



Cache
County
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CACHE COUNTY, UTAH
FINANCIAL STATEMENTS



FOR THE YEAR ENDED DECEMBER 31, 2012

CACHE COUNTY
FINANCIAL STATEMENTS
DECEMBER 31, 2012

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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Certified Public Accountants

www.jones-simkins.com

Logan Office:

1011 West 400 North, Suite 100
Logan, UT 84323-0747
Phone: (435) 752-1510 • (877) 752-1510
Fax: (435) 752-4878

Salt Lake City Office:

6715 South 1300 East, Suite 250
Salt Lake City, UT 84121
Phone: (801) 561-6026
Fax: (801) 561-2023

INDEPENDENT AUDITORS' REPORT

To the Cache County Council
Logan, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cache County, Utah (the County) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Bridgerland Community Ice Arena (a component unit of North Park Interlocal Cooperative), which represent 3 percent, 3 percent, and 6 percent, respectively of the assets, net position, and revenues of the aggregate discretely presented component units of the County. We also did not audit the financial statements of Cache County Emergency Medical Service Authority, which represent 6 percent, 7 percent, and 21 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units of the County. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Bridgerland Community Ice Arena and Cache County Emergency Medical Service Authority, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cache County, Utah as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of

additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The accompanying schedule of expenditures of transient room taxes and tourism, recreation, cultural and convention facilities taxes is presented for purposes of additional analysis as required by Utah Code section 17-31-5.5(3) and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 30, 2013 on our consideration of the County'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 County's internal control over financial reporting and compliance.



JONES SIMKINS LLC
Logan, Utah
July 30, 2013

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**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

INTRODUCTION

The following discussion and analysis is presented as an overview of the financial performance of Cache County for the year ended December 31, 2012. Please consider information presented here in context with the financial statements and the notes to the financial statements for a full understanding of the condition of the County.

FINANCIAL HIGHLIGHTS

- The net position of the County increased by approximately \$2.4 million or about 4.3 percent over the prior year. The portion of total net position which represents the amount the County can use to meet ongoing, financial obligations is the unrestricted amount. At the end of the year, this amount was approximately \$8.1 million.
- During the year, the County had net program expenses of approximately \$22.6 million. This compares to last year, when net program expenses were approximately 21.2 million. The total cost of the County's programs was about \$47.2 million and increased approximately \$13.3 million, or about 39.2 percent, from the prior year, primarily related to one-time water projects taking place in 2012 and 2013.
- Combined fund balances of the County amounted to about \$31.3 million, an increase of approximately \$0.8 million or about 2.8 percent, from the prior year. Of the combined total, approximately \$22.7 million, or 72.6 percent, is subject to external restrictions on its use.
- Unassigned fund balance of the General Fund was about \$7.3 million, which amount was approximately 38.1 percent of the total expenditures of the fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to Cache County's basic financial statements, which consist of three main components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

Government-wide Statements

These statements provide a broad overview with a long-term focus of the County's finances as a whole and are prepared using the accrual basis of accounting, similar to private sector businesses.

Statement of Net Position. The statement of net position presents financial information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or declining.

Statement of Activities. The statement of activities presents information showing how the County's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported for some items that will only result in cash flows in future years.

Both of the government-wide financial statements distinguish between functions that are principally supported by taxes and intergovernmental revenues, called *governmental activities*, and other functions that are intended to recover all or a significant portion of their costs through user fees and charges, called *business-type activities*. The governmental activities of the County include general government, public safety, streets and public improvements, health and welfare, and culture and recreation. The County does not have any business-type activities.

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

The government-wide financial statements include not only the County's financial information, known as the *primary government*, but also legally separate entities, because the County is financially accountable for them. Financial information for these *component units* is reported separately from the financial information presented for the County. These entities include the Logan-Cache Airport Authority, North Park Interlocal Cooperative, which includes the Bridgerland Community Ice Arena as its own component unit, Bear River Health Department, Cache County Emergency Medical Service Authority, and the Roads Special Service District.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Cache County, like all other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. There are three broad classifications of fund types: governmental, proprietary, and fiduciary. All of the funds of the County can be classified as either a governmental fund or a fiduciary fund.

Governmental funds. Most of the County's basic services are accounted for in governmental funds and are essentially the same functions reported as governmental activities in the government-wide statements. Governmental funds use the modified accrual basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances that are left at the end of the year that are available for future spending. This short-term view of the County's financial position helps determine whether the County has sufficient resources to cover expenditures for its basic services in the near future.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County's fiduciary funds are agency funds. These funds are custodial in nature and do not involve measuring results of operations. Accordingly, a statement of fiduciary net position is presented, but a statement of changes in fiduciary net position is not. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs of the County.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time, may serve as a useful indicator of a government's financial condition. At the end of 2012, the County's assets exceeded its liabilities by \$57,408,685, an improvement of \$2,377,486 over the prior year.

Just less than half of the County's net position, \$26,533,587 or 46.2 percent, reflect its investment in capital assets (e.g. land, construction in process, buildings and improvements, equipment, and infrastructure) less any related, outstanding debt used to acquire the assets. The County uses these

CACHE COUNTY'S NET POSITION			
GOVERNMENTAL ACTIVITIES			
	2012	2011	% Change
ASSETS			
Current and other assets	\$ 41,675,306	\$ 34,434,114	21.0%
Capital assets, net	<u>35,877,777</u>	<u>36,018,753</u>	-0.4%
Total assets	<u>77,553,083</u>	<u>70,452,867</u>	10.1%
LIABILITIES			
Current liabilities	9,148,127	2,623,889	248.6%
Long-term liabilities	<u>10,996,271</u>	<u>12,797,779</u>	-14.1%
Total liabilities	<u>20,144,398</u>	<u>15,421,668</u>	30.6%
NET POSITION			
Net investment in capital assets	26,533,587	24,749,314	7.2%
Restricted	22,734,884	20,622,915	10.2%
Unrestricted	<u>8,140,214</u>	<u>9,658,970</u>	-15.7%
Total net position	<u>\$ 57,408,685</u>	<u>\$ 55,031,199</u>	4.3%

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$22,734,884, or 39.6 percent, represents the restricted amount of the County's net position. These assets are restricted because of various contracts and agreements with outside entities, or laws and regulations, which dictate how these resources may be used. The remaining balance of \$8,140,214, or 14.2 percent of net position, may be used to meet the general, ongoing financial obligations of the County.

Governmental Activities

As discussed previously, activities can commonly be divided into either governmental or business-type activities. However, none of the operations of the County meet the definition of business-type activities. Therefore, the entire increase in net position of \$2,377,486 over the prior year is attributable to governmental activities.

In total, revenues for the County increased \$12,754,417, or 34.6 percent, from the prior year. The primary reason for the increase is due to the large grant provided to the County by the federal government and other local governmental and private entities for certain water projects in the County.

The largest of the water projects related to damage sustained by a canal system that is critical for both agriculture and culinary uses by the County's citizens. The combined contributions of the federal government and other local governmental entities to the County totaled nearly 11.7 million. The project to rebuild the canal system was ongoing at the end of the 2012.

The other water project was in the early design phase at the end of year and related to repairing and restoring one of the County's rivers after it had sustained heavy flood damage. The federal government contributed approximately \$267 thousand for this project, which will continue into the next year. Other changes in program revenues were relatively small in comparison amounting to a reduction of approximately \$166 thousand from the prior year. Reduced revenue from the federal mineral sharing program and FEMA projects were the primary reason for the decline.

Modest growth in both property taxes and sales taxes contributed to the overall increase in revenues. Property tax revenue, the most significant tax revenue source, grew by \$382,778, or 2.8 percent, and totaled \$14,078,006. Sales tax revenue, the second most significant source of tax revenue, grew by \$205,384, or 2.0 percent, and totaled \$10,244,375.

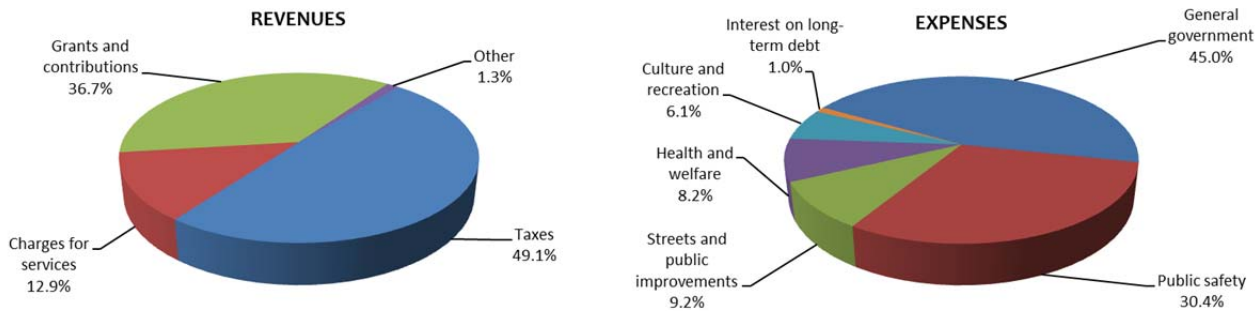
CHANGES IN CACHE COUNTY'S NET POSITION			
GOVERNMENTAL ACTIVITIES			
	<u>2012</u>	<u>2011</u>	<u>% Change</u>
REVENUES			
Program revenues			
Charges for services	\$ 6,393,611	\$ 6,321,360	1.1%
Operating grants and contributions	6,024,164	6,180,560	-2.5%
Capital grants and contributions	12,179,314	244,014	4891.2%
General revenues			
Property taxes	14,078,006	13,695,228	2.8%
Sales taxes	10,244,375	10,038,991	2.0%
Other general revenues	<u>655,252</u>	<u>340,152</u>	<u>92.6%</u>
Total revenues	<u>49,574,722</u>	<u>36,820,305</u>	<u>34.6%</u>
EXPENSES			
General government	21,256,968	8,394,934	153.2%
Public safety	14,363,376	14,021,021	2.4%
Streets and public improvements	4,319,087	3,824,254	12.9%
Health and welfare	3,880,315	3,888,866	-0.2%
Culture and recreation	2,885,242	3,247,120	-11.1%
Interest on long-term debt	<u>492,248</u>	<u>533,267</u>	<u>-7.7%</u>
Total expenses	<u>47,197,236</u>	<u>33,909,462</u>	<u>39.2%</u>
Increase in net position	2,377,486	2,910,843	-18.3%
Net position - January 1	<u>55,031,199</u>	<u>52,120,356</u>	<u>5.6%</u>
Net position - December 31	<u>\$ 57,408,685</u>	<u>\$ 55,031,199</u>	<u>4.3%</u>

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

There was not a tax rate increase, nor were there any new taxes imposed. Both increases are due to economic improvements in the County which lead to new development and higher consumer spending compared to activity in the prior year.

Combined property taxes, sales taxes, and other taxes the County collects create the largest portion of revenues for the County totaling \$24,322,381, or 49.1 percent of all revenues. Grants and contributions, totaling \$18,203,478 or 36.7 percent, also played a key role in financing the County’s operational and capital needs. Charges for services were also a significant portion of total revenues at \$6,393,611 or 12.9 percent.

Total expenses increased for the County by \$13,287,774, or 39.2 percent, over the prior year. The activity with the largest increase was General Government, experiencing an increase of \$12,862,034, or 153.2 percent. As already discussed as part of the analysis of revenue changes, the expenses were dramatically increased this year due to projects related to rebuilding a critical canal system and a river repair and restoration project. Road construction also played a small role in the increase, but completed roads are not owned or maintained by the County and are not capitalized.



Excluding the effects of the water projects discussed previously, public safety services generate the most significant portion of the County’s expenses amounting to \$14,363,376. The most costly programs within the County’s public safety services are the Sheriff Patrol, the Support Services function, and the operation of the County jail. These costs are \$3,549,315, \$2,187,814, and \$6,401,235 respectively. Combined, these three programs account for 25.7 percent of the County’s total expenses, including the water projects. These costs increased by 4.9 percent over the prior year.

The following table shows to what extent the County’s governmental activities relied on program-related revenues to cover program costs. In 2012, these revenues covered \$24,597,089, or 52.1 percent, of total expense through charges for services, grants and contributions. Taxes and other general revenues covered the remaining 47.9 percent of the County’s expenses.

CACHE COUNTY'S NET PROGRAM COSTS						
GOVERNMENTAL ACTIVITIES						
	Program	Less	Net		Program Revenues	
	Expenses	Program	Program		as a Percentage of	
	2012	Revenues	Expenses	2011	2012	2011
ACTIVITIES						
General government	\$ 21,256,968	\$ (14,849,890)	\$ 6,407,078	\$ 5,756,480	69.9%	31.4%
Public safety	14,363,376	(4,648,354)	9,715,022	8,864,665	32.4%	36.8%
Streets and public improv.	4,319,087	(1,905,345)	2,413,742	1,955,527	44.1%	48.9%
Health and welfare	3,880,315	(2,674,770)	1,205,545	1,277,051	68.9%	67.2%
Culture and recreation	2,885,242	(518,730)	2,366,512	2,776,538	18.0%	14.5%
Interest on long-term debt	492,248	-	492,248	533,267	0.0%	0.0%
Total governmental activities	<u>\$ 47,197,236</u>	<u>\$ (24,597,089)</u>	<u>\$ 22,600,147</u>	<u>\$ 21,163,528</u>	<u>52.1%</u>	<u>37.6%</u>

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The investment in capital assets, net of accumulated depreciation, of the County for its governmental activities totaled \$35,877,777 at the end of the year. This investment in capital assets includes land, buildings and improvements, equipment, and infrastructure. The total net amount decreased from the prior year by \$140,976, or 0.4 percent. No individually significant additions to capital assets were made during the year. The decrease represents additional depreciation of approximately \$2.1 million, offset by capital expenditures of approximately \$2.0 million.

CACHE COUNTY'S CAPITAL ASSETS, NET GOVERNMENTAL ACTIVITIES			
	<u>2012</u>	<u>2011</u>	<u>% Change</u>
Land	\$ 2,477,015	\$ 2,477,015	0.0%
Buildings and improvements	18,353,026	18,545,472	-1.0%
Equipment	4,617,792	4,356,948	6.0%
Infrastructure	<u>10,429,944</u>	<u>10,639,318</u>	-2.0%
Total capital assets, net	<u>\$ 35,877,777</u>	<u>\$ 36,018,753</u>	<u>-0.4%</u>

Long-term Debt

Bonded debt outstanding at the end of the year, consisting of revenue bonds, had a balance of \$9,344,190 compared to \$11,269,439 at the prior year end. No additional bonds were issued in 2012, so the reduction represents payment on existing debt, including the full redemption of the 2002 bond series. No capital leases were outstanding during or at the end of the year. In addition to the revenue bonds, the County's long-term obligations include an accrual for compensated absences in the amount of \$1,652,080. The adjoining table presents changes to long-term obligations relative to the prior year.

