ended June 30, 2024

SCHOOL	CODE	PER CAPITA	AVERAGE DAILY MEMBERSHIP	% OF AVERAGE DAILY MEMBERSHIP	% OF TOTAL OPERATION COSTS	TOTAL OPERATION COSTS	INSTRUCTION	STUDENTS	SUPPORT SERVICES			BUSINESS ADMIN.	BUILDING OPER. & MTN.	PUPIL TRANS.
									STAFF	GENERAL ADMIN.	SCHOOL ADMIN.			
Altamont Elementary	104	\$ 14,613	313	6.26%	6.47%	\$ 4,573,360	\$ 2,730,962	\$ 81,695	\$ 284,988	\$ 24,891	\$ 246,240	\$ 133,868	\$ 761,894	\$ 308,822
Centennial Elementary	106	13,682	472	9.43%	9.13%	6,454,342	3,974,298	183,054	245,450	37,520	303,517	200,074	1,044,764	465,665
Duchesne Elementary	108	13,782	387	7.74%	7.55%	5,334,953	3,332,693	90,714	272,582	30,787	199,746	164,171	851,812	392,447
East Elementary	110	15,709	322	6.44%	7.16%	5,060,161	3,158,267	125,194	227,428	25,619	247,079	137,808	821,439	317,327
Myton Elementary	112	18,804	102	2.03%	2.71%	1,912,891	1,111,414	19,182	77,343	8,091	215,070	44,306	336,756	100,730
Neola Elementary	116	15,675	144	2.89%	3.20%	2,264,574	1,322,590	29,072	103,592	11,490	190,290	62,903	401,617	143,020
Tabiona Elementary	124	15,840	111	2.22%	2.49%	1,759,552	1,159,331	19,763	40,426	8,835	56,916	47,112	307,771	119,399
Kings Peak Elementary	304	11,706	493	9.86%	8.17%	5,773,982	3,239,391	128,565	188,604	39,230	283,134	210,388	1,199,953	484,718
Roosevelt Junior High	404	12,621	780	15.61%	13.93%	9,849,026	5,556,894	399,450	425,068	62,064	588,428	333,315	1,712,110	771,696
Altamont High	704	16,380	257	5.13%	5.95%	4,203,752	2,375,865	184,802	152,470	20,411	280,194	111,044	826,460	252,506
Duchesne High	708	15,641	392	7.84%	8.68%	6,133,880	3,047,807	182,118	208,491	31,190	303,848	169,186	1,728,714	462,526
Tabiona High	712	21,297	75	1.50%	2.27%	1,602,490	890,122	58,585	52,642	5,984	190,546	33,646	272,370	98,595
Union High	714	11,902	1,074	21.48%	18.08%	12,782,751	6,456,100	718,277	499,760	85,418	793,400	457,250	2,559,245	1,213,300
Basin Online	800	25,900	46	0.92%	1.68%	1,187,515	920,018	23,775	23,020	3,647	120,558	19,445	77,052	-
Con Amore	802	56,372	32	0.64%	2.55%	1,803,910	1,262,969	36,193	20,564	2,545	221,837	14,780	209,745	35,276
Totals			5,001	100.00%	100.00%	\$ 70,697,140	\$ 40,536,721	\$ 2,280,438	\$ 2,822,429	\$ 397,719	\$ 4,240,803	\$ 2,139,298	\$ 13,111,703	\$ 5,166,029

District Average: \$ 14,137

- Average Daily Membership Instruction
 - Kindergarten 55%, Special Education Included
 - Direct & Prorated Indirect
- Support Services:
 - Students
 - Direct & Prorated Indirect
 - Average Daily Membership
 - General Administration
 - Direct & Prorated Indirect
 - School Administration
 - Average Daily Membership
 - Business Administration
 - Direct & Prorated Indirect
 - Building Oper. & Maint.
 - Direct & Prorated Indirect
 - Transportation

Continuing Disclosure Undertaking

Unaudited

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2024

Continuing Disclosure Memorandum of the Board of Education of Duchesne County School District

This supplemental information is provided for the benefit of the Beneficial Owners of general obligation bonds. Additional information is included annually pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

No events described in paragraph (b)(5)(i)(c) of the Rule has occurred that are required to be disclosed.

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DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2024

1. Debt Structure of Duchesne County School District, Utah

Outstanding General Obligation Bonded Indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2016 (1)	School buildings	\$ 39,000,000	June 1, 2032	\$ 34,600,000
2022 (2)	Refunding	15,803,000	June 1, 2029	13,079,000
Total general obligation debt				<u><u>\$ 47,679,000</u></u>

(1) Rated “Aaa” (State of Utah Guaranty; underlying “A1”) by Moody’s, on the date of issuance.

(2) Not rated; issued as a direct placement and no rating was applied for.

Debt Service Schedule of Outstanding General Obligation Bonds by Fiscal Year

Fiscal Year Ending June 30	Series 2022 Refunding (Original 2014) \$15,803,000		Series 2016 \$39,000,000		Totals		
	Interest cost 1.92%		Interest cost 2.99%		Total	Total	Total Debt
	Principal	Interest	Principal	Interest	Principal	Interest	Service
2025	\$ 2,524,000	\$ 238,038	\$ 1,425,000	\$ 1,507,750	\$ 3,949,000	\$ 1,745,788	\$ 5,694,788
2026	2,568,000	192,101	1,500,000	1,436,500	4,068,000	1,628,601	5,696,601
2027	2,615,000	145,363	3,000,000	1,361,500	5,615,000	1,506,863	7,121,863
2028	2,662,000	97,770	3,150,000	1,211,500	5,812,000	1,309,270	7,121,270
2029	2,710,000	49,322	3,300,000	1,054,000	6,010,000	1,103,322	7,113,322
2030			7,125,000	889,000	7,125,000	889,000	8,014,000
2031			7,400,000	604,000	7,400,000	604,000	8,004,000
2032			7,700,000	308,000	7,700,000	308,000	8,008,000
Totals	<u><u>\$ 13,079,000</u></u>	<u><u>\$ 722,594</u></u>	<u><u>\$ 34,600,000</u></u>	<u><u>\$ 8,372,250</u></u>	<u><u>\$ 47,679,000</u></u>	<u><u>\$ 9,094,844</u></u>	<u><u>\$ 56,773,844</u></u>

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
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Municipal Building Authority of Duchesne County School District, Utah

The Board created the Municipal Building Authority of Duchesne County School District, Utah (the “Authority”) as a nonprofit corporation in accordance with the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code (the “Nonprofit Corporation Act”) and as provided in the Local Building Authority Act, Title 17D, Chapter 2, Utah Code. The purpose of the Authority is to finance building acquisition or improvement projects on behalf of the Board.

The Authority is to be of perpetual duration as set forth in its Articles of Incorporation. The Board serves as the governing Board of Trustees of the Authority. The Authority has no property, money or other assets, except for the projects that are or have been constructed by the Authority. The principal place of business of the Authority is at the Board offices.

Debt Issuance. For each school construction project built by the Authority, the Authority has entered into an indenture and annual leases with the Board. The Authority leases the school building projects to the Board, pursuant to individual master lease agreements. The Authority has granted to a trustee, for the benefit of the owners of lease revenue bonds issued under each master lease, a security interest in all of the Authority’s right, title and interest in the school building project financed with lease revenue bonds issued under each separate indenture. Debt issued by the Authority is being paid from rental payments received by the Authority from the Board. Rental payments by the Board are being made from the capital projects fund from property taxes which are annually budgeted and appropriated by the Board for such purpose.

Outstanding Municipal Building Authority lease revenue bonds

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2022 (1)	School Building	\$ 36,730,000	June 1, 2041	\$ 35,945,000
2019 (2)	School Building/Refunding	22,683,000	June 1, 2035	14,987,000
2017 (2)	School building / CIB	2,684,000	March 1, 2038	1,844,000
2005 (2)	School building / CIB	3,000,000	June 15, 2026	300,000
2011A (3)	School building / QSCB	9,000,000	March 1, 2026	1,286,000
Total				\$ 54,362,000

(1) Rated Moody’s “A2”.

(2) This bond was privately placed and is not rated.

(3) This bond was privately placed and is not rated. The 2011A MBA Bonds are federally taxable, Qualified School Construction Bonds, (“QSCB”), authorized by the American Recovery and Reinvestment Act of 2009. The QSCB tax credit rate is approximately 4.59% depending on congressional sequestration. The 2011A MBA Bonds will mature on March 1, 2026.

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2024

Debt Service Schedule of Outstanding Lease Revenue Bonds of the Municipal Building Authority of Duchesne County School District, Utah by Fiscal Year

Fiscal Year Ending	Series 2011A \$9,000,000 Interest cost 0.44% (1)		Federal Interest		Series 2005 \$3,000,000 Interest cost 0%		Total Lease Revenue Bonds		
	Principal	Interest	Subsidy	Principal	Principal	Interest	Total Principal	Total Interest	Total Debt Service
June 30									
2025	\$ 643,000	\$ 64,686	\$ (59,058)	\$ 150,000					
2026	643,000	32,342	(29,528)	150,000					
Totals	<u>\$ 1,286,000</u>	<u>\$ 97,028</u>	<u>\$ (88,586)</u>	<u>\$ 300,000</u>					