CACHE COUNTY'S LONG-TERM DEBT GOVERNMENTAL ACTIVITIES			
	<u>2012</u>	<u>2011</u>	<u>% Change</u>
Sales tax revenue bonds, net of premiums and refundings	\$ 9,344,190	\$ 11,269,439	-17.1%
Compensated absences	<u>1,652,080</u>	<u>1,528,340</u>	8.1%
Total long-term debt	<u>\$ 10,996,270</u>	<u>\$ 12,797,779</u>	<u>-14.1%</u>

FUND FINANCIAL ANALYSIS

As noted earlier, a fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required by law to exist. The County uses fund accounting to ensure and demonstrate compliance with the Uniform Fiscal Procedures Act (Utah Code Title 17 Chapter 36). Other funds are established internally to maintain control over a particular activity, such as capital projects.

Governmental Funds

The focus of the governmental funds of the County is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the financing requirements of the County. Unassigned fund balance may serve as a useful measure of the County's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited, by external or internal authority, for any particular purpose.

As of December 31, 2012, the combined fund balance of the governmental funds of the County was \$31,304,181, an increase of \$840,332, or 2.8 percent, in comparison with the prior year. Of that fund balance, \$7,266,779, or 23.2 percent, was unassigned and was available for appropriation by the County at its discretion. The remainder of the fund balance was either restricted or assigned and was available for spending subject to specific constraints, or it was in nonspendable form.

C A C H E C O U N T Y

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012

The general fund is the principal operating fund of the County. As of December 31, 2012, the unassigned fund balance of the general fund was \$7,268,316. This amount represents 38.1 percent of the total expenditures of the general fund.

CACHE COUNTY'S FUND BALANCES GOVERNMENTAL FUNDS

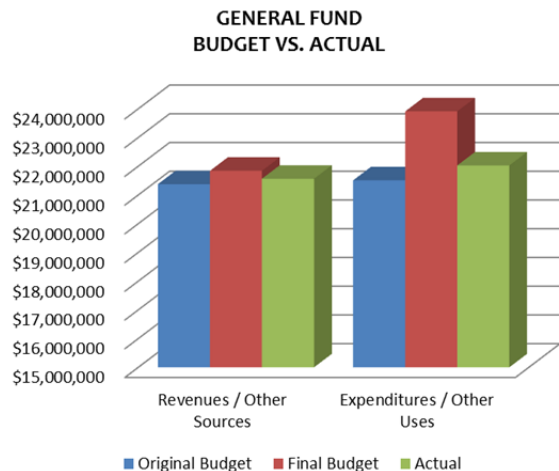
FUNDS	2012					2011	% Change
	Nonspendable	Restricted	Assigned	Unassigned	Total	Total	
General	\$ 35,378	\$ 850,000	\$ -	\$ 7,268,316	\$ 8,153,694	\$ 8,616,127	-5.4%
Assessing and Collecting	36,130	4,042,014	-	-	4,078,144	3,495,154	16.7%
Municipal Services	-	4,173,639	-	-	4,173,639	5,037,886	-17.2%
Capital Projects	-	8,800,881	814,202	-	9,615,083	8,690,367	10.6%
Other (Nonmajor)	-	4,868,350	416,808	(1,537)	5,283,621	4,624,312	14.3%
Total fund balances	<u>\$ 71,508</u>	<u>\$ 22,734,884</u>	<u>\$ 1,231,010</u>	<u>\$ 7,266,779</u>	<u>\$ 31,304,181</u>	<u>\$ 30,463,846</u>	<u>2.8%</u>

General Fund Budgetary Highlights

The final adopted revenue budget of the general fund increased by \$296,967 over the original budget. The two most significant increases in budgeted revenues resulted from a change in estimates of property tax collection and charges for services. The increase for property tax was \$107,830, or 36.3 percent of the total revenue budget increase. The increase for charges for services was \$108,570, or 36.6 percent of the total increase. Intergovernmental revenues generated another increase of \$77,717, or 26.2 percent of the total budgetary increase.

Budgeted expenditures increased by \$1,017,695 over the original budget. Some of the most notable increases are as follows:

- The largest increase to the budget was for public safety expenditures. There was \$273,208 appropriated for capital upgrades related to flooring, computer and electrical components of the Cache County Sheriff's Complex. An additional \$131,400 was appropriated for rescue and safety equipment.
- In a presidential election year like 2012, election costs are typically higher than in other years. Additional resources in the amount of \$107,000 were provided to administer the election process.
- Facility improvements at the County Fairgrounds and at the Logan-Cache Airport, a component unit of the County, accounted for another \$178,254 increase to the budget.



REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the County Executive's office at 199 North Main, or the County Auditor's office at 179 North Main, Logan, Utah, 84321.

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BASIC FINANCIAL STATEMENTS

C A C H E C O U N T Y

**STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2012**

	<u>Primary Government</u>		<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Total</u>	
ASSETS			
Cash and cash equivalents.....	\$ 6,792,816	\$ 6,792,816	\$ 5,475,689
Equity in investment pool.....	21,879,989	21,879,989	801,547
Taxes receivable.....	3,127,203	3,127,203	-
Accounts receivable, net.....	990,763	990,763	1,534,578
Accrued interest.....	6,138	6,138	-
Pledges receivable, net.....	-	-	117,002
Due from other governments.....	6,289,545	6,289,545	100,006
Investments.....	2,516,669	2,516,669	322,819
Inventory.....	-	-	211,050
Restricted cash and investments.....	-	-	202
Other assets, net.....	72,183	72,183	12,235
Noncurrent pledges receivable, net.....	-	-	19,822
Capital assets:			
Land.....	2,477,015	2,477,015	1,996,084
Buildings, improvements and equipment...	42,752,456	42,752,456	29,454,812
Infrastructure.....	15,382,048	15,382,048	-
Accumulated depreciation.....	<u>(24,733,742)</u>	<u>(24,733,742)</u>	<u>(10,713,156)</u>
Total assets.....	<u>\$ 77,553,083</u>	<u>\$ 77,553,083</u>	<u>\$ 29,332,690</u>
LIABILITIES			
Accounts payable and accrued liabilities.....	\$ 7,368,926	\$ 7,368,926	\$ 1,130,621
Due to other governments.....	1,398,266	1,398,266	-
Unearned revenue.....	380,935	380,935	95,122
Long-term liabilities:			
Due within one year.....	1,397,000	1,397,000	280,000
Due in more than one year.....	<u>9,599,271</u>	<u>9,599,271</u>	<u>335,000</u>
Total liabilities.....	<u>20,144,398</u>	<u>20,144,398</u>	<u>1,840,743</u>
NET POSITION			
Net investment in capital assets.....	26,533,587	26,533,587	20,687,740
Restricted for:			
Air pollution control.....	41,422	41,422	-
Ambulance services.....	252,746	252,746	-
Capital projects.....	-	-	109,175
Debt service.....	-	-	202
Election equipment.....	850,000	850,000	-
Health services.....	899,480	899,480	-
Municipal services.....	1,379,083	1,379,083	-
Parks and recreation.....	3,939,128	3,939,128	-
Property tax administration.....	4,042,014	4,042,014	-
Streets and public improvements.....	11,319,165	11,319,165	-
Other purposes.....	11,846	11,846	383,329
Unrestricted.....	<u>8,140,214</u>	<u>8,140,214</u>	<u>6,311,501</u>
Total net position.....	<u>\$ 57,408,685</u>	<u>\$ 57,408,685</u>	<u>\$ 27,491,947</u>

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

C A C H E C O U N T Y

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units
					Governmental Activities	Total	
Primary government:							
Governmental activities:							
General government.....	\$ 21,256,968	\$ 1,599,236	\$ 1,109,340	\$ 12,141,314	\$ (6,407,078)	\$ (6,407,078)	\$ -
Public safety.....	14,363,376	3,711,280	937,074	-	(9,715,022)	(9,715,022)	-
Streets and public improvements...	4,319,087	612,570	1,284,775	8,000	(2,413,742)	(2,413,742)	-
Health and welfare.....	3,880,315	108,844	2,565,926	-	(1,205,545)	(1,205,545)	-
Culture and recreation.....	2,885,242	361,681	127,049	30,000	(2,366,512)	(2,366,512)	-
Interest on long-term debt.....	492,248	-	-	-	(492,248)	(492,248)	-
Total governmental activities.....	<u>47,197,236</u>	<u>6,393,611</u>	<u>6,024,164</u>	<u>12,179,314</u>	<u>(22,600,147)</u>	<u>(22,600,147)</u>	<u>-</u>
Total primary government.....	<u>\$ 47,197,236</u>	<u>\$ 6,393,611</u>	<u>\$ 6,024,164</u>	<u>\$ 12,179,314</u>	<u>(22,600,147)</u>	<u>(22,600,147)</u>	<u>-</u>
Component Units:							
Airport Authority.....	\$ 869,253	\$ 90,823	\$ 225,000	\$ 517,347	-	-	(36,083)
North Park Interlocal Cooperative....	819,261	463,107	312,540	-	-	-	(43,614)
Bear River Health Department.....	9,188,237	2,561,917	6,683,736	-	-	-	57,416
CCEMS Authority.....	2,715,469	2,387,312	483,298	-	-	-	155,141
Roads Special Service District.....	227,095	-	246,497	-	-	-	19,402
Total component units.....	<u>\$ 13,819,315</u>	<u>\$ 5,503,159</u>	<u>\$ 7,951,071</u>	<u>\$ 517,347</u>	<u>-</u>	<u>-</u>	<u>152,262</u>
General revenues:							
Property taxes.....					14,078,006	14,078,006	-
Sales and use taxes.....					10,244,375	10,244,375	-
Interest and investment income.....					387,103	387,103	39,096
Gain on sale of assets.....					-	-	5,052
Miscellaneous income.....					268,149	268,149	14,693
Total general revenues.....					<u>24,977,633</u>	<u>24,977,633</u>	<u>58,841</u>
Changes in net assets.....					2,377,486	2,377,486	211,103
Net position - January 1.....					55,031,199	55,031,199	27,280,844
Net position - December 31.....					<u>\$ 57,408,685</u>	<u>\$ 57,408,685</u>	<u>\$ 27,491,947</u>

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

C A C H E C O U N T Y

**BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2012**

	Special Revenue					Nonmajor Governmental Funds	Total Governmental Funds
	General	Assessing and Collecting	Municipal Services	Mental Health	Capital Projects		
ASSETS							
Cash and cash equivalents.....	\$ 4,885,173	\$ 1,496,879	\$ 13,877	\$ -	\$ -	\$ 396,887	\$ 6,792,816
Equity in investment pool.....	1,471,745	2,765,264	3,847,940	727,304	8,612,154	4,455,582	21,879,989
Interfund receivable - investment pool.....	-	-	44,642	-	-	-	44,642
Taxes receivable.....	1,637,683	257,000	135,539	-	541,281	555,700	3,127,203
Accounts receivable.....	29,888	-	9,827	-	951,048	-	990,763
Interest receivable.....	6,138	-	-	-	-	-	6,138
Due from other governments.....	518,869	10,766	232,593	670,962	4,725,572	130,783	6,289,545
Investments.....	2,516,669	-	-	-	-	-	2,516,669
Other assets.....	35,378	36,130	-	-	-	675	72,183
Total assets.....	<u>\$ 11,101,543</u>	<u>\$ 4,566,039</u>	<u>\$ 4,284,418</u>	<u>\$ 1,398,266</u>	<u>\$ 14,830,055</u>	<u>\$ 5,539,627</u>	<u>\$ 41,719,948</u>
LIABILITIES							
Interfund payable - investment pool.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,642	\$ 44,642
Accounts payable and accrued liabilities.....	1,678,216	230,895	110,779	-	5,214,972	134,064	7,368,926
Due to other governments.....	-	-	-	1,398,266	-	-	1,398,266
Unearned revenues.....	379,635	-	-	-	-	1,300	380,935
Total liabilities.....	<u>2,057,851</u>	<u>230,895</u>	<u>110,779</u>	<u>1,398,266</u>	<u>5,214,972</u>	<u>180,006</u>	<u>9,192,769</u>
DEFERRED INFLOWS OF RESOURCES							
Delinquent property taxes	\$ 889,998	\$ 257,000	\$ -	\$ -	\$ -	\$ 76,000	\$ 1,222,998
Total deferred inflows of resources.....	<u>889,998</u>	<u>257,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,000</u>	<u>1,222,998</u>
FUND BALANCES							
Nonspendable.....	35,378	36,130	-	-	-	-	71,508
Restricted for:							
Air pollution control.....	-	-	-	-	-	41,422	41,422
Ambulance services.....	-	-	-	-	-	252,746	252,746
Election equipment.....	850,000	-	-	-	-	-	850,000
Health services.....	-	-	-	-	-	899,480	899,480
Municipal services.....	-	-	1,379,083	-	-	-	1,379,083
Parks and recreation.....	-	-	276,272	-	-	3,662,856	3,939,128
Property tax administration.....	-	4,042,014	-	-	-	-	4,042,014
Streets and public improvements.....	-	-	2,518,284	-	8,800,881	-	11,319,165
Other purposes.....	-	-	-	-	-	11,846	11,846
Assigned to:							
Capital projects.....	-	-	-	-	814,202	-	814,202
Debt service.....	-	-	-	-	-	153,438	153,438
Health and welfare.....	-	-	-	-	-	263,370	263,370
Unassigned.....	7,268,316	-	-	-	-	(1,537)	7,266,779
Total fund balances.....	<u>8,153,694</u>	<u>4,078,144</u>	<u>4,173,639</u>	<u>-</u>	<u>9,615,083</u>	<u>5,283,621</u>	<u>31,304,181</u>
Total liabilities, deferred inflows of resources and fund balances.....	<u>\$ 11,101,543</u>	<u>\$ 4,566,039</u>	<u>\$ 4,284,418</u>	<u>\$ 1,398,266</u>	<u>\$ 14,830,055</u>	<u>\$ 5,539,627</u>	<u>\$ 41,719,948</u>

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

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2012**

Total Fund Balance - Governmental Funds..... \$ 31,304,181

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

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

Land.....	2,477,015	
Buildings, improvements and equipment.....	42,752,456	
Infrastructure.....	15,382,048	
Accumulated depreciation.....	<u>(24,733,742)</u>	
		35,877,777

Because the focus of governmental funds is on short-term financing, some revenues will not be available to pay for current-period expenditures and are therefore recorded as deferred inflows of resources in the funds.

Delinquent property taxes.....	<u>1,222,998</u>	
		1,222,998

Long-term liabilities and related accrued interest are not due and payable in the current period and are therefore not reported in the funds.