Fiscal Year Ending	Series 2017 \$2,684,000 Interest cost 2.50%		Series 2019 \$22,683,000 Interest cost 2.74%		Series 2022 \$22,683,000 Interest cost 2.74%		Total Lease Revenue Bonds		
	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total Debt Service
June 30,									
2025	\$ 122,000	\$ 50,325	\$ 1,054,000	\$ 410,182	\$ 295,000	\$ 1,705,606	\$ 2,264,000	\$ 2,171,741	\$ 4,435,741
2026	125,000	47,275	1,074,000	394,372	310,000	1,690,856	2,302,000	2,135,317	4,437,317
2027	128,000	44,150	459,000	376,651	325,000	1,675,356	2,498,000	2,104,599	4,602,599
2028	131,000	40,950	466,000	368,389	345,000	1,659,106	942,000	2,068,445	3,010,445
2029	134,000	37,675	476,000	359,069	360,000	1,641,856	970,000	2,038,600	3,008,600
2030	138,000	34,325	25,000	348,835	380,000	1,623,856	543,000	2,007,016	2,550,016
2031	141,000	30,875	25,000	348,260	400,000	1,604,856	566,000	1,983,991	2,549,991
2032	145,000	27,350	25,000	347,647	420,000	1,584,856	590,000	1,959,853	2,549,853
2033	148,000	23,725	3,688,000	346,997	440,000	1,563,856	4,276,000	1,934,578	6,210,578
2034	152,000	20,025	3,791,000	243,733	460,000	1,541,856	4,403,000	1,805,614	6,208,614
2035	156,000	16,225	3,904,000	130,003	485,000	1,518,856	4,545,000	1,665,084	6,210,084
2036	160,000	12,325			5,010,000	1,494,606	5,170,000	1,506,931	6,676,931
2037	164,000	8,325			5,260,000	1,244,106	5,424,000	1,252,431	6,676,431
2038	*				5,520,000	981,106	5,520,000	981,106	6,501,106
2039					5,740,000	760,306	5,740,000	760,306	6,500,306
2040					6,030,000	473,306	6,030,000	473,306	6,503,306
2041					4,165,000	171,806	4,165,000	171,806	4,336,806
Totals	<u>\$ 1,844,000</u>	<u>\$ 393,550</u>	<u>\$ 14,987,000</u>	<u>\$ 3,674,137</u>	<u>\$ 35,945,000</u>	<u>\$ 22,936,156</u>	<u>\$ 55,948,000</u>	<u>\$ 27,020,727</u>	<u>\$ 82,968,727</u>

* Final payment from reserve fund.

(1) Federally taxable QSCB bond. Interest is based on a coupon rate of 5.03% per annum. The interest due is partially paid by a federal subsidy. The Authority contributes \$643,000 annually for mandatory sinking fund principal payments which will retire the 2011A bonds on March 1, 2026.

DUCHESNE COUNTY SCHOOL DISTRICT
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Outstanding Loan obligations

In 2011, the Board entered into a \$369,011 loan, issued through a combined federal and state program for energy efficiencies. The loan has a 0% rate of interest and is currently outstanding in the amount of \$38,433. Principal is due January 1, 2013 through October 1, 2024.

In 2023, the Board entered into a \$10,000,000 loan, issued through the Utah State Board of Education Revolving Loan Fund. The loan has a 1% rate of interest and is currently outstanding in the amount of \$10,000,000. The loan has a maximum term of five years and principal is due January 1, 2024 through January 1, 2028.

Fiscal Year Ending June 30,	Energy Loan 2011	Loan - Revolving Loan Fund		Total Loans		
	\$369,011	\$10,000,000		Total	Total	Total
	Interest 0%	Interest cost 1%		Principal	Interest	Debt Service
	Principal	Principal	Interest	Principal	Interest	Service
2025	\$ 7,682	\$ 1,980,002	\$ 80,396	\$ 1,987,684	\$ 80,396	\$ 2,068,080
2026		1,999,802	60,596	1,999,802	60,596	2,060,398
2027		2,019,800	40,598	2,019,800	40,598	2,060,398
2028		2,031,665	20,400	2,031,665	20,400	2,052,065
Totals	<u>\$ 7,682</u>	<u>\$ 8,031,269</u>	<u>\$ 201,990</u>	<u>\$ 8,038,951</u>	<u>\$ 201,990</u>	<u>\$ 8,240,941</u>

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2024

2. Financial Information Regarding Duchesne County School District, Utah

Five-Year Financial Summaries

Statement of Net Position
Governmental Activities

	As of June 30				
	2024	2023	2022	2021	2020
Assets:					
Cash and investments	\$ 54,862,036	\$ 57,451,689	\$ 36,480,342	\$ 32,080,428	\$ 27,287,602
Receivables:					
Property taxes	31,407,861	28,584,390	26,750,598	23,219,309	23,524,866
Other governments	1,253,224	2,148,567	2,659,676	1,330,299	956,954
Local	50,532	103,572	16,742	97,110	10,984
Inventories and repaid expenses	582,315	572,474	411,598	271,762	424,371
Net pension asset	-	-	5,116,824	216,970	-
Capital assets:					
Land and construction in progress	65,418,745	66,200,973	7,892,999	5,977,788	4,514,235
Buildings and other capital assets, net of depreciation	168,935,087	168,130,446	179,594,192	185,534,077	191,815,831
Technology subscriptions, net of amortization	4,717	19,333			
Total assets	<u>322,514,517</u>	<u>323,211,444</u>	<u>258,922,971</u>	<u>248,727,743</u>	<u>248,534,843</u>
Deferred outflows of resources					
relating to pensions	9,614,217	8,619,026	7,238,769	4,766,851	3,624,846
Total assets and deferred outflows	<u>332,128,734</u>	<u>331,830,470</u>	<u>266,161,740</u>	<u>253,494,594</u>	<u>252,159,689</u>
Liabilities:					
Accounts payable	3,353,099	4,534,564	1,240,769	713,818	553,294
Accrued interest	338,573	351,628	231,549	279,155	300,093
Accrued salaries and benefits	5,446,170	4,598,766	4,794,334	4,492,252	3,915,009
Unearned revenue, State	983,824	1,399,030	814,357	611,538	776,840
Noncurrent liabilities:					
Due within one year	9,253,101	8,599,123	7,542,942	7,149,588	7,104,717
Due after one year	105,255,061	152,966,704	76,942,825	84,798,285	92,171,111
Net pension liability	13,295,145	13,262,542	-	8,094,790	13,257,769
Technology subscription liability	4,717	19,333			
Total liabilities	<u>137,929,690</u>	<u>185,731,690</u>	<u>91,566,776</u>	<u>106,139,426</u>	<u>118,078,833</u>
Deferred inflows of resources:					
Deferred taxes levied for future year	30,338,148	27,588,679	25,729,156	22,339,152	22,276,172
Resources relating to pensions	132,499	230,902	17,956,516	8,764,284	4,546,726
Total deferred inflows	<u>30,470,647</u>	<u>27,819,581</u>	<u>43,685,672</u>	<u>31,103,436</u>	<u>26,822,898</u>
Net position:					
Net invested in capital assets	120,636,983	73,445,415	103,851,259	113,595,946	109,042,671
Restricted for:					
Programs	2,166,907	2,612,090	2,257,007	1,995,539	1,213,717
School lunch	664,415	1,276,141	1,593,527	650,616	421,474
Non K-12 programs	-	-	-	-	-
Trust fund	1,489,461	1,345,553	1,242,218	1,136,522	1,115,234
Student activities	1,453,081	1,364,783	1,386,219	1,145,592	1,308,058
Capital projects	27,612,637	43,384,229	17,272,516	1,740,845	1,745,293
Debt service	28,736	(14,050)	23,218	41,654	25,237
Unrestricted	9,676,177	8,123,759	3,283,328	(4,054,982)	(7,613,726)
Total net position	<u>\$ 163,728,397</u>	<u>\$ 131,537,920</u>	<u>\$ 130,909,292</u>	<u>\$ 116,251,732</u>	<u>\$ 107,257,958</u>

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

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2024

Statement of Activities (1)
Total Governmental Activities

	Net (Expense) Revenue and Changes in Net Position				
	Fiscal Year Ended June 30				
	2024	2023	2022	2021	2020
Governmental activities:					
Instructional services	\$ (33,278,246)	\$ (25,438,576)	\$ (26,091,038)	\$ (22,392,335)	\$ (22,253,293)
Supporting services:					
Students	(1,327,006)	(687,098)	(561,947)	(463,792)	(331,541)
Instructional staff	(2,032,133)	(1,198,951)	(1,059,666)	(926,452)	(993,383)
District administration	(530,568)	(598,531)	(451,115)	(452,853)	(552,259)
School administration	(3,999,721)	(3,474,124)	(2,411,946)	(2,752,038)	(3,392,447)
Business	(1,990,250)	(1,822,567)	(1,447,509)	(1,477,242)	(1,761,451)
Operation and maintenance of facilities	(6,924,336)	(6,200,842)	(6,457,436)	(6,233,696)	(5,933,967)
Transportation	282,192	(565,303)	(1,459,906)	(596,201)	(2,903,082)
School lunch services	(808,549)	(236,431)	790,237	84,682	998
Interest on long-term liabilities	(3,692,870)	(3,941,596)	(1,879,148)	(2,595,141)	(2,823,126)
Capital outlay	-	-	-	-	-
Total school district	<u>(54,301,487)</u>	<u>(44,164,019)</u>	<u>(41,029,474)</u>	<u>(37,805,068)</u>	<u>(40,943,552)</u>
General revenues:					
Property taxes levied for:					
General purposes	16,459,660	14,890,527	13,632,024	13,337,449	13,828,582
Debt service	4,363,076	3,910,866	1,000,158	978,546	1,014,579
Capital outlay	11,119,563	10,096,510	10,336,049	10,112,697	10,485,082
Transportation	-	-	-	-	-
Recreation	-	-	-	-	-
Federal and state aid not restricted to specific purposes	33,186,600	24,504,093	27,988,817	20,114,196	18,745,451
Earnings on investments	3,556,795	2,795,209	179,616	152,606	312,561
Miscellaneous	2,466,269	3,765,432	2,550,371	2,103,348	1,710,903
Total general revenues	<u>71,151,963</u>	<u>59,962,637</u>	<u>55,687,035</u>	<u>46,798,842</u>	<u>46,097,158</u>
Change in net assets	16,850,476	15,798,618	14,657,561	8,993,774	5,153,606
Net position-beginning (as restated)	<u>146,877,921</u>	<u>115,739,303</u>	<u>116,251,731</u>	<u>107,257,958</u>	<u>102,104,352</u>
Net position-ending	<u>\$ 163,728,397</u>	<u>\$ 131,537,921</u>	<u>\$ 130,909,292</u>	<u>\$ 116,251,732</u>	<u>\$ 107,257,958</u>

(1) This report is presented in summary format concerning the single item of "Net (Expense) Revenue and Changes in net Assets-Total Governmental Activities" and is not intended to be complete.