Bonds payable.....	(9,340,000)	
Unamortized bond premiums.....	(4,190)	
Compensated absences.....	<u>(1,652,081)</u>	
		<u>(10,996,271)</u>

Net Position - Governmental Activities..... \$ 57,408,685

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

C A C H E C O U N T Y

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Special Revenue					Nonmajor Governmental Funds	Total Governmental Funds
	General	Assessing and Collecting	Municipal Services	Mental Health	Capital Projects		
REVENUES							
Taxes:							
Property.....	\$ 10,237,408	\$ 3,042,032	\$ -	\$ -	\$ -	\$ 851,566	\$ 14,131,006
Sales and use.....	<u>4,033,967</u>	-	<u>711,130</u>	-	<u>2,860,422</u>	<u>2,638,856</u>	<u>10,244,375</u>
	14,271,375	3,042,032	711,130	-	2,860,422	3,490,422	24,375,381
Other revenues:							
Intergovernmental.....	809,951	-	1,965,934	2,154,645	10,415,968	1,215,153	16,561,651
Charges for services.....	4,523,093	435,926	794,360	-	-	180,640	5,934,019
Licenses and permits.....	42,400	-	288,223	-	-	-	330,623
Fines and forfeitures.....	128,969	-	-	-	-	-	128,969
Interest and investment income.....	356,989	7,024	21,093	-	-	1,997	387,103
Rental income.....	203,282	-	-	-	-	-	203,282
Public contributions.....	57,432	-	-	-	1,550,221	34,174	1,641,827
Miscellaneous revenues.....	<u>56,364</u>	<u>3,511</u>	<u>17</u>	-	-	<u>4,975</u>	<u>64,867</u>
Total revenues.....	<u>20,449,855</u>	<u>3,488,493</u>	<u>3,780,757</u>	<u>2,154,645</u>	<u>14,826,611</u>	<u>4,927,361</u>	<u>49,627,722</u>
EXPENDITURES							
General government.....	5,233,797	2,905,506	261,515	-	12,388,322	88,850	20,877,990
Public safety.....	12,722,066	-	849,572	-	53,312	716,381	14,341,331
Streets and public improvements.....	-	-	2,979,154	-	1,060,261	-	4,039,415
Health and welfare.....	314,894	-	-	2,154,645	-	1,444,019	3,913,558
Culture and recreation.....	798,953	-	28,669	-	-	2,075,226	2,902,848
Debt service principal.....	-	-	-	-	-	2,220,000	2,220,000
Debt service interest.....	-	-	-	-	-	<u>492,248</u>	<u>492,248</u>
Total expenditures.....	<u>19,069,710</u>	<u>2,905,506</u>	<u>4,118,910</u>	<u>2,154,645</u>	<u>13,501,895</u>	<u>7,036,724</u>	<u>48,787,390</u>
Revenues over (under) expenditures.....	1,380,145	582,987	(338,153)	-	1,324,716	(2,109,363)	840,332
OTHER FINANCING SOURCES (USES)							
Transfers in.....	1,113,309	-	73,906	-	150,000	3,048,778	4,385,993
Transfers out.....	<u>(2,955,887)</u>	-	<u>(600,000)</u>	-	<u>(550,000)</u>	<u>(280,106)</u>	<u>(4,385,993)</u>
Total other financing sources (uses).....	<u>(1,842,578)</u>	-	<u>(526,094)</u>	-	<u>(400,000)</u>	<u>2,768,672</u>	-
Net change in fund balances.....	(462,433)	582,987	(864,247)	-	924,716	659,309	840,332
Fund balances - January 1.....	<u>8,616,127</u>	<u>3,495,157</u>	<u>5,037,886</u>	-	<u>8,690,367</u>	<u>4,624,312</u>	<u>30,463,849</u>
Fund balances - December 31.....	<u>\$ 8,153,694</u>	<u>\$ 4,078,144</u>	<u>\$ 4,173,639</u>	<u>\$ -</u>	<u>\$ 9,615,083</u>	<u>\$ 5,283,621</u>	<u>\$ 31,304,181</u>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Net Changes in Fund Balances - Total Governmental Funds..... \$ 840,332

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In addition, donated capital assets are not recognized in governmental funds, but are recognized as revenue on the statement of activities. In the current year, these amounts were as follows:

Capital outlay.....	2,008,779	
Depreciation expense.....	<u>(2,149,755)</u>	
		(140,976)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts were as follows:

Payments of bond principal.....	<u>2,220,000</u>	
		2,220,000

Revenues in the Statement of Activities that do not provide current financial resources are recorded as deferred inflows of resources and not reported as revenues in governmental funds. Changes in the amount deferred can result in an increase or decrease in revenues compared to the amount reported in the statement of activities. (53,000)

Some transactions reported in the Statement of Activities do not result in the receipt or require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds. The activities consist of the following:

Bond premium amortization.....	419	
Deferred bond interest and issuance costs.....	(365,549)	
Increase in compensated absences liability.....	<u>(123,740)</u>	
		<u>(488,870)</u>

Change in Net Position of Governmental Activities..... \$ 2,377,486

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF DECEMBER 31, 2012

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents.....	\$ 28,664,131
Equity in investment pool.....	157,992
Taxes receivable.....	<u>790,502</u>
Total assets.....	<u>\$ 29,612,625</u>
LIABILITIES	
Due to other taxing units.....	\$ 28,790,314
Due to employees.....	18,244
Refunds payable.....	646,075
Other payables.....	<u>157,992</u>
Total liabilities.....	<u>\$ 29,612,625</u>

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

C A C H E C O U N T Y

**COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
AS OF DECEMBER 31, 2012**

	<u>Airport Authority</u>	<u>North Park Interlocal Cooperative</u>	<u>Bear River Health Department</u>	<u>CCEMS Authority</u>	<u>Roads Special Service District</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents.....	\$ -	\$ 237,312	\$ 4,551,957	\$ 619,262	\$ 67,158	\$ 5,475,689
Equity in investment pool.....	801,547	-	-	-	-	801,547
Accounts receivable, net.....	4,715	6,751	937,437	585,675	-	1,534,578
Pledges receivable, net.....	-	117,002	-	-	-	117,002
Due from other governments.....	100,006	-	-	-	-	100,006
Investments.....	-	322,819	-	-	-	322,819
Inventory.....	-	19,859	191,191	-	-	211,050
Restricted cash and investments.....	-	202	-	-	-	202
Other assets.....	-	12,235	-	-	-	12,235
Noncurrent pledges receivable, net.....	-	19,822	-	-	-	19,822
Capital assets:						
Land.....	1,289,262	-	706,822	-	-	1,996,084
Buildings, improvements and equipment.....	14,214,278	4,921,174	9,132,730	1,186,630	-	29,454,812
Accumulated depreciation.....	<u>(4,982,813)</u>	<u>(1,340,725)</u>	<u>(3,899,708)</u>	<u>(489,910)</u>	-	<u>(10,713,156)</u>
Total assets.....	<u>11,426,995</u>	<u>4,316,451</u>	<u>11,620,429</u>	<u>1,901,657</u>	<u>67,158</u>	<u>29,332,690</u>
LIABILITIES						
Accounts payable and accrued liabilities.....	612,429	25,440	480,765	11,987	-	1,130,621
Unearned revenue.....	95,122	-	-	-	-	95,122
Noncurrent liabilities:						
Due within one year.....	-	50,000	230,000	-	-	280,000
Due in more than one year.....	-	-	<u>335,000</u>	-	-	<u>335,000</u>
Total liabilities.....	<u>707,551</u>	<u>75,440</u>	<u>1,045,765</u>	<u>11,987</u>	<u>-</u>	<u>1,840,743</u>
NET POSITION						
Net investment in capital assets.....	10,520,727	3,530,449	5,939,844	696,720	-	20,687,740
Restricted for:						
Capital projects.....	-	109,175	-	-	-	109,175
Debt service.....	-	202	-	-	-	202
Other purposes.....	-	383,329	-	-	-	383,329
Unrestricted.....	<u>198,717</u>	<u>217,856</u>	<u>4,634,820</u>	<u>1,192,950</u>	<u>67,158</u>	<u>6,311,501</u>
Total net position.....	<u>\$ 10,719,444</u>	<u>\$ 4,241,011</u>	<u>\$ 10,574,664</u>	<u>\$ 1,889,670</u>	<u>\$ 67,158</u>	<u>\$ 27,491,947</u>

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

C A C H E C O U N T Y

**COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Airport Authority</u>	<u>North Park Interlocal Cooperative</u>	<u>Bear River Health Department</u>	<u>CCEMS Authority</u>	<u>Roads Special Service District</u>	<u>Total</u>
Expenses.....	\$ 869,253	\$ 819,261	\$ 9,188,237	\$ 2,715,469	\$ 227,095	\$ 13,819,315
Program revenues						
Charges for services.....	90,823	463,107	2,561,917	2,387,312	-	5,503,159
Operating grants and contributions.....	225,000	312,540	6,683,736	483,298	246,497	7,951,071
Capital grants and contributions.....	<u>517,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>517,347</u>
Total program revenues.....	<u>833,170</u>	<u>775,647</u>	<u>9,245,653</u>	<u>2,870,610</u>	<u>246,497</u>	<u>13,971,577</u>
Net revenues (expenses).....	<u>(36,083)</u>	<u>(43,614)</u>	<u>57,416</u>	<u>155,141</u>	<u>19,402</u>	<u>152,262</u>
General revenues						
Interest income.....	2,809	1,117	25,977	7,471	1,722	39,096
Gain on sale of assets.....	-	-	5,052	-	-	5,052
Miscellaneous income.....	<u>-</u>	<u>-</u>	<u>14,693</u>	<u>-</u>	<u>-</u>	<u>14,693</u>
Total general revenues.....	<u>2,809</u>	<u>1,117</u>	<u>45,722</u>	<u>7,471</u>	<u>1,722</u>	<u>58,841</u>
Change in net assets.....	(33,274)	(42,497)	103,138	162,612	21,124	211,103
Net position - beginning.....	<u>10,752,718</u>	<u>4,283,508</u>	<u>10,471,526</u>	<u>1,727,058</u>	<u>46,034</u>	<u>27,280,844</u>
Net position - ending.....	<u>\$ 10,719,444</u>	<u>\$ 4,241,011</u>	<u>\$ 10,574,664</u>	<u>\$ 1,889,670</u>	<u>\$ 67,158</u>	<u>\$ 27,491,947</u>

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

**NOTES TO THE
FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

Cache County operates under a County Council/County Executive form of government. A brief description of this form of government follows:

1. The powers and duties of the government are divided between an elected seven-member County Council and an elected County Executive.
2. The County Council exercises legislative and policy making powers and is composed of seven members elected for four-year terms from different geographical districts in the County on a population basis.
3. The County Executive exercises administrative powers and fiscal control of the County and may exercise a veto upon legislative actions of the County Council which in turn may be overridden by the affirmative vote of five council members. The Executive is elected to a four-year term in a County-wide election.

As required by GAAP, these financial statements present Cache County, the primary government, and its component units. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units.

As defined by GASB, component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A

component unit may be a government organization, a nonprofit corporation, or a for-profit corporation.

Based on the foregoing definition and additional guidance from GASB, the financial statements of the following organizations are included in the reporting entity either as blended component units, reported within the funds of the County, or as discretely presented component units, reported outside the funds of the County in a separate column.

Blended component units

Cache County Municipal Building Authority (MBA) – The MBA is a nonprofit corporation established to administer the sale of bonds and related construction and remodeling projects of the County. The Governing Board of the MBA is comprised of the County Council.

Cache County Special Service District #1 (SSD) – SSD is organized under Utah law as a separate public corporation to provide garbage collection services to the citizens of the County. The County Council has appointed itself as the Board of Trustees for the District. SSD collects fees from citizens in the unincorporated areas of the County and has contracted with the City of Logan to provide garbage collection services for citizens of the County. It pays any uncollected fees to Logan City. SSD's operations are immaterial and therefore are accounted for in the Municipal Services Fund, a special revenue fund which is reported as a major governmental fund in the financial statements.

Cache County Fire Protection District (FPD) – FPD is organized as a separate public corporation under Utah law to provide fire protection to the citizens residing in the County. The County Council appoints the Board of Directors for FPD and has appointed two council members and the County Executive to the board. Distributions are made to local governments to provide fire protection services in their communities. The County also purchases and provides firefighting equipment for FPD. The revenues and expenses of FPD are immaterial and are reported in the Municipal Services Fund.

Community Foundation – The Community Foundation is a nonprofit corporation established to receive contributions to benefit certain community projects. The officers of the Community Foundation are members of the County Council, the County Auditor,

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and the County Executive. The Community Foundation is reported as a nonmajor governmental fund of the County. This component unit is currently inactive.

Discretely Presented Component Units

Logan-Cache Airport Authority – The Airport Authority has been organized as a separate corporate body under Utah law to facilitate the construction and operation of a public airport. The Board of Directors is appointed equally by the County Council and the Municipal Council of the City of Logan. The Airport Authority does not issue separate financial statements.

North Park Interlocal Cooperative (NPIC) – NPIC was organized to facilitate the construction and operation of a recreational ice arena facility and to finance the costs. The cooperative members are Cache County, the City of Logan, the City of North Logan, and the City of Hyde Park. NPIC is a separate legal entity created in accordance with Utah Law. Cache County appoints 3 board members and each city appoints 2 board members. NPIC receives funding from an allocation of Restaurant Tax collections from Cache County and from dedicated sales tax collections from the other members and cities within the county limits. The County has entered into agreements to account for the dedicated sales tax collections. NPIC could be included in the financial statements of another member; however, the County has elected to include NPIC as a component unit. NPIC does not issue separate financial statements.

NPIC includes the financial statements of Bridgerland Community Ice Arena, Inc. (BCIA), which operates as a nonprofit organization for the purpose of raising money for the construction, maintenance, and operation of the ice arena owned by NPIC. NPIC evaluated BCIA in accordance with GASB statement 39 and determined that BCIA is a component unit of NPIC. BCIA’s primary sources of funding are user fees and donations. BCIA’s fiscal year ends June 30, of each year. BCIA issues separate financial statements, which can be obtained at 2825 North 200 East, North Logan, Utah, 84341.

Bear River Health Department (BRHD) – BRHD was organized to provide public health services, as allowed by state law, to Cache County, Box Elder County, and Rich County. BRHD is a separate legal entity created in accordance with Utah law and it issues separate

financial statements which can be obtained at 655 East 1300 North, Logan, Utah, 84341.

Cache County Emergency Medical Service Authority (CCEMS) – CCEMS is a jointly governed program by contractual agreement of the Office of the Cache County EMS Coordinator and the ambulance program of the City of Logan Fire Department. CCEMS operates under a 7-member governing board with the following composition: 2 members of the City of Logan Municipal Council, 2 members of the Cache County Council, 1 member appointed by the City of Logan Municipal Council, the Cache County Executive, 1 member appointed by the other 6 members with a minimum of 4 votes approving the appointment. CCEMS provides ambulance services to Cache County residents. CCEMS issues separate financial statements which can be obtained at 199 North Main, Logan, Utah, 84321.

Cache County Roads Special Service District (RSSD) – RSSD has been organized as a separate corporate body under Utah law. Directors of the board are appointed by the County Council and RSSD receives mineral lease revenues from the State of Utah which are dedicated for the improvement of roads within the district. RSSD does not issue separate financial statements.

The Logan-Cache Airport Authority, The Roads Special Service District, NPIC and CCEMS have their books and records maintained by the County.

Interlocal Agreements

Cache County has fiduciary responsibilities for the following interlocal agreements and their activities are accounted for as nonmajor governmental funds.

Cache Valley Visitors Bureau – The Visitors Bureau is operated under an agreement between Cache County and Rich County to promote tourism to the common region.

County Planner – The County Planner is operated under an agreement between Cache County and various cities of the County to provide planning and economic development services.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

activities) report information on all of the non-fiduciary activities of the County and its component units. Primary government activities are distinguished between *governmental activities* and *business-type activities*. However, there are currently no County activities that meet the definition of business-type activities.