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

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2024

Balance Sheet--Governmental Funds--Major Funds
General Fund

	Fiscal Year Ended June 30				
	2024	2023	2022	2021	2020
Assets:					
Cash and investments	\$ 20,880,983	\$ 19,914,965	\$ 14,783,411	\$ 14,269,084	\$ 11,541,081
Accounts receivables:					
Property taxes	15,517,351	14,073,129	13,706,132	12,390,991	12,586,392
Local	50,532	103,572	16,742	5,025	10,984
Due from other funds	-	-	-	-	32,638
State of Utah	388,202	307,216	405,521	133,612	480,338
Federal government	763,644	1,664,860	2,182,916	1,001,350	276,925
Prepaid expenses	-	9,900	-	-	-
Total assets	<u>\$ 37,600,712</u>	<u>\$ 36,073,642</u>	<u>\$ 31,094,722</u>	<u>\$ 27,800,062</u>	<u>\$ 24,928,358</u>
Liabilities:					
Accounts payable	\$ 308,222	\$ 758,563	\$ 644,949	\$ 673,960	\$ 417,372
Accrued payroll and benefits	5,366,561	4,503,253	4,794,334	4,492,252	3,842,438
Unearned revenue, State	983,824	1,399,030	814,357	611,538	776,840
Deferred property taxes	-	-	-	-	-
Total liabilities	<u>6,658,607</u>	<u>6,660,846</u>	<u>6,253,640</u>	<u>5,777,750</u>	<u>5,036,650</u>
Deferred inflows of resources:					
Unavailable property tax revenue	513,791	494,761	490,801	433,112	598,212
Property taxes levied for future years	14,970,304	13,541,828	13,157,774	11,919,936	11,917,255
Total deferred inflows of resources	<u>15,484,095</u>	<u>14,036,589</u>	<u>13,648,575</u>	<u>12,353,048</u>	<u>12,515,467</u>
Fund balances:					
Committed:					
Economic stabilization	2,900,000	2,900,000	2,735,000	2,450,000	2,200,000
Self insurance	375,000	375,000	375,000	375,000	370,000
Employee benefit obligations	1,540,296	1,049,279	1,185,884	929,994	1,012,340
Assigned:					
Programs	2,166,907	2,612,090	2,257,007	1,995,539	1,213,717
Unassigned	8,475,807	8,439,838	4,639,616	3,918,731	2,580,184
Total fund balances	<u>15,458,010</u>	<u>15,376,207</u>	<u>11,192,507</u>	<u>9,669,264</u>	<u>7,376,241</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,600,712</u>	<u>\$ 36,073,642</u>	<u>\$ 31,094,722</u>	<u>\$ 27,800,062</u>	<u>\$ 24,928,358</u>

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

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2024

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds--Major Fund
General Fund

	Fiscal Year Ended June 30				
	2024	2023	2022	2021	2020
Revenues:					
Property taxes	\$ 16,225,148	\$ 14,726,643	\$ 13,224,675	\$ 13,161,280	\$ 13,543,265
Earnings on investments	1,041,218	697,189	83,215	63,493	237,209
Other local sources	900,484	722,165	953,089	233,828	462,665
State sources	48,496,407	40,256,738	35,805,445	33,591,025	30,815,324
Federal sources	4,115,686	5,558,037	6,173,738	4,562,877	2,800,964
Total revenues	<u>70,778,943</u>	<u>61,960,772</u>	<u>56,240,162</u>	<u>51,612,503</u>	<u>47,859,427</u>
Expenditures:					
Current:					
Instructional services	40,524,105	33,824,093	33,817,643	30,895,457	28,484,320
Supporting services					
Students	2,280,438	2,006,510	1,725,394	1,835,596	1,362,861
Instructional staff	2,822,429	2,043,946	1,654,050	1,444,264	1,496,549
District administration	397,720	458,948	377,815	342,493	364,143
School administration	4,240,803	3,716,282	3,214,089	3,140,689	3,163,292
Business	2,139,298	1,958,974	1,802,352	1,703,566	1,794,665
Operation and maintenance of facilities	13,126,319	9,636,408	8,371,756	7,177,417	5,565,230
Transportation	5,166,028	4,165,860	3,753,820	2,779,998	3,238,467
Capital outlay	-	-	-	-	-
Total expenditures	<u>70,697,140</u>	<u>57,811,021</u>	<u>54,716,919</u>	<u>49,319,480</u>	<u>45,469,527</u>
Excess (deficiency) of revenues over (under) expenditures	81,803	4,149,751	1,523,243	2,293,023	2,389,900
Other financing sources (uses) / Technology subscriptions	-	33,949			
Net change in fund balances	81,803	4,183,700	1,523,243	2,293,023	2,389,900
Fund balances-beginning	15,376,207	11,192,507	9,669,264	7,376,241	4,986,341
Fund balances-ending	<u>\$ 15,458,010</u>	<u>\$ 15,376,207</u>	<u>\$ 11,192,507</u>	<u>\$ 9,669,264</u>	<u>\$ 7,376,241</u>

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

Summary of State and Federal Funding

	Fiscal Year Ended June 30				
	2024	2023	2022	2021	2020
State funds:					
General	\$ 48,496,407	\$ 40,256,738	\$ 35,805,445	\$ 33,591,025	\$ 30,815,324
Other governmental	487,497	500,340	442,374	513,750	494,930
Capital projects	14,652	-	-	37,165	17,328
Total	<u>\$ 48,998,556</u>	<u>\$ 40,757,078</u>	<u>\$ 36,247,819</u>	<u>\$ 34,141,940</u>	<u>\$ 31,327,582</u>
% change over prior year	20.2%	12.4%	6.2%	9.0%	11.2%
Federal funds:					
General	\$ 4,115,686	\$ 5,558,037	\$ 6,173,738	\$ 4,562,877	\$ 2,800,964
Other governmental	1,682,636	1,727,306	2,888,915	2,281,550	1,662,264
Capital projects	-	-	-	-	-
Total	<u>\$ 5,798,322</u>	<u>\$ 7,285,343</u>	<u>\$ 9,062,653</u>	<u>\$ 6,844,427</u>	<u>\$ 4,463,228</u>
% change over prior year	-20.4%	-19.6%	32.4%	53.4%	10.1%

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

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2024

Historical Property Tax Rates of the District

Tax	Maximum Tax Rate (1)	Tax Rate				
		2024-25	2023-24	2022-23	2021-22	2020-21
Basic Program	(2) Formula	0.001408	0.001406	0.001652	0.001661	0.001628
Voted Leeway	(3) 0.002000	0.001133	0.001218	0.001431	0.001672	0.001623
Board Leeway	(4) 0.002500	0.001081	0.001130	0.001113	0.001528	0.001499
Debt Service	(5) Sufficient	0.001286	0.001280	0.001172	0.000686	0.000670
Capital Outlay	(6) 0.003000	0.002432	0.002614	0.002837	0.003563	0.003458
Judgement	(7) Sufficient	-	-	-	-	-
Total		<u>0.007340</u>	<u>0.007648</u>	<u>0.008205</u>	<u>0.009110</u>	<u>0.008878</u>

- 1 Maximum tax rate where applicable under State law. (A decline in taxable value overrides maximum limit.)
2 Set by law to fund the State Minimum School Program.
3 General revenue. Tax rate of 0.000800 was authorized by vote of the District population on May 11, 1993, and an additional 0.000800 was approved on June 24, 2008 for a total of .0016 in voter authorization.
4 General revenue. Adopted by the Board of Education January 6, 2000 before restrictions on use were enacted by the State.
5 Limited to applicable levy to provide for payment of principal and interest on general obligation bonds authorized by voters.
6 Construction and remodeling of buildings and purchase of sites, equipment, etc.
7 Tax revenue shortfalls due to revaluation of taxable values may be levied in the succeeding tax year.

Taxable and Fair Market Value of Property Within the District

Tax Year	Taxable Value	Percentage Change	Fair Market/Market Value (1)	Percentage Change
2024	\$ 3,876,555,808	17.0%	\$ 4,648,889,947	17.2%
2023	3,314,128,120	24.2%	3,966,888,825	24.2%
2022	2,668,731,376	1.6%	3,194,761,822	3.4%
2021	2,626,033,598	-2.5%	3,088,775,488	-2.2%
2020	2,692,671,267	3.7%	3,159,429,129	4.2%

- (1) Estimated fair market values were calculated by dividing the taxable value of primary residential property by 55%, which eliminates the 45% exemption on primary residential property granted under the Property Tax Act. There are no redevelopment agencies within the County or the District.

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2024

Historical Summaries of Taxable Values of Property

	2022		2021		2020		2019		2018	
	Taxable Value	% of T.V.	Taxable Value		Taxable Value		Taxable Value		Taxable Value	
<i>Set by State Tax Commission (Centrally Assessed)</i>										
Total centrally assessed	\$ 1,431,659,336	43.2 %	\$ 1,082,249,364		\$ 1,259,567,712		\$ 1,300,113,199		\$ 1,285,713,203	
<i>Set by County Assessor (Locally Assessed)</i>										
Real Property:										
Primary residential	796,226,350	24.0	641,470,535		563,560,020		568,536,555		552,419,530	
Other residential	345,619,475	10.4	253,213,085		231,740,955		222,827,940		163,353,250	
Commercial and industrial	212,118,790	6.4	201,453,900		201,105,400		202,591,615		183,298,495	
FAA	22,290,410	0.7	21,730,670		21,194,590		21,842,145		24,338,225	
Unimproved non FAA	358,920,290	10.8	284,642,675		245,462,305		244,254,110		237,855,855	
Agricultural	24,362,420	0.7	18,353,360		17,322,190		17,329,595		15,630,580	
Total real property	1,759,537,735	53.1	1,420,864,225		1,280,385,460		1,277,381,960		1,176,895,935	
Personal property:										
Primary mobile homes	1,592,290	0.0	1,455,566		2,013,401		1,945,276		2,197,801	
Secondary mobile homes	1,865,533	0.1	1,780,568		318,136		190,077		139,156	
Other business personal	119,473,226	3.6	86,292,973		83,748,889		113,040,755		136,441,959	
Total personal property	122,931,049	3.7	89,529,107		86,080,426		115,176,108		138,778,916	
Total locally assessed	1,882,468,784	56.8	1,510,393,332		1,366,465,886		1,392,558,068		1,315,674,851	
Total taxable value	\$ 3,314,128,120	100.0 %	\$ 2,592,642,696		\$ 2,626,033,598		\$ 2,692,671,267		\$ 2,601,388,054	