Governmental activities are usually financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Net Position presents the reporting entities' non-fiduciary assets and liabilities, with the difference reported as net position. Net position is restricted when constraints placed upon it are either externally imposed or are imposed by constitutional provisions or enabling legislation.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements

The County's accounting system is organized on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the government establishes for accountability purposes in accordance with statutes, laws, regulations, restrictions or specific purposes.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. For governmental funds, the emphasis is on major individual funds with each displayed as a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

C. Measurement Focus, Basis of Accounting, and Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the component unit financial statements and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

Governmental Fund Financial Statements

Governmental funds are reported using the *current resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible in the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, franchise taxes, licenses, fees-in-lieu of taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Property taxes and fees-in-lieu of taxes associated with future periods are deferred. All other revenue items are considered to be measurable and available only when the County receives cash. Grants are usually reimbursable grants and are thus recognized as revenue at the time the related expenditures are made. Expenditures are generally recorded when a liability is incurred as under accrual accounting. However, debt service and compensated absences expenditures are recorded only when payment is due.

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

Major Funds

The County reports the following major governmental funds:

**NOTES TO THE FINANCIAL STATEMENTS
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The *General Fund* is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Assessing and Collecting Fund* is a special revenue fund used to report expenditures related to the assessing and collecting of property taxes which are funded through a special tax at the state and local level.

The *Municipal Services Fund* is a special revenue fund used to report the municipal-type services provided by the County to residents living in unincorporated areas of the County.

The *Mental Health Fund* is a special revenue fund used to report the expenditures of state provided funding for mental health services in the Mental Health Authority jurisdiction, comprising Cache, Box Elder, and Rich counties.

The *Capital Projects Fund* is used to account for financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities or other capital assets.

Nonmajor Funds

The County's nonmajor governmental funds include other special revenue funds and a debt service fund. The nonmajor special revenue funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes. Examples of restricted, committed, or assigned revenue sources include certain taxes, federal and state grants, and user fees. The debt service fund accounts for resources used for the payment of principal and interest on long-term debt.

Fiduciary Fund Financial Statements

The fiduciary funds account for assets held by the County in a trustee capacity or as an agent for other individuals or organizations. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The following fiduciary funds are reported:

Agency Funds – Agency funds are used to account for assets held by the County as an agent for other governmental units, other organizations, or individuals.

These funds include tax collections, refundable fees, and employee withholdings.

Component Unit Financial Statements

The combining component unit financial statements are presented in order to provide information on each of the major component units included in the component units column of the government-wide financial statements. The component unit financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The information is presented in order to be consistent with the government-wide financial statements. The fiscal years of the component units are the same as the primary government, except for BCIA, a component unit of NPIC, which has a fiscal year ending June 30.

D. Assets, Liabilities, and Net Assets/Fund Balances

Cash and Cash Equivalents

Cash and cash equivalents represent petty cash or demand deposits or other liquid investments that are kept in accounts separate from the investment pool of the County.

The County considers all investments with an original maturity of 3 months or less to be cash equivalents. The County follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 541, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depositing of County funds in a "qualified depository." The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Equity in Investment Pool

Cash in all funds except the Treasurer's Tax Agency Fund, certain restricted bond funds, and certain discretely presented component units, is pooled into common accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the investment pool cash accounts has equity therein. An individual fund's equity in the pooled cash accounts is available upon demand and is considered to

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

be a cash equivalent when preparing these financial statements. Negative balances incurred in pooled cash at the end of the year are treated as interfund payables of the deficit fund and as interfund receivables in other funds with positive equity. Investments of the pool are stated at fair value.

Receivables

All trade and property tax receivables are shown net of any allowance for uncollectable amounts. Property taxes are due by November 30 of each year, after which the applicable property is subject to lien and penalties and interest are assessed. At December 31, 2012, all receivables of the County were considered to be fully collectible and no allowance was established. BRHD has estimated that \$225,000 of its accounts receivable were uncollectable. The uncollectable receivables result primarily from services for substance abuse counseling and treatment. The CCEMS Authority has estimated that \$280,000 of its accounts receivable were uncollectable. These uncollectable receivables result from ambulance services.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 of each year. Taxes are levied on property owners in July and are payable by November 30. The County bills and collects property taxes for all taxing entities within the County through the Treasurer's Tax Fund (Agency Fund). Collections are periodically distributed to the taxing entities, with final settlement due March 31 of the subsequent year. The County records a receivable and deferred revenue for delinquent taxes, but no allowance for doubtful accounts is made as uncollected taxes are deemed to be substantially collectible or recoverable through foreclosure.

Inventory

Inventory is valued at the lower of cost or market, using the first-in, first-out method. Inventory in the BRHD consists of immunization serum and is valued based on information provided by the donor agency (the State of Utah) or the cost to purchase the serum.

Restricted Assets

Resources set aside for the repayment of the County's long-term liabilities are classified as restricted assets on

the balance sheet when their use is limited by applicable covenants.

Capital Assets

Capital assets which include land, buildings, equipment and infrastructure such as roads, bridges, and similar items, are reported in the governmental column or in the component units column of the government-wide Statement of Net Assets. Capital assets are defined by the County as assets that cost \$5,000 or more when acquired and have an estimated useful life of greater than one year. Purchased or constructed capital assets are recorded at historical cost or estimated historical costs where historical cost is not available. Donated assets are recorded at the estimated fair value on the date of donation.

Capital assets purchased by governmental funds are recorded as expenditures in the fund financial statements. Associated interest expense is not capitalized.

Buildings, equipment and other depreciable assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and other improvements	15 – 40 years
Machinery and equipment	3 – 15 years
Infrastructure	80 – 100 years

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position 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 and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position 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 and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly,

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the item, delinquent property taxes, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

In the government-wide financial statements, accumulated leave is recorded as a liability and an expense when vested with the employee. In the governmental fund financial statements, vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability of the governmental fund that will pay it.

Long-term Liabilities

In the government-wide Statement of Net Position, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premiums or discounts.

In the fund financial statements governmental funds recognize bond premiums and discounts incurred during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources.

Interfund Transactions

In the government-wide financial statements, interfund transactions have been eliminated to minimize the double counting of internal activity. Interfund receivables and payables have also been eliminated from the government-wide Statement of Net Assets.

In the governmental fund financial statements, transfers between funds are used to report flows of cash or other assets between funds without equivalent flows of assets in return or a requirement for repayment. The County's transfers are based on appropriations. Interfund receivables and payables are presented in the appropriate funds and are presented as "due from other funds" or "due to other funds."

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County Council. These amounts cannot be used for any other purpose unless the County Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County Council; no other body or official has this authority delegated to them. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is

**NOTES TO THE FINANCIAL STATEMENTS
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available, the County considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

E. Estimates

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

F. Implementation of New Accounting Standards

In 2012, the County implemented *GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The County also early implemented *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*. As a result, bond issuance costs will no longer be reported as an asset, but rather expensed at the time they are incurred. There are also numerous changes in terminology throughout the financial statements. Certain amounts previously reported as deferred revenue are now reported as deferred inflows of resources. Equity balances in the entity-wide financial statements previously reported as net assets have been renamed as net position. The above described changes to the County's financial statements did not require a prior period adjustment.

NOTE 2 – DEPOSITS AND INVESTMENTS

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

The County follows the requirements of the Utah Money Management Act (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. The Money Management Act (Act) requires the depositing of funds in a qualified

depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

A. Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned. The County does not have a formal policy relating to custodial credit risk. As of December 31, 2012, \$13,461,755 of the County's bank balances of \$13,983,979 was uninsured and uncollateralized.

B. Investments

The Act authorizes investments in both negotiable and nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), and Student Loan Marketing Association (Sallie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; and shares or certificates in a money market mutual fund as defined in the Act.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act. The Act established the Money Management Council, which

**NOTES TO THE FINANCIAL STATEMENTS
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oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah and participants share

proportionally in any realized gains or losses on investments. The County's investments as of December 31, 2012 are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
PTIF Investments - Govt Funds	\$ 19,557,319	\$ 19,557,319	\$ -	\$ -	\$ -
Corporate Bonds - Govt Funds	2,516,669	1,006,857	1,509,812	-	-
PTIF Investments - Agency Funds	<u>24,861,197</u>	<u>24,861,197</u>	-	-	-
Total investments	<u>\$ 46,935,185</u>	<u>\$ 45,425,373</u>	<u>\$ 1,509,812</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's policy for managing its exposure to fair value loss is to comply with the Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers acceptances, fixed rate negotiable deposits and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable

deposits and variable rate securities may not have a remaining term to final maturity exceeding 2 years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's policy for reducing exposure to credit risk is to comply with the Money Management Act as previously discussed.

The County's investment ratings at December 31, 2012 are presented below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Ratings</u>			
		<u>A1</u>	<u>A2</u>	<u>A3</u>	<u>Unrated</u>
PTIF Investments - Govt Funds	\$ 19,557,319	\$ -	\$ -	\$ -	\$ 19,557,319
Corporate Bonds - Govt Funds	2,516,669	-	1,006,857	1,509,812	-
PTIF Investments - Agency Funds	<u>24,861,197</u>	-	-	-	<u>24,861,197</u>
Total investments	<u>\$ 46,935,185</u>	<u>\$ -</u>	<u>\$ 1,006,857</u>	<u>\$ 1,509,812</u>	<u>\$ 44,418,516</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's policy for reducing this risk is to comply with the Rules of the Money Management Council. Rule 17 limits investments in a single issuer of commercial paper and corporate obligations to 5 – 10

percent depending upon the total dollar amount held in the portfolio.

Most of the County's investments at December 31, 2012, were with the PTIF and therefore, are not categorized as to concentration of credit risk. The largest investment in corporate notes, issued by Bank of America Corp., is \$1,008,351, or 6.5 percent, which

**NOTES TO THE FINANCIAL STATEMENTS
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falls within the acceptable percentage range for a single issuer.

Custodial Credit Risk

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

At December 31, 2012, most of the County's investments were in the PTIF and therefore, not categorized as to custodial credit risk. The corporate notes do have custodial credit risk exposure. The entire \$2,516,669 is held by the counterparty's trust department or agent in the County's name. These investments are not covered by depository insurance and are not collateralized.

C. Component Units

All component units follow the applicable laws and regulations of the Utah Money Management Act the same as described above for the County.

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of bank failure, the deposits of the component units may not be returned. The Component units do not have formal policies relating to custodial credit risk. As of December 31, 2012, \$2,056,093 of the bank balances of \$2,745,871 of the component units was uninsured and uncollateralized.

Investments

All component units of the County adhere to the Utah Money Management Act as described previously. As of December 31, 2012, the Bear River Health Department and NPIC held investments in the PTIF and have a maturity of less than one year. The BCIA held various investments, all of which have maturity dates of greater than three months. The investments consist of fixed income securities with a cost of \$320,925, fair value of \$322,819 and unrealized appreciation of \$1,894.

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At December 31, 2012, there were interfund balances of the investment pool between special revenue funds. The Municipal Services fund had a receivable of \$44,642. That amount was payable by the Planning and Development fund in the amount of \$909 and the Children's Justice Center fund in the amount of \$43,733.

During the year, the County made interfund transfers as shown in the schedule below. The most significant portion of transfers between funds was that of the General fund to the Debt Service fund. That transfer was made to finance debt payments for the sales tax revenue bonds. Transfers out from the recreation and RAPZ Tax funds were to fund recreational improvements. Transfers out from the Capital Projects fund were to finance capital acquisitions in the General fund. The Municipal Services fund transferred \$150,000 to the Capital Projects fund for the River Restoration project. Other transfers were to fund the normal operations of individual funds.

	Transfers out reported in:							Total Transfers In
	General	Municipal Services	Municipal Bldg Authority	Capital Projects	Council on Aging	Recreation	RAPZ Tax	
Transfers in reported in:								
Major Funds:								
General Fund.....	\$ -	\$ 450,000	\$ 21,689	\$ 550,000	\$ -	\$ 74,500	\$ 17,120	\$ 1,113,309
Municipal Services Fund.....	6,566	-	-	-	437	57,256	9,647	73,906
Capital Projects Fund.....	-	150,000	-	-	-	-	-	150,000
Nonmajor Funds:								
Visitor's Bureau Fund.....	-	-	-	-	-	95,000	-	95,000
Council on Aging Fund.....	195,000	-	-	-	-	-	4,457	199,457
Planning and Development Fund....	42,073	-	-	-	-	-	-	42,073
Debt Service Fund.....	2,712,248	-	-	-	-	-	-	2,712,248
Total transfers out.....	<u>\$ 2,955,887</u>	<u>\$ 600,000</u>	<u>\$ 21,689</u>	<u>\$ 550,000</u>	<u>\$ 437</u>	<u>\$ 226,756</u>	<u>\$ 31,224</u>	<u>\$ 4,385,993</u>

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 – CAPITAL ASSETS

Primary Government

Changes in the County’s capital assets are as follows:

	<u>Balance 1/1/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2012</u>
<i>Capital assets, nondepreciable</i>				
Land.....	\$ 2,477,015	\$ -	\$ -	\$ 2,477,015
<i>Capital assets, depreciable</i>				
Buildings.....	22,251,221	357,593	-	22,608,814
Improvements.....	1,894,519	83,599	-	1,978,118
Equipment.....	16,928,890	1,241,789	(5,155)	18,165,524
Infrastructure.....	<u>15,056,250</u>	<u>325,798</u>	<u>-</u>	<u>15,382,048</u>
Totals.....	<u>56,130,880</u>	<u>2,008,779</u>	<u>(5,155)</u>	<u>58,134,504</u>
<i>Accumulated depreciation</i>				
Buildings.....	(4,904,900)	(555,983)	-	(5,460,883)
Improvements.....	(695,368)	(77,655)	-	(773,023)
Equipment.....	(12,571,942)	(980,945)	5,155	(13,547,732)
Infrastructure.....	<u>(4,416,932)</u>	<u>(535,172)</u>	<u>-</u>	<u>(4,952,104)</u>
Totals.....	<u>(22,589,142)</u>	<u>(2,149,755)</u>	<u>5,155</u>	<u>(24,733,742)</u>
Total capital assets, net.....	<u>\$ 36,018,753</u>	<u>\$ (140,976)</u>	<u>\$ -</u>	<u>\$ 35,877,777</u>

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

General government.....	\$ 403,810
Public safety.....	852,481
Streets and public improvements.....	774,830
Health and welfare.....	27,339
Culture and recreation.....	<u>91,295</u>
Total depreciation expense.....	<u>\$ 2,149,755</u>

Component Units

Changes in capital assets of component units are as follows:

	<u>Balance 1/1/2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2012</u>
Land.....	\$ 2,010,469	\$ -	\$ (14,385)	\$ 1,996,084
Construction in process.....	74,234	-	(74,234)	-
Buildings and improvements.....	24,106,690	2,070,976	(23,586)	26,154,080
Equipment and machinery.....	2,820,267	575,230	(94,765)	3,300,732
Accumulated depreciation.....	<u>(9,434,268)</u>	<u>(1,361,460)</u>	<u>82,572</u>	<u>(10,713,156)</u>
Capital assets, net.....	<u>\$ 19,577,392</u>	<u>\$ 1,284,746</u>	<u>\$ (124,398)</u>	<u>\$ 20,737,740</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 5 – LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2012, was as follows:

	<u>Balance</u> 1/1/12	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> 12/31/12	<u>Due Within</u> <u>One Year</u>
Primary Government					
Sales tax revenue bonds.....	\$ 11,560,000	\$ -	\$ (2,220,000)	\$ 9,340,000	\$ 210,000
Deferred amounts:					
Deferred interest.....	(295,170)	-	295,170	-	-
Bond Premium.....	<u>4,609</u>	<u>-</u>	<u>(419)</u>	<u>4,190</u>	<u>-</u>
Total bonds payable.....	11,269,439	-	(1,925,249)	9,344,190	210,000
Compensated absences.....	<u>1,528,341</u>	<u>1,221,392</u>	<u>(1,097,652)</u>	<u>1,652,081</u>	<u>1,187,000</u>
Total long-term liabilities.....	<u>\$ 12,797,780</u>	<u>\$ 1,221,392</u>	<u>\$ (3,022,901)</u>	<u>\$ 10,996,271</u>	<u>\$ 1,397,000</u>
Component Units					
Notes payable.....	\$ 100,000	\$ -	\$ (50,000)	\$ 50,000	\$ 50,000
Capital leases.....	514,405	-	(514,405)	-	-
Compensated absences.....	<u>520,000</u>	<u>263,292</u>	<u>(218,292)</u>	<u>565,000</u>	<u>230,000</u>
Total long-term liabilities.....	<u>\$ 1,134,405</u>	<u>\$ 263,292</u>	<u>\$ (782,697)</u>	<u>\$ 615,000</u>	<u>\$ 280,000</u>

B. Sales Tax Revenue Bonds

Primary Government

Sales tax revenue bonds payable at December 31, 2012, were as follows:

<u>Purpose</u>	<u>Series</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate %</u>	<u>Original</u> <u>Amount</u>	<u>Balance</u>
Additions to County jail construction.....	2003	12/15/22	3.00 - 4.15	\$ 3,340,000	\$ 2,045,000
Advance refund a portion of the 2002 series.....	2007	12/15/22	4.00 - 4.50	7,580,000	<u>7,295,000</u>
Total sales tax revenue bonds outstanding.....					9,340,000
Add unamortized premium.....					<u>4,190</u>
Total sales tax revenue bonds payable.....					<u>\$ 9,344,190</u>

Proceeds from the 2002 sales tax revenue bonds were used in the acquisition, construction, and furnishing of the County Administration Building and the Public Safety Complex as well as the renovations to the County's Historic Courthouse. The County retired the remainder of this debt early on December 15, 2012. The total payment included principal of \$2,015,000 and interest of \$97,550. The associated deferred interest of \$295,170 was also removed at the time of retirement.

Complex. The bond covenants require a sinking fund to provide for the \$780,000 balloon payment. The sinking fund requirement is effective December 15, 2015 to December 15, 2018 with payments ranging from \$185,000 to \$205,000. The bond covenants also require a sinking fund to provide for the \$920,000 balloon payment. The sinking fund requirement is effective December 15, 2019 to December 15, 2022 with payments ranging from \$215,000 to \$245,000.

Proceeds from the 2003 sales tax revenue bonds were used to expand the construction of the Public Safety

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Proceeds from the 2007 sales tax revenue bonds were used to advance refund a portion of the Series 2002 sales tax revenue bonds.

The advance refunding will save the County \$305,340 over the total life of the bonds and it brought about a net present value benefit of \$230,303.

Sales Tax Revenue Bonds - Debt Service Requirements to Maturity

Year	Series 2003		Series 2007		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013.....	\$ 170,000	\$ 86,650	\$ 40,000	\$ 293,010	\$ 210,000	\$ 379,660
2014.....	175,000	79,850	40,000	291,310	215,000	371,160
2015.....	185,000	72,850	780,000	289,610	965,000	362,460
2016.....	190,000	65,172	815,000	258,410	1,005,000	323,582
2017.....	200,000	57,288	845,000	225,810	1,045,000	283,098
2018.....	205,000	48,988	885,000	192,010	1,090,000	240,998
2019 - 2022....	920,000	103,400	3,890,000	399,945	4,810,000	503,345
Total.....	<u>\$ 2,045,000</u>	<u>\$ 514,198</u>	<u>\$ 7,295,000</u>	<u>\$ 1,950,105</u>	<u>\$ 9,340,000</u>	<u>\$ 2,464,303</u>

C. Note Payable

Component Units

In June of 2009, BCIA received a \$100,000, no interest, unsecured loan from a foundation to make capital improvements. The loan is to be repaid in two annual installments of \$50,000, due on July 30, 2011 and 2012. The Cache County Council pledged \$100,000 in RAPZ tax funds to BCIA to pay these installments.

System, all of which are defined benefit pension plans. These plans provide retirement benefits, annual cost of living adjustments, death benefits and refunds to plan members and beneficiaries in accordance with retirement statutes. These plans are administered by the Utah Retirement Systems (URS) and each is a multiple-employer, cost-sharing pension plan, except for the Public Safety Retirement System, which is a mixed agent and cost-sharing, multiple-employer pension plan.

D. Capital Leases

Component Units

The CCEMS Authority entered in to a capital lease on November 24, 2009, in the amount of \$695,700 for the purchase of ambulance vehicles and equipment. Lease payments were due annually on November 24, in the amount of \$114,416, until 2016, with an applicable interest rate of 3.65 percent. CCEMS Authority retired this debt early on May 30, 2012. The total payment included principal of \$514,405 and interest of \$9,753.

The Utah State Retirement Act in Chapter 49 provides for the benefits and the administration of the URS systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. URS issues a publicly available financial report that includes financial statements and required supplementary information for each of the Plans. A copy of the report may be obtained by writing the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah, 84102-2099, or by calling 800-365-8772.

NOTE 6 – PENSION PLANS

A. Defined Benefit Plans

Cache County contributes to a Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, Public Safety Retirement System and a Firefighters Retirement

Plan members in the Local Government Contributory Division Tier 1 are required to contribute 6.00 percent of their annual salary (paid by the County) and the County was required to contribute 9.76 percent to 12.03 percent of their annual covered salary. For plan members in the Local Government Contributory Division Tier 2, the County was required to contribute 11.92 to 12.74 of their annual salary. In the Local

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Government Noncontributory Division Tier 1, the County was required to contribute 13.77 percent to 16.04 percent of the eligible employees' annual covered salary. In the Public Safety Noncontributory Division Tier 1, the County was required to contribute 27.07 percent to 30.45 percent of the eligible employees' annual covered salary. For plan members in the Public Safety Contributory Division Tier 1, the County was required to contribute 18.79 percent to 19.25 percent of their annual covered salary. Members in the Firefighters System were required to contribute

15.05 percent of their annual covered salary (paid by the County) and the County was required to contribute 0.50 percent to 2.66 percent of their annual covered salary. The contribution rates are the actuarial determined rates. The contribution requirements of URS are authorized by statute and specified by the Board.

The County contributions to URS for the years ended December 31, 2012, 2011 and 2010 were as follows.

	<u>2012</u>	<u>2011</u>	<u>2010</u>
A. Local Governmental - Contributory			
Employer paid for employee contributions.....	\$ 7,344	\$ 7,394	\$ 7,069
Employer contributions.....	36,655	14,397	10,020
B. Local Governmental - Noncontributory			
Employer contributions.....	761,004	713,070	631,209
C. Public Safety - Contributory			
Employer paid for employee contributions.....	-	-	4,805
Employer contributions.....	19,342	225	5,142
D. Public Safety - Noncontributory			
Employer contributions.....	1,179,646	1,125,520	1,016,430
E. Firefighters			
Employer paid for employee contributions.....	18,268	16,775	9,554
Employer contributions.....	1,958	1,165	576

All contributions by Cache County were paid by the due dates or within 30 days thereafter and were equal to the required contributions for each year.

B. Defined Contribution Plans

The County maintains a qualified cash or deferred compensation plan under section 401(k) of the Internal Revenue Code that is administered by URS. Under the plan, eligible employees may elect to defer a portion of their salary, subject to Internal Revenue Service limits. All of the assets and income of the plans are held in trust for the exclusive benefit of the participants or their beneficiaries. Contributions to the plans were as follows:

	<u>Paid by</u>	<u>Employer Paid</u>	<u>Total</u>
	<u>Employee</u>	<u>For Employee</u>	
2012	\$ 297,804	\$ 261,133	\$ 558,937
2011	289,388	372,746	662,134
2010	268,973	375,333	644,306

C. Component Units

Defined Benefit Plans

BRHD also participated in the Local Government Systems retirement plans administered by URS. The

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

required contribution rates are the same as the County's rates. BRHD's contributions to the system for

the years ended December 31, 2012, 2011 and 2010 were as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
A. Local Governmental - Contributory			
Employer paid for employee contributions.....	\$ 1,823	\$ 1,744	\$ 1,724
Employer contributions.....	13,152	3,531	2,464
 B. Local Governmental - Noncontributory			
Employer contributions.....	546,515	505,414	461,219

All contributions by BRHD were paid by the due dates or within 30 days thereafter and were equal to the required contributions for each year.

Defined Contribution Plan

BRHD maintains a qualified cash or deferred compensation plan under section 401(k) of the Internal Revenue Code that is administered by URS. Under the plan, eligible employees may elect to defer a portion of their salary, subject to Internal Revenue Service limits. Contributions of \$378,672, \$391,600 and \$362,938 were made to the 401(k) plan during the years ended December 31, 2012, 2011, and 2010 respectively. Of this amount, \$141,491, \$150,099 and \$122,526 was contributed by employees and \$237,181, \$241,501 and \$240,412 was contributed by BRHD on behalf of employees respectively.

NOTE 7 – PUBLIC ENTITY RISK POOL

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters. The County participates in the Utah Counties Insurance Pool (UCIP), a public entity risk pool, to manage its risk of loss. The County pays an annual premium to the trust for its general insurance coverage. The pool was created to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. In addition, the County has purchased commercial insurance related to airport operations, steam boiler usage, employee performance, and workers' compensation.

As of December 31, 2012, there were no outstanding unpaid claims in excess of insurance coverage. Also,

the County had no claim settlements over the past three years that exceeded its insurance coverage.

NOTE 8 – COMMITMENTS & CONTINGENCIES

The County collects sales tax under the Restaurant Tax and RAPZ Tax programs enabled by state legislation and awards funds to various entities. Awards become payable by the County when the conditions of the award are met. At December 31, 2012, there were \$788,911 in Restaurant Tax funds and \$621,004 in RAPZ Tax funds that had been awarded but were not payable because applicable conditions had not been met.

The County has also committed future Restaurant Tax revenues to NPIC over the next 2 years for facility improvements in the amount of \$185,706.

NOTE 9 – INDUSTRIAL REVENUE BONDS

On October 25, 2006, the County issued Industrial Revenue Bonds on behalf of Sunshine Terrace Foundation, Inc. in the amount of \$5,000,000. Sunshine Terrace is responsible for all bond payments and neither the County nor its resources are liable for repayment. The bonds are scheduled to mature on December 1, 2026.

On December 22, 2006, the County issued \$3,000,000 of Industrial Revenue Bonds on behalf of Lower Foods, Inc. Lower Foods is responsible for all bond payments and neither the County nor its resources are liable for repayment. The bonds are scheduled to mature on December 1, 2026.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 – RELATED PARTY TRANSACTIONS

Primary Government

In addition to the transactions previously described in these notes, the County entered into the following significant transactions with component units:

Airport Authority – The County provided operating funds of \$70,000 based on the budget adopted by the Airport Authority and the agreement with Logan City. The County also contributed an additional \$85,000 toward an extension of water and sewer lines as part of the Airport’s expansion project.

BRHD – The County assessed and collected property taxes in its Health fund. The County transferred the appropriated amount of property taxes to BRHD to provide operating funds totaling \$732,450. The County also paid funds to BRHD related to specific health services totaling \$91,490.

CCEMS – The County provided operating funds of \$475,000 based on the budget adopted by CCEMS and the agreement with Logan City. The County also received contract payments for services provided to CCEMS totaling \$569,000.

RSSD – The County’s Municipal Services fund performed road construction and maintenance services for RSSD, for which RSSD paid a total of \$226,295.

Component Units

Airport Authority – Logan City provided operating funds of \$70,000 based on the budget adopted by the Airport Authority and the agreement with Cache County.

CCEMS – Logan City received contract payments for services provided to CCEMS totaling \$1,643,000.

NOTE 11 – COMPLIANCE RELATED MATTERS

In the General fund, the information technology department expenditures exceeded its budget by \$18,283. As of December 31, 2012, the Planning and Development fund reports a net deficit position of \$1,537.

NOTE 12 – SUBSEQUENT EVENTS

The 2003 sales tax revenue bonds related to the improvements of the County’s Public Safety Complex were retired early on June 15, 2013. The final payment included principal of \$2,045,000 and interest of \$89,744.

REQUIRED SUPPLEMENTARY INFORMATION

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Property.....	\$ 9,849,116	\$ 9,956,946	\$ 10,237,408	\$ 280,462
Sales and use.....	<u>3,877,000</u>	<u>3,877,000</u>	<u>4,033,967</u>	<u>156,967</u>
	13,726,116	13,833,946	14,271,375	437,429
Other revenues:				
Intergovernmental revenues.....	1,131,638	1,209,355	809,951	(399,404)
Charges for services.....	4,927,284	5,035,854	4,523,093	(512,761)
Licenses and permits.....	26,000	26,000	42,400	16,400
Fines and forfeitures.....	130,000	130,000	128,969	(1,031)
Interest and investment income.....	135,000	135,000	356,989	221,989
Rental income.....	176,000	176,000	203,282	27,282
Public contributions.....	50,000	50,350	57,432	7,082
Miscellaneous revenues.....	<u>72,500</u>	<u>75,000</u>	<u>56,364</u>	<u>(18,636)</u>
Total revenues.....	<u>20,374,538</u>	<u>20,671,505</u>	<u>20,449,855</u>	<u>(221,650)</u>
EXPENDITURES				
General government:				
Council.....	101,864	105,863	102,361	3,502
Water development.....	328,502	337,032	229,783	107,249
Public legal assistance.....	354,472	384,472	357,650	26,822
Executive.....	217,811	222,584	216,017	6,567
Human resources.....	188,467	190,180	170,221	19,959
Geographic information systems.....	70,650	73,120	61,411	11,709
Information technology.....	155,831	101,438	119,721	(18,283)
Auditor.....	174,217	247,836	212,085	35,751
Clerk.....	154,896	157,218	150,444	6,774
Treasurer.....	20,153	20,441	19,972	469
Recorder.....	167,551	170,537	153,895	16,642
Attorney.....	1,124,633	1,136,171	1,103,984	32,187
Surveyor.....	174,062	176,332	165,329	11,003
Victim services.....	284,297	298,287	245,809	52,478
Elections.....	276,908	385,182	370,781	14,401
Economic development.....	35,000	35,000	35,000	-
USU Ag extension services.....	150,718	150,718	149,760	958
Agricultural promotion.....	58,400	90,650	49,526	41,124
Miscellaneous and general.....	1,202,673	1,009,686	580,021	429,665
Contributions to other units.....	<u>753,000</u>	<u>838,000</u>	<u>740,027</u>	<u>97,973</u>
	5,994,105	6,130,747	5,233,797	896,950
Public safety:				
Sheriff patrol.....	3,216,950	3,279,164	3,194,384	84,780
Support services.....	2,045,437	2,189,818	2,187,814	2,004
Search and rescue.....	63,500	101,609	84,553	17,056
Mounted posse.....	28,400	28,400	22,702	5,698
Liquor law enforcement.....	56,492	56,492	38,789	17,703
Fire safety.....	425,910	503,670	465,274	38,396
County jail.....	6,708,754	6,976,974	6,401,235	575,739
Animal control.....	85,654	75,153	58,499	16,654
Emergency management.....	<u>225,176</u>	<u>365,072</u>	<u>268,816</u>	<u>96,256</u>
	12,856,273	13,576,352	12,722,066	854,286