(Source: Property Tax Division, Utah State Tax Commission.)

Tax Collection Record

Fiscal Year	Tax Levied	Current Collections (1)	Percent of Current Collections	Delinquent Collections (2)	Total Current and Delinquent Collections	Percent of Total Collections	Fee in Lieu (3)	Total Property Tax Collections
2024	\$ 27,588,679	\$ 26,803,775	97.2%	\$ 1,218,838	\$ 28,022,613	101.6%	\$ 3,468,270	\$ 31,490,883
2023	25,729,156	24,704,510	96.00	1,402,612	26,107,122	101.50	2,578,866	28,685,988
2022	22,339,972	21,647,200	96.90	1,042,773	22,689,973	101.57	1,973,544	24,663,517
2021	22,274,017	21,460,156	96.35	1,237,344	22,697,500	101.90	1,858,850	24,556,350
2020	22,468,110	21,576,875	96.03	1,080,264	22,657,139	100.84	2,436,815	25,093,954

- (1) Ad valorem property taxes are due on November 30 of each year.
- (2) Interest and penalties are not included.
- (3) Uniform Fees from motor vehicles and other tangible personal property required to be registered with the State.

Some of the Largest Tax Payers

Taxpayer	Type of Business	2024 Taxable Value	% of the District's Tax Value
Kinder Morgan	Mining	\$ 351,751,125	9.8 %
XCL Asset Co LLC	Mining	316,609,455	8.8
Javelin Energy	Mining	280,133,570	7.8
Ovintiv Production	Mining	267,016,280	7.4
Scout Energy	Mining	109,587,760	3.0
Uintah Wax Operating	Mining	108,289,360	3.0
Pacificorp	Electricity Utility	86,250,615	2.4
Berry Petroleum	Mining	56,016,920	1.6
Mountainwest Pipeline	Mining	44,665,035	1.2
Moon Lake Electric	Electricity Utility	40,768,300	1.1
Totals		\$ 1,661,088,420	46.0 %

DUCHESNE COUNTY SCHOOL DISTRICT
Continuing Disclosure Undertaking
June 30, 2024

General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

The general obligation indebtedness of the District is limited by Utah law to 4% of the fair market value of taxable property in the District. The legal debt limit and additional debt incurring capacity of the District are based on estimated fair market value and uniform fees as follows:

2023 Fair market value for Duchesne County School District	\$ 4,648,889,947
Valuation from uniform fees	<u>80,822,003</u>
Estimated Fair Market Value for Debt Incurring Capacity	<u>\$ 4,729,711,950</u>
Fair market value x 4% (Debt Limit)	189,188,478
Less general obligation debt outstanding:	<u>(47,679,000)</u>
Additional debt incurring capacity	<u>\$ 141,509,478</u>

Historical October 1 Enrollment

<u>School Year</u>	<u>Total</u>	<u>% Change Over Prior Year</u>
2025	5,132	-0.3%
2024	5,150	-1.8%
2023	5,243	2.1%
2022	5,134	2.9%
2021 (2)	4,990	(3.50)
2020	5,172	0.40
2019	5,151	0.90
2018	5,106	1.60
2017	5,024	(0.80)
2016	5,006	(2.30)
2015 (1)	5,183	3.10
2014	5,026	3.90
2013	4,839	5.70
2012	4,578	2.90

- (1) In 2015 a charter school open within the boundaries of the District.
(2) 2021 temporary shift of students to online education during COVID-19.

Duchesne County School District

Single Audit and Other Government Reports

For the year-ended June 30, 2024

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DUCHESNE COUNTY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Department	A.L.N. Number	Agency or Pass-through Number	Federal Expenditures
<u>Department of Education</u>			
Indian Education	84.060	U.S. Dept of Ed	\$ 104,275
Vocational Education, Title II	84.048	Utah State Ed	168,867
Improving America's Schools, Title I	84.010	Utah State Ed	1,016,298
IDEA Part B	84.027	Utah State Ed	1,131,952
Preschool 3-5	84.173	Utah State Ed	38,598
Improving Teacher Quality, Title IIA	84.367	Utah State Ed	158,807
Title III	84.365	Utah State Ed	13,736
Title IVA-Student Support & Academic Enrich.	84.424	Utah State Ed	102,850
ESSER and GEERS	84.425	Utah State Ed	687,966
Education Innovation & Research (eMints)	84.411	U.S. Dept of Ed	73,839
<u>Department of Health & Human Services</u>			
Temporary Assistance for Needy Families	93.558	Utah State Ed	226,854
Improving Student Health and Academics	93.981	Utah State Ed	76,287
<u>Department of Agriculture</u>			
<u>Food & Nutrition Services</u>			
Local Food for Schools Cooperative Agreement	10.185	Utah State Ed	15,291
National School Lunch	10.555	Utah State Ed	1,480,548
Other Federal, USDA Contribution	10.565	Utah State Ed	186,797
<u>Forest Service</u>			
Forest Reserve Program	10.666	U.S. Forest Service	315,356
Total All Programs			<u>\$ 5,798,321</u>

NOTE A: The accompanying schedule of expenditures of federal awards is a summary of the activity of the School District's Federal Award Programs presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

Aycock, Miles & Associates, CPAs, P.C.

Certified Public Accountants

58 East 100 North (83-13) • Roosevelt, Utah 84066 • Phone (435) 722-5153 • Fax (435) 722-5095

Independent Auditors' Report on Internal Control over financial reporting and on Compliance and Other Matters Based on an Audit of Financial Reporting Statements Performed in Accordance With *Government Auditing Standards*

Honorable Board of Education
Duchesne County School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Duchesne County School Districts, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Duchesne County School Districts' basic financial statements, and have issued our report thereon dated November 22, 2024.

Internal Control over Financial Reporting

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

Compliance and Other Matters

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

Purpose of this Report

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

Aycock, Miles & Associates, CPAs

Roosevelt, Utah
November 22, 2024

Aycock, Miles & Associates, CPAs, P.C.

Certified Public Accountants

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance

Honorable Board of Education
Duchesne County School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Duchesne County School Districts' 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 Duchesne County School Districts' major federal programs for the year ended June 30, 2024. Duchesne County School Districts' 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, Duchesne County School Districts complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Duchesne County School 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 Duchesne County School 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 Duchesne County School 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 Duchesne County School 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 generally accepted auditing standards, *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

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made by a reasonable user of the report on compliance about Duchesne County School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Duchesne County School 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 Duchesne County School 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 Duchesne County School 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.

Aycock, Miles & Associates, CPAs

Roosevelt, Utah
November 22, 2024

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Schedule of Findings and Questioned Costs

This report discusses three key areas: 1) a summary of auditor's results, 2) findings related to the financial statements, and 3) findings and questioned costs related to federal awards.

SUMMARY OF AUDITORS' RESULTS

Financial Statement Opinion

The financial statement opinion for the District was an unqualified opinion.

Internal Control Reportable Conditions

No reportable conditions were noted in the Single Audit Report.

Noncompliance Material to the Financial Statements

We issued an unqualified opinion in regard to compliance requirements, laws, and regulations.

Major Program Internal Controls Over Compliance

No reportable conditions relating to the audit of the major federal award programs are indicated in the report on compliance and internal controls over compliance for major programs.

Opinion on Compliance for Major Programs

In our opinion, the District complied, in all material respects, with compliance requirements, laws, and regulations applicable to its major programs.

Audit Findings Required to be Disclosed under Uniform Guidance Section 200.516 for Major Programs

There were no reportable conditions regarding compliance or internal controls over major programs that are required to be reported under Uniform Guidance.

Major Programs Identified

Based on the high and low-risk criteria and threshold amounts one major program identified: National School Lunch ALN 10.555, 10.565, 10.185, and Forest Reserve (in lieu of taxes) ALN 10.666.

Dollar Threshold Used to Determine Type A & B Programs

The threshold used in this Single Audit was \$750,000 in determining Type A or B programs.

Low-Risk or High-Risk Auditee

The District qualified to be a low-risk auditee.

Findings Related to the Financial Statements—No prior or current year findings in this area.

Findings and Questioned Costs Related to Federal Awards—No prior or current year findings in this area.

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Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance as Required by the State of Utah Compliance Audit Guide

Honorable Board of Education
Duchesne County School District

Report On Compliance

We have audited Duchesne County School 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.

State compliance requirements were tested for the year ended June 30, 2024, in the following areas: budgetary compliance, fund balance, restricted taxes and other related restricted revenues, fraud risk assessment, governmental fees, cash management, minimum school program, and school fees.

Opinion on Compliance

In our opinion, Duchesne 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 Duchesne County School 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 Duchesne County School 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 Duchesne County School 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 Duchesne County School 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 Duchesne County School 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:

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- 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 Duchesne County School 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 Duchesne County School 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 Duchesne County School 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 no instances of noncompliance which is required to be reported in accordance with the State Compliance Audit Guide.

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 State Compliance Audit Guide. Accordingly, this report is not suitable for any other purpose.

Aycock, Miles & Associates, CPAs

Roosevelt, Utah
November 22, 2024