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>			<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Health and welfare:				
Mental health services.....	185,552	185,552	185,552	-
Health services.....	63,490	63,490	63,490	-
Welfare services.....	<u>68,000</u>	<u>68,000</u>	<u>65,852</u>	<u>2,148</u>
	317,042	317,042	314,894	2,148
Culture and recreation:				
Fairgrounds.....	343,499	439,133	373,663	65,470
TV translator station.....	24,100	44,100	25,946	18,154
Library services.....	138,038	171,378	162,953	8,425
Fair and rodeo.....	220,060	232,060	215,640	16,420
Demolition derbies.....	<u>39,000</u>	<u>39,000</u>	<u>20,751</u>	<u>18,249</u>
	<u>764,697</u>	<u>925,671</u>	<u>798,953</u>	<u>126,718</u>
Total expenditures.....	<u>19,932,117</u>	<u>20,949,812</u>	<u>19,069,710</u>	<u>1,880,102</u>
Revenues over (under) expenditures.....	<u>442,421</u>	<u>(278,307)</u>	<u>1,380,145</u>	<u>1,658,452</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Municipal services fund.....	450,000	450,000	450,000	-
Municipal building authority.....	-	75,000	21,689	(53,311)
Capital projects fund.....	550,000	550,000	550,000	-
Recreation fund.....	-	74,500	74,500	-
RAPZ tax fund.....	<u>-</u>	<u>17,120</u>	<u>17,120</u>	<u>-</u>
Total transfers in.....	1,000,000	1,166,620	1,113,309	(53,311)
Transfers out:				
Municipal services fund.....	-	(7,786)	(6,566)	1,220
Council on aging fund.....	(195,000)	(195,000)	(195,000)	-
Planning and development fund.....	(42,073)	(42,073)	(42,073)	-
Debt service fund.....	<u>(1,337,248)</u>	<u>(2,712,248)</u>	<u>(2,712,248)</u>	<u>-</u>
Total transfers out.....	<u>(1,574,321)</u>	<u>(2,957,107)</u>	<u>(2,955,887)</u>	<u>1,220</u>
Total other financing sources (uses).....	<u>(574,321)</u>	<u>(1,790,487)</u>	<u>(1,842,578)</u>	<u>(52,091)</u>
Net change in fund balances.....	(131,900)	(2,068,794)	(462,433)	1,606,361
Fund balances - January 1.....	<u>8,616,127</u>	<u>8,616,127</u>	<u>8,616,127</u>	<u>-</u>
Fund balances - December 31.....	<u>\$ 8,484,227</u>	<u>\$ 6,547,333</u>	<u>\$ 8,153,694</u>	<u>\$ 1,606,361</u>

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
ASSESSING AND COLLECTING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Property.....	\$ 2,778,975	\$ 2,816,846	\$ 3,042,032	\$ 225,186
Other revenues:				
Charges for services.....	367,000	367,000	435,926	68,926
Interest income.....	-	-	7,024	7,024
Miscellaneous revenues.....	<u>3,500</u>	<u>3,500</u>	<u>3,511</u>	<u>11</u>
Total revenues.....	<u>3,149,475</u>	<u>3,187,346</u>	<u>3,488,493</u>	<u>301,147</u>
EXPENDITURES				
General government:				
Council.....	11,318	11,763	11,373	390
Executive.....	38,437	39,280	38,121	1,159
Human resources.....	33,259	33,561	30,039	3,522
Geographic information systems.....	164,851	170,615	143,292	27,323
Information technology.....	467,494	568,151	359,164	208,987
Auditor.....	148,408	211,119	180,666	30,453
Treasurer.....	231,764	235,070	229,665	5,405
Recorder.....	111,701	113,025	102,596	10,429
Attorney.....	111,227	112,369	108,622	3,747
Assessor.....	1,470,585	1,765,629	1,424,476	341,153
Miscellaneous and general.....	118,807	120,458	108,332	12,126
Contributions to other units.....	<u>167,000</u>	<u>169,190</u>	<u>169,160</u>	<u>30</u>
Total expenditures.....	<u>3,074,851</u>	<u>3,550,230</u>	<u>2,905,506</u>	<u>644,724</u>
Revenues over (under) expenditures.....	<u>74,624</u>	<u>(362,884)</u>	<u>582,987</u>	<u>945,871</u>
Net change in fund balances.....	74,624	(362,884)	582,987	945,871
Fund balances - January 1.....	<u>3,495,157</u>	<u>3,495,157</u>	<u>3,495,157</u>	<u>-</u>
Fund balances - December 31.....	<u>\$ 3,569,781</u>	<u>\$ 3,132,273</u>	<u>\$ 4,078,144</u>	<u>\$ 945,871</u>

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
MUNICIPAL SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>			<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Sales and use.....	\$ 752,300	\$ 752,300	\$ 711,130	\$ (41,170)
Other revenues:				
Intergovernmental.....	2,001,600	2,001,770	1,965,934	(35,836)
Charges for services.....	692,005	842,005	794,360	(47,645)
Licenses and permits.....	208,800	214,800	288,223	73,423
Interest income.....	25,000	25,000	21,093	(3,907)
Miscellaneous revenues.....	1,100	1,100	17	(1,083)
Total revenues.....	<u>3,680,805</u>	<u>3,836,975</u>	<u>3,780,757</u>	<u>(56,218)</u>
EXPENDITURES				
General government:				
Zoning administration.....	223,200	228,570	212,071	16,499
Sanitation and waste collection.....	36,000	36,000	39,444	(3,444)
Miscellaneous expenditures.....	17,500	17,500	10,000	7,500
	276,700	282,070	261,515	20,555
Public safety:				
Sheriff patrol.....	357,439	362,718	354,931	7,787
Fire safety.....	148,522	148,522	145,220	3,302
Building inspection.....	368,958	379,297	327,601	51,696
Animal control.....	33,159	30,197	21,820	8,377
	908,078	920,734	849,572	71,162
Streets and public improvements:				
Road projects.....	2,654,875	3,062,896	2,790,464	272,432
Weed eradication.....	169,725	196,966	188,690	8,276
	2,824,600	3,259,862	2,979,154	280,708
Culture and recreation:				
Recreation projects.....	12,000	12,000	-	12,000
Parks and trails.....	374,456	396,712	22,271	374,441
Eccles Ice Center support.....	-	13,000	6,398	6,602
Library services.....	-	-	-	-
	386,456	421,712	28,669	393,043
Total expenditures.....	<u>4,395,834</u>	<u>4,884,378</u>	<u>4,118,910</u>	<u>765,468</u>
Revenues over (under) expenditures.....	<u>(715,029)</u>	<u>(1,047,403)</u>	<u>(338,153)</u>	<u>709,250</u>

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
MUNICIPAL SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General fund.....	-	8,484	6,566	(1,918)
Council on aging fund.....	-	-	437	437
Recreation fund.....	-	-	57,256	57,256
RAPZ tax fund.....	<u>17,500</u>	<u>74,756</u>	<u>9,647</u>	<u>(65,109)</u>
Total transfers in.....	17,500	83,240	73,906	(9,334)
Transfers out:				
General fund.....	(450,000)	(450,000)	(450,000)	-
Capital projects fund.....	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Total transfers out.....	<u>(450,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Total other financing sources (uses).....	<u>(432,500)</u>	<u>(516,760)</u>	<u>(526,094)</u>	<u>(9,334)</u>
Net change in fund balances.....	(1,147,529)	(1,564,163)	(864,247)	699,916
Fund balances - January 1.....	<u>5,037,886</u>	<u>5,037,886</u>	<u>5,037,886</u>	<u>-</u>
Fund balances - December 31.....	<u>\$ 3,890,357</u>	<u>\$ 3,473,723</u>	<u>\$ 4,173,639</u>	<u>\$ 699,916</u>

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
MENTAL HEALTH FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenues:				
Intergovernmental.....	\$ 3,000,000	\$ 3,000,000	\$ 2,154,645	\$ (845,355)
Total revenues.....	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,154,645</u>	<u>(845,355)</u>
EXPENDITURES				
Health and welfare:				
Mental health services.....	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,154,645</u>	<u>845,355</u>
Total expenditures.....	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,154,645</u>	<u>845,355</u>
Revenues over expenditures.....	-	-	-	-
Net change in fund balances.....	-	-	-	-
Fund balances - January 1.....	-	-	-	-
Fund balances - December 31.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

The County is required by state statute and the Uniform Fiscal Procedures Act for Utah Counties to adopt annual budgets for its governmental funds on or before December 15, for the succeeding fiscal year beginning January 1. This budget is shown as the original budget on the budgetary comparison schedules. Final budgets include the original budget amounts plus any amendments made to the budget during the year by the County Council through formal resolution.

The budgets for the County's funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). All annual appropriations lapse at year end. Project-length financial plans have been adopted for the Capital Projects Fund.

The County complies with the following procedures in establishing the budgetary data reflected in the financial statements:

1. On or before November 1, the County Executive prepares a tentative budget for the next budget year, with the assistance of the County Auditor and Finance Director.
2. A public hearing is then held on the adoption of the budget.
3. After the public hearing the County Council makes final adjustments to the tentative budget.
4. On or before December 15, the County Council adopts the budget by resolution.

5. Department heads may transfer unexpended budgeted amounts within their departments with approval of the County Council.

6. The County Council may transfer unexpended budgeted amounts from one department to another in the same fund by resolution.

7. Budget appropriations may be increased only after a public hearing has been held and followed by resolution of the County Council.

NOTE 2 – BUDGETED FUND BALANCE

Each fund had a balanced budget in accordance with state law. As allowed by state law, the County Council has authorized the use of unassigned fund balances to provide the necessary resources to balance each fund's budget.

NOTE 3 – ENCUMBRANCES

The County uses encumbrances during the year to recognize the use of appropriations. The County's policy is for all appropriations to lapse at year end. Therefore, there are no encumbrances at year end.

NOTE 4 – EXPENDITURES IN EXCESS OF BUDGET

In the General fund, the Information Technology department expenditures exceeded its budget by \$18,283.

SUPPLEMENTARY INFORMATION

C A C H E C O U N T Y

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2012**

	Special Revenue										
	Municipal Building	Health	Visitor's Bureau	Council on Aging	Recreation	Planning and Development	Children's Justice Center	RAPZ Tax	Ambulance	Debt Service	Total Nonmajor Governmental Funds
ASSETS											
Cash and cash equivalents.....	\$ -	\$ 396,447	\$ 225	\$ 90	\$ -	\$ 25	\$ 100	\$ -	\$ -	\$ -	\$ 396,887
Equity in investment pool.....	-	544,455	628,980	201,769	1,085,073	-	-	1,495,432	346,435	153,438	4,455,582
Taxes receivable.....	-	76,000	56,349	-	206,308	-	-	217,043	-	-	555,700
Due from other governments.....	-	-	2,203	75,939	-	-	52,641	-	-	-	130,783
Other assets.....	-	-	675	-	-	-	-	-	-	-	675
Total assets.....	<u>\$ -</u>	<u>\$ 1,016,902</u>	<u>\$ 688,432</u>	<u>\$ 277,798</u>	<u>\$ 1,291,381</u>	<u>\$ 25</u>	<u>\$ 52,741</u>	<u>\$ 1,712,475</u>	<u>\$ 346,435</u>	<u>\$ 153,438</u>	<u>\$ 5,539,627</u>
LIABILITIES											
Interfund payable - investment pool.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 909	\$ 43,733	\$ -	\$ -	\$ -	\$ 44,642
Accounts payable and accrued liabilities...	-	-	29,432	4,160	-	653	6,130	-	93,689	-	134,064
Unearned revenues.....	-	-	-	1,300	-	-	-	-	-	-	1,300
Total liabilities.....	<u>-</u>	<u>-</u>	<u>29,432</u>	<u>5,460</u>	<u>-</u>	<u>1,562</u>	<u>49,863</u>	<u>-</u>	<u>93,689</u>	<u>-</u>	<u>180,006</u>
DEFERRED INFLOWS OF RESOURCES											
Delinquent property taxes.....	\$ -	\$ 76,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,000
Total deferred inflows of resources.....	<u>-</u>	<u>76,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,000</u>
FUND BALANCE											
Restricted for:											
Air pollution control.....	-	41,422	-	-	-	-	-	-	-	-	41,422
Ambulance services.....	-	-	-	-	-	-	-	-	252,746	-	252,746
Health services.....	-	899,480	-	-	-	-	-	-	-	-	899,480
Parks and recreation.....	-	-	659,000	-	1,291,381	-	-	1,712,475	-	-	3,662,856
Other purposes.....	-	-	-	8,968	-	-	2,878	-	-	-	11,846
Assigned to:											
Debt service.....	-	-	-	-	-	-	-	-	-	153,438	153,438
Health and welfare.....	-	-	-	263,370	-	-	-	-	-	-	263,370
Unassigned.....	-	-	-	-	-	(1,537)	-	-	-	-	(1,537)
Total fund balances.....	<u>-</u>	<u>940,902</u>	<u>659,000</u>	<u>272,338</u>	<u>1,291,381</u>	<u>(1,537)</u>	<u>2,878</u>	<u>1,712,475</u>	<u>252,746</u>	<u>153,438</u>	<u>5,283,621</u>
Total liabilities, deferred inflows of resources and fund balances.....	<u>\$ -</u>	<u>\$ 1,016,902</u>	<u>\$ 688,432</u>	<u>\$ 277,798</u>	<u>\$ 1,291,381</u>	<u>\$ 25</u>	<u>\$ 52,741</u>	<u>\$ 1,712,475</u>	<u>\$ 346,435</u>	<u>\$ 153,438</u>	<u>\$ 5,539,627</u>

C A C H E C O U N T Y

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Special Revenue									Total Nonmajor Governmental Funds	
	Municipal Building	Health	Visitor's Bureau	Council on Aging	Recreation	Planning and Development	Children's Justice Center	RAPZ Tax	Ambulance		Debt Service
REVENUES											
Taxes:											
Property.....	\$ -	\$ 851,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 851,566
Sales and use.....	-	-	381,960	-	1,111,100	-	-	1,145,796	-	-	2,638,856
	-	851,566	381,960	-	1,111,100	-	-	1,145,796	-	-	3,490,422
Other revenues:											
Intergovernmental.....	21,689	-	68,392	380,264	-	-	160,320	-	584,488	-	1,215,153
Charges for services.....	-	-	30,652	108,844	-	41,144	-	-	-	-	180,640
Interest income.....	-	1,946	-	-	-	-	-	-	-	51	1,997
Public contributions.....	-	-	3,157	31,017	-	-	-	-	-	-	34,174
Miscellaneous revenues.....	-	-	12	4,963	-	-	-	-	-	-	4,975
Total revenues.....	<u>21,689</u>	<u>853,512</u>	<u>484,173</u>	<u>525,088</u>	<u>1,111,100</u>	<u>41,144</u>	<u>160,320</u>	<u>1,145,796</u>	<u>584,488</u>	<u>51</u>	<u>4,927,361</u>
EXPENDITURES											
General government.....	-	-	-	-	-	88,850	-	-	-	-	88,850
Public safety.....	-	-	-	-	-	-	162,772	-	553,609	-	716,381
Health and welfare.....	-	760,450	-	683,569	-	-	-	-	-	-	1,444,019
Culture and recreation.....	-	-	481,763	-	507,649	-	-	1,085,814	-	-	2,075,226
Debt service principal.....	-	-	-	-	-	-	-	-	-	2,220,000	2,220,000
Debt service interest.....	-	-	-	-	-	-	-	-	-	492,248	492,248
Total expenditures.....	-	<u>760,450</u>	<u>481,763</u>	<u>683,569</u>	<u>507,649</u>	<u>88,850</u>	<u>162,772</u>	<u>1,085,814</u>	<u>553,609</u>	<u>2,712,248</u>	<u>7,036,724</u>
Revenues over (under) expenditures.....	21,689	93,062	2,410	(158,481)	603,451	(47,706)	(2,452)	59,982	30,879	(2,712,197)	(2,109,363)
OTHER FINANCING SOURCES (USES)											
Transfers in.....	-	-	95,000	199,457	-	42,073	-	-	-	2,712,248	3,048,778
Transfers out.....	(21,689)	-	-	(437)	(226,756)	-	-	(31,224)	-	-	(280,106)
Total other financing sources (uses).....	<u>(21,689)</u>	-	<u>95,000</u>	<u>199,020</u>	<u>(226,756)</u>	<u>42,073</u>	-	<u>(31,224)</u>	-	<u>2,712,248</u>	<u>2,768,672</u>
Net change in fund balances.....	-	93,062	97,410	40,539	376,695	(5,633)	(2,452)	28,758	30,879	51	659,309
Fund balances - January 1.....	-	847,840	561,590	231,799	914,686	4,096	5,330	1,683,717	221,867	153,387	4,624,312
Fund balances - December 31.....	<u>\$ -</u>	<u>\$ 940,902</u>	<u>\$ 659,000</u>	<u>\$ 272,338</u>	<u>\$ 1,291,381</u>	<u>\$ (1,537)</u>	<u>\$ 2,878</u>	<u>\$ 1,712,475</u>	<u>\$ 252,746</u>	<u>\$ 153,438</u>	<u>\$ 5,283,621</u>

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
MUNICIPAL BUILDING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenues:				
Intergovernmental revenues.....	\$ 75,000	\$ 75,000	\$ 21,689	\$ (53,311)
Total revenues.....	<u>75,000</u>	<u>75,000</u>	<u>21,689</u>	<u>(53,311)</u>
Revenues over (under) expenditures.....	<u>75,000</u>	<u>75,000</u>	<u>21,689</u>	<u>(53,311)</u>
OTHER FINANCING USES				
Transfers out:				
General fund.....	(75,000)	(75,000)	(21,689)	53,311
Total other financing uses.....	<u>(75,000)</u>	<u>(75,000)</u>	<u>(21,689)</u>	<u>53,311</u>
Net change in fund balances.....	-	-	-	-
Fund balances - January 1.....	-	-	-	-
Fund balances - December 31.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
HEALTH FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Property.....	\$ 825,845	\$ 827,260	\$ 851,566	\$ 24,306
Other revenues:				
Interest income.....	-	-	1,946	1,946
Total revenues.....	<u>825,845</u>	<u>827,260</u>	<u>853,512</u>	<u>26,252</u>
EXPENDITURES				
Health and welfare:				
Air pollution control.....	28,000	28,000	28,000	-
Bear River Health Department.....	<u>732,450</u>	<u>732,450</u>	<u>732,450</u>	-
Total expenditures.....	<u>760,450</u>	<u>760,450</u>	<u>760,450</u>	-
Revenues over expenditures.....	<u>65,395</u>	<u>66,810</u>	<u>93,062</u>	<u>26,252</u>
Net change in fund balances.....	65,395	66,810	93,062	26,252
Fund balances - January 1.....	<u>847,840</u>	<u>847,840</u>	<u>847,840</u>	-
Fund balances - December 31.....	<u>\$ 913,235</u>	<u>\$ 914,650</u>	<u>\$ 940,902</u>	<u>\$ 26,252</u>

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
VISITOR'S BUREAU FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Sales and use.....	\$ 370,000	\$ 370,000	\$ 381,960	\$ 11,960
Other revenues:				
Intergovernmental.....	70,062	97,990	68,392	(29,598)
Charges for services.....	30,000	30,000	30,652	652
Public contributions.....	4,775	8,566	3,157	(5,409)
Miscellaneous revenues.....	<u>250</u>	<u>250</u>	<u>12</u>	<u>(238)</u>
Total revenues.....	<u>475,087</u>	<u>506,806</u>	<u>484,173</u>	<u>(22,633)</u>
EXPENDITURES				
Culture and recreation:				
Cache Valley Visitor's Bureau.....	<u>475,087</u>	<u>621,761</u>	<u>481,763</u>	<u>139,998</u>
Total expenditures.....	<u>475,087</u>	<u>621,761</u>	<u>481,763</u>	<u>139,998</u>
Revenues over (under) expenditures.....	<u>-</u>	<u>(114,955)</u>	<u>2,410</u>	<u>117,365</u>
OTHER FINANCING SOURCES				
Transfers in:				
Recreation fund.....	<u>-</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Net change in fund balances.....	<u>-</u>	<u>(19,955)</u>	<u>97,410</u>	<u>117,365</u>
Fund balances - January 1.....	<u>561,590</u>	<u>561,590</u>	<u>561,590</u>	<u>-</u>
Fund balances - December 31.....	<u>\$ 561,590</u>	<u>\$ 541,635</u>	<u>\$ 659,000</u>	<u>\$ 117,365</u>

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
COUNCIL ON AGING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenues:				
Intergovernmental.....	\$ 320,230	\$ 320,930	\$ 380,264	\$ 59,334
Charges for services.....	117,200	117,200	108,844	(8,356)
Public contributions.....	14,500	14,500	31,017	16,517
Miscellaneous revenues.....	<u>5,100</u>	<u>5,100</u>	<u>4,963</u>	<u>(137)</u>
Total revenues.....	<u>457,030</u>	<u>457,730</u>	<u>525,088</u>	<u>67,358</u>
EXPENDITURES				
Health and welfare:				
Nutrition.....	390,080	402,231	364,987	37,244
Senior center.....	198,022	204,608	177,233	27,375
Retired service volunteer program.....	57,250	57,250	42,409	14,841
Access.....	<u>107,718</u>	<u>109,357</u>	<u>98,940</u>	<u>10,417</u>
Total expenditures.....	<u>753,070</u>	<u>773,446</u>	<u>683,569</u>	<u>89,877</u>
Revenues under expenditures.....	<u>(296,040)</u>	<u>(315,716)</u>	<u>(158,481)</u>	<u>157,235</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General fund.....	195,000	195,000	195,000	-
RAPZ tax fund.....	<u>-</u>	<u>4,457</u>	<u>4,457</u>	<u>-</u>
Total transfers in.....	<u>195,000</u>	<u>199,457</u>	<u>199,457</u>	<u>-</u>
Transfers out:				
Municipal services fund.....	<u>-</u>	<u>(437)</u>	<u>(437)</u>	<u>-</u>
Total transfers out.....	<u>-</u>	<u>(437)</u>	<u>(437)</u>	<u>-</u>
Total other financing sources (uses).....	<u>195,000</u>	<u>199,020</u>	<u>199,020</u>	<u>-</u>
Net change in fund balances.....	<u>(101,040)</u>	<u>(116,696)</u>	<u>40,539</u>	<u>157,235</u>
Fund balances - January 1.....	<u>231,799</u>	<u>231,799</u>	<u>231,799</u>	<u>-</u>
Fund balances - December 31.....	<u>\$ 130,759</u>	<u>\$ 115,103</u>	<u>\$ 272,338</u>	<u>\$ 157,235</u>

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Sales and use.....	\$ 1,118,000	\$ 1,118,000	\$ 1,111,100	\$ (6,900)
Total revenues.....	<u>1,118,000</u>	<u>1,118,000</u>	<u>1,111,100</u>	<u>(6,900)</u>
EXPENDITURES				
Culture and recreation:				
Recreation and tourism promotion.....	<u>1,118,000</u>	<u>1,533,922</u>	<u>507,649</u>	<u>1,026,273</u>
Total expenditures.....	<u>1,118,000</u>	<u>1,533,922</u>	<u>507,649</u>	<u>1,026,273</u>
Revenues over (under) expenditures.....	<u>-</u>	<u>(415,922)</u>	<u>603,451</u>	<u>1,019,373</u>
OTHER FINANCING USES				
Transfers out:				
General fund.....	-	(74,500)	(74,500)	-
Visitor's Bureau fund.....	-	(95,000)	(95,000)	-
Planning and development fund.....	<u>-</u>	<u>(57,256)</u>	<u>(57,256)</u>	<u>-</u>
Total other financing uses.....	<u>-</u>	<u>(226,756)</u>	<u>(226,756)</u>	<u>-</u>
Net change in fund balances.....	-	(642,678)	376,695	1,019,373
Fund balances - January 1.....	<u>914,686</u>	<u>914,686</u>	<u>914,686</u>	<u>-</u>
Fund balances - December 31.....	<u>\$ 914,686</u>	<u>\$ 272,008</u>	<u>\$ 1,291,381</u>	<u>\$ 1,019,373</u>

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
PLANNING AND DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenues:				
Charges for services.....	\$ 42,073	\$ 46,169	\$ 41,144	\$ (5,025)
Total revenues.....	<u>42,073</u>	<u>46,169</u>	<u>41,144</u>	<u>(5,025)</u>
EXPENDITURES				
General government:				
Planning and development services.....	85,549	89,834	88,850	984
Total expenditures.....	<u>85,549</u>	<u>89,834</u>	<u>88,850</u>	<u>984</u>
Revenues under expenditures.....	<u>(43,476)</u>	<u>(43,665)</u>	<u>(47,706)</u>	<u>(4,041)</u>
OTHER FINANCING SOURCES				
Transfers in:				
General fund.....	42,073	42,073	42,073	-
Total other financing sources.....	<u>42,073</u>	<u>42,073</u>	<u>42,073</u>	<u>-</u>
Net change in fund balances.....	(1,403)	(1,592)	(5,633)	(4,041)
Fund balances - January 1.....	4,096	4,096	4,096	-
Fund balances - December 31.....	<u>\$ 2,693</u>	<u>\$ 2,504</u>	<u>\$ (1,537)</u>	<u>\$ (4,041)</u>

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
CHILDREN'S JUSTICE CENTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenues:				
Intergovernmental.....	\$ 166,548	\$ 178,952	\$ 160,320	\$ (18,632)
Total revenues.....	<u>166,548</u>	<u>178,952</u>	<u>160,320</u>	<u>(18,632)</u>
EXPENDITURES				
Public safety:				
Children's services.....	<u>157,906</u>	<u>170,311</u>	<u>162,772</u>	<u>7,539</u>
Total expenditures.....	<u>157,906</u>	<u>170,311</u>	<u>162,772</u>	<u>7,539</u>
Revenues over (under) expenditures.....	<u>8,642</u>	<u>8,641</u>	<u>(2,452)</u>	<u>(11,093)</u>
Net change in fund balances.....	8,642	8,641	(2,452)	(11,093)
Fund balances - January 1.....	<u>5,330</u>	<u>5,330</u>	<u>5,330</u>	<u>-</u>
Fund balances - December 31.....	<u>\$ 13,972</u>	<u>\$ 13,971</u>	<u>\$ 2,878</u>	<u>\$ (11,093)</u>

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
RAPZ TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Sales and use.....	\$ 1,133,000	\$ 1,133,000	\$ 1,145,796	\$ 12,796
Total revenues.....	<u>1,133,000</u>	<u>1,133,000</u>	<u>1,145,796</u>	<u>12,796</u>
EXPENDITURES				
Culture and recreation:				
Programs and projects.....	<u>1,116,005</u>	<u>1,811,314</u>	<u>1,085,814</u>	<u>725,500</u>
Total expenditures.....	<u>1,116,005</u>	<u>1,811,314</u>	<u>1,085,814</u>	<u>725,500</u>
Revenues over (under) expenditures.....	<u>16,995</u>	<u>(678,314)</u>	<u>59,982</u>	<u>738,296</u>
OTHER FINANCING USES				
Transfers out:				
General fund.....	(16,995)	(17,120)	(17,120)	-
Municipal services fund.....	-	(9,647)	(9,647)	-
Council on aging fund.....	<u>-</u>	<u>(4,457)</u>	<u>(4,457)</u>	<u>-</u>
Total other financing uses.....	<u>(16,995)</u>	<u>(31,224)</u>	<u>(31,224)</u>	<u>-</u>
Net change in fund balances.....	-	(709,538)	28,758	738,296
Fund balances - January 1.....	<u>1,683,717</u>	<u>1,683,717</u>	<u>1,683,717</u>	<u>-</u>
Fund balances - December 31.....	<u>\$ 1,683,717</u>	<u>\$ 974,179</u>	<u>\$ 1,712,475</u>	<u>\$ 738,296</u>

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
AMBULANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenues:				
Intergovernmental.....	\$ 569,000	\$ 569,000	\$ 584,488	\$ 15,488
Total revenues.....	<u>569,000</u>	<u>569,000</u>	<u>584,488</u>	<u>15,488</u>
EXPENDITURES				
Public safety:				
Ambulance services.....	<u>569,000</u>	<u>613,799</u>	<u>553,609</u>	<u>60,190</u>
Total expenditures.....	<u>569,000</u>	<u>613,799</u>	<u>553,609</u>	<u>60,190</u>
Revenues over (under) expenditures.....	<u>-</u>	<u>(44,799)</u>	<u>30,879</u>	<u>75,678</u>
Net change in fund balances.....	-	(44,799)	30,879	75,678
Fund balances - January 1.....	<u>221,867</u>	<u>221,867</u>	<u>221,867</u>	<u>-</u>
Fund balances - December 31.....	<u>\$ 221,867</u>	<u>\$ 177,068</u>	<u>\$ 252,746</u>	<u>\$ 75,678</u>

C A C H E C O U N T Y

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Other revenues:				
Interest income.....	\$ -	\$ -	\$ 51	\$ 51
Total revenues.....	<u>-</u>	<u>-</u>	<u>51</u>	<u>51</u>
EXPENDITURES				
Debt service:				
Principal.....	845,000	2,220,000	2,220,000	-
Interest	<u>492,248</u>	<u>492,248</u>	<u>492,248</u>	<u>-</u>
Total expenditures.....	<u>1,337,248</u>	<u>2,712,248</u>	<u>2,712,248</u>	<u>-</u>
Revenues under expenditures.....	<u>(1,337,248)</u>	<u>(2,712,248)</u>	<u>(2,712,197)</u>	<u>51</u>
OTHER FINANCING SOURCES				
Transfers in:				
General fund.....	<u>1,337,248</u>	<u>2,712,248</u>	<u>2,712,248</u>	<u>-</u>
Total other financing sources.....	<u>1,337,248</u>	<u>2,712,248</u>	<u>2,712,248</u>	<u>-</u>
Net change in fund balances.....	-	-	51	51
Fund balances - January 1.....	<u>153,387</u>	<u>153,387</u>	<u>153,387</u>	<u>-</u>
Fund balances - December 31.....	<u>\$ 153,387</u>	<u>\$ 153,387</u>	<u>\$ 153,438</u>	<u>\$ 51</u>

C A C H E C O U N T Y

**COMBINING SCHEDULE OF FIDUCIARY NET POSITION
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Fee Trust Fund</u>	<u>Health Department 125 Plan</u>	<u>Treasurer's Tax Fund</u>	<u>Total Agency Funds</u>
ASSETS				
Cash and cash equivalents.....	\$ -	\$ 18,244	\$ 28,645,887	\$ 28,664,131
Equity in investment pool.....	157,992	-	-	157,992
Taxes receivable.....	-	-	790,502	790,502
Total assets.....	<u>\$ 157,992</u>	<u>\$ 18,244</u>	<u>\$ 29,436,389</u>	<u>\$ 29,612,625</u>
LIABILITIES				
Due to other taxing units.....	\$ -	\$ -	\$ 28,790,314	\$ 28,790,314
Due to employees.....	-	18,244	-	18,244
Refunds payable.....	-	-	646,075	646,075
Other payables.....	157,992	-	-	157,992
Total liabilities.....	<u>\$ 157,992</u>	<u>\$ 18,244</u>	<u>\$ 29,436,389</u>	<u>\$ 29,612,625</u>

C A C H E C O U N T Y

**TREASURER'S TAX FUND
SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISBURSED
FOR THE YEAR ENDED DECEMBER 31, 2012**

Taxing Entities	Year-End Taxable Value	Redevelopment Agency Value	Adjusted Value	Tax Rate (1)	Taxes Charged
Cache County					
General Fund	\$ 5,657,109,721	\$ 304,840,161	\$ 5,352,269,560	0.001707	\$ 9,137,756
Health Fund	5,657,109,721	304,840,161	5,352,269,560	0.000145	775,723
Multi-County Assessing/Coll	5,657,109,721	-	5,657,109,721	0.000168	952,116
County Assessing/Collecting	5,657,109,721	-	5,657,109,721	0.000324	<u>1,832,043</u>
Total Cache County					12,697,638
School Districts					
Cache County	3,546,336,102	44,779,648	3,501,556,454	0.005464	19,132,406
Cache County Statewide	3,546,336,102	44,779,648	3,501,556,454	0.001648	5,771,342
Logan City	2,110,773,619	260,060,513	1,850,713,106	0.006640	12,289,285
Logan City Statewide	2,110,773,619	260,060,513	1,850,713,106	0.001645	<u>3,043,873</u>
Total school districts					40,236,906
Cities and Towns					
Amalga	42,061,589	-	42,061,589	0.000694	29,186
Clarkston	18,854,093	-	18,854,093	0.001897	35,763
Cornish	13,556,368	-	13,556,368	0.002106	28,549
Hyde Park	218,965,220	-	218,965,220	0.001072	234,795
Hyrum	244,195,071	-	244,195,071	0.001730	422,493
Lewiston	94,554,514	-	94,554,514	0.002286	216,178
Logan	2,200,427,295	275,572,886	1,924,854,409	0.002290	4,408,808
Mendon	46,585,354	-	46,585,354	0.001795	83,609
Millville	81,690,879	-	81,690,879	0.000702	57,334
Newton	25,692,665	-	25,692,665	0.001322	33,953
Nibley	209,493,474	-	209,493,474	0.001672	350,259
North Logan	584,015,092	6,864,395	577,150,697	0.001783	1,029,116
Paradise	36,840,205	-	36,840,205	0.001120	41,251
Providence	358,720,952	-	358,720,952	0.001469	527,048
Richmond	93,295,583	-	93,295,583	0.001136	105,952
River Heights	64,056,924	-	64,056,924	0.001373	87,934
Smithfield	406,318,423	22,402,881	383,915,542	0.001716	658,961
Trenton	21,219,831	-	21,219,831	0.000783	16,621
Wellsville	139,387,623	-	139,387,623	0.001184	<u>165,039</u>
Total cities and towns					8,532,849

(1) Represents a blended tax rate comprised of current year tax rate levied on real property and prior year tax rate levied on personal property.

(Continued)

C A C H E C O U N T Y

**TREASURER'S TAX FUND
SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISBURSED (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012**

Taxing Entities	Treasurer's Relief			
	Unpaid Taxes	Abatements	Other	Total
Cache County				
General Fund	\$ 340,906	\$ 60,774	\$ 10,626	\$ 412,306
Health Fund	28,941	5,159	902	35,002
Multi-County Assessing/Coll	33,532	5,978	1,057	40,567
County Assessing/Collecting	<u>64,668</u>	<u>11,529</u>	<u>2,016</u>	<u>78,213</u>
Total Cache County	468,047	83,440	14,601	566,088
School Districts				
Cache County	718,643	130,623	11,938	861,204
Cache County Statewide	216,986	39,440	3,578	260,004
Logan City	452,217	77,574	26,897	556,688
Logan City Statewide	<u>112,543</u>	<u>19,306</u>	<u>6,579</u>	<u>138,428</u>
Total school districts	1,500,389	266,943	48,992	1,816,324
Cities and Towns				
Amalga	725	23	6	754
Clarkston	1,212	629	7	1,848
Cornish	546	236	42	824
Hyde Park	10,884	2,270	49	13,203
Hyrum	12,616	5,093	583	18,292
Lewiston	6,243	1,567	452	8,262
Logan	173,416	26,982	9,476	209,874
Mendon	1,374	1,411	34	2,819
Millville	565	364	13	942
Newton	565	707	6	1,278
Nibley	24,810	2,465	64	27,339
North Logan	41,148	4,431	423	46,002
Paradise	1,979	707	8	2,694
Providence	16,311	4,270	345	20,926
Richmond	3,612	1,432	92	5,136
River Heights	1,749	819	7	2,575
Smithfield	21,701	6,225	445	28,371
Trenton	339	121	7	467
Wellsville	<u>7,136</u>	<u>1,174</u>	<u>23</u>	<u>8,333</u>
Total cities and towns	326,931	60,926	12,082	399,939

(Continued)

C A C H E C O U N T Y

**TREASURER'S TAX FUND
SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISBURSED (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012**

Taxing Entities	Taxes Collected	Collection Rate	Fee In-Lieu	Misc. Collections	Delinquent Taxes	Interest / Penalties	Total Collected / Disbursed
Cache County							
General Fund	\$ 8,725,450	95.49%	\$ 797,910	\$ 105,839	\$ 407,166	\$ 178,067	\$ 10,214,432
Health Fund	740,721	95.49%	67,707	8,983	34,611	1,418	853,440
Multi-County Assessing/Coll	911,549	95.74%	80,855	10,886	38,371	1,465	1,043,126
County Assessing/Collecting	<u>1,753,830</u>	95.73%	<u>151,402</u>	<u>20,664</u>	<u>76,682</u>	<u>3,104</u>	<u>2,005,682</u>
Total Cache County	12,131,550		1,097,874	146,372	556,830	184,054	14,116,680
School Districts							
Cache County	18,271,202	95.50%	1,772,042	267,596	817,799	31,969	21,160,608
Cache County Statewide	5,511,338	95.49%	523,983	80,006	239,199	9,172	6,363,698
Logan City	11,732,597	95.47%	942,175	85,433	537,477	22,409	13,320,091
Logan City Statewide	<u>2,905,445</u>	95.45%	<u>223,920</u>	<u>20,262</u>	<u>125,851</u>	<u>5,178</u>	<u>3,280,656</u>
Total school districts	38,420,582		3,462,120	453,297	1,720,326	68,728	44,125,053
Cities and Towns							
Amalga	28,432	97.42%	1,696	162	152	7	30,449
Clarkston	33,915	94.83%	6,180	-	716	30	40,841
Cornish	27,725	97.11%	2,327	615	955	44	31,666
Hyde Park	221,592	94.38%	24,407	3,082	13,564	623	263,268
Hyrum	404,201	95.67%	53,082	3,847	13,590	452	475,172
Lewiston	207,916	96.18%	18,198	2,145	2,924	72	231,255
Logan	4,198,934	95.24%	329,009	30,656	196,982	8,162	4,763,743
Mendon	80,790	96.63%	12,932	1,064	1,369	43	96,198
Millville	56,392	98.36%	7,496	1,823	1,529	85	67,325
Newton	32,675	96.24%	4,991	390	957	43	39,056
Nibley	322,920	92.19%	38,285	2,309	38,674	1,399	403,587
North Logan	983,114	95.53%	68,689	12,782	46,176	2,812	1,113,573
Paradise	38,557	93.47%	7,565	268	675	12	47,077
Providence	506,122	96.03%	57,797	4,004	27,111	798	595,832
Richmond	100,816	95.15%	13,128	776	2,553	64	117,337
River Heights	85,359	97.07%	11,722	572	1,803	61	99,517
Smithfield	630,590	95.69%	81,129	4,654	13,300	498	730,171
Trenton	16,154	97.19%	1,737	670	412	21	18,994
Wellsville	<u>156,706</u>	94.95%	<u>28,759</u>	<u>1,619</u>	<u>7,295</u>	<u>316</u>	<u>194,695</u>
Total cities and towns	8,132,910		769,129	71,438	370,737	15,542	9,359,756

(Continued)

C A C H E C O U N T Y

**TREASURER'S TAX FUND
SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISBURSED (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012**

Taxing Entities	Year-End Taxable Value	Redevelopment Agency Value	Adjusted Value	Tax Rate (1)	Taxes Charged
Special Districts					
Powder Mountain	\$ 6,652,805	\$ -	\$ 6,652,805	0.000457	\$ 3,039
Cache Mosquito Abatement	3,314,734,186	29,267,276	3,285,466,910	0.000090	295,373
College/Young Mosq Abatement	41,051,135	-	41,051,135	0.000251	10,304
Benson Culinary H2o Improve	28,808,523	-	28,808,523	0.000000	-
Cache Valley Transit District	4,497,624,752	-	4,497,624,752	0.000000	-
Total special districts					<u>308,716</u>
Cemetery Districts					
Avon Cemetery	140,787,145	-	140,787,145	0.000134	18,847
Cornish Cemetery	28,066,032	-	28,066,032	0.000356	9,992
Hyde Park Cemetery	320,416,142	6,864,395	313,551,747	0.000215	67,388
Millville Nibley Cemetery	265,201,884	-	265,201,884	0.000110	29,140
Newton Cemetery	50,622,270	-	50,622,270	0.000100	5,062
Paradise Cemetery	113,986,980	-	113,986,980	0.000097	11,056
Richmond Cemetery	177,305,893	-	177,305,893	0.000132	<u>23,351</u>
Total cemetery districts					164,836
Redevelopment Districts					
Cache County	-	(304,840,161)	304,840,161	0.001850	563,979
Logan City Schools	-	(260,060,513)	260,060,513	0.008285	2,154,601
Cache County Schools	-	(44,779,648)	44,779,648	0.007088	317,376
Logan City	-	(275,572,886)	275,572,886	0.002295	632,503
North Logan City	-	(6,864,395)	6,864,395	0.001784	12,243
Smithfield City	-	(22,402,881)	22,402,881	0.001703	38,149
Hyde Park City	-	(6,864,395)	6,864,395	0.000215	1,475
Cache County Mosquito Abate.	-	(29,267,276)	29,267,276	0.000089	<u>2,619</u>
Total redevelopment districts					3,722,945
Non Advelorum Charges					
Delinquent Benson Culinary	-	-	-	1.000000	7,699
Garbage	-	-	-	1.000000	47,653
Logan Special Improve #1	-	-	-	1.000000	18,217
Logan Special Improve #2	-	-	-	1.000000	17,160
Logan Business Improvement	-	-	-	1.000000	23,468
Logan Temple Improvement	-	-	-	1.000000	7,063
Logan 600W 100 S Impr	-	-	-	1.000000	3,481
Greenbelt Rollback	-	-	-	1.000000	188,642
State Assessed Revision	-	-	-	1.000000	8
Drainage #3	-	-	-	1.000000	1,562
Drainage #4	-	-	-	3.000000	4,796
Drainage #5	-	-	-	1.000000	1,693
Drainage #6	-	-	-	0.500000	5,498
Wellsville Mendon	-	-	-	1.000000	138,657
Penalty	-	-	-	1.000000	213
Noxious Weeds	-	-	-	1.000000	<u>2,326</u>
Total non advelorum charges					<u>468,136</u>
Total all taxing entities					<u>\$ 66,132,026</u>

(1) Represents a blended tax rate comprised of current year tax rate levied on real property and prior year tax rate levied on personal property.

(Continued)

C A C H E C O U N T Y

**TREASURER'S TAX FUND
SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISBURSED (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012**

Taxing Entities	Treasurer's Relief			
	Unpaid Taxes	Abatements	Other	Total
Special Districts				
Powder Mountain	\$ 24	\$ -	\$ -	\$ 24
Cache Mosquito Abatement	10,672	2,015	187	12,874
College/Young Mosq Abatement	539	43	3	585
Benson Culinary H2o Improve	-	-	-	-
Cache Valley Transit District	-	-	-	-
Total special districts	<u>11,235</u>	<u>2,058</u>	<u>190</u>	<u>13,483</u>
Cemetery Districts				
Avon Cemetery	851	26	2	879
Cornish Cemetery	92	40	52	184
Hyde Park Cemetery	2,923	593	12	3,528
Millville Nibley Cemetery	811	196	10	1,017
Newton Cemetery	59	58	7	124
Paradise Cemetery	403	61	2	466
Richmond Cemetery	867	179	14	1,060
Total cemetery districts	<u>6,006</u>	<u>1,153</u>	<u>99</u>	<u>7,258</u>
Redevelopment Districts				
Cache County	-	-	-	-
Logan City Schools	-	-	-	-
Cache County Schools	-	-	-	-
Logan City	-	-	-	-
North Logan City	-	-	-	-
Smithfield City	-	-	-	-
Hyde Park City	-	-	-	-
Cache County Mosquito Abate.	-	-	-	-
Total redevelopment districts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non Advelorum Charges				
Delinquent Benson Culinary	1,625	-	-	1,625
Garbage	30,949	-	-	30,949
Logan Special Improve #1	609	-	-	609
Logan Special Improve #2	-	-	-	-
Logan Business Improvement	5,896	-	-	5,896
Logan Temple Improvement	-	-	-	-
Logan 600W 100 S Impr	482	-	-	482
Greenbelt Rollback	-	-	-	-
State Assessed Revision	-	-	-	-
Drainage #3	20	-	-	20
Drainage #4	70	-	-	70
Drainage #5	5	-	-	5
Drainage #6	149	-	-	149
Wellsville Mendon	2,628	-	-	2,628
Penalty	100	-	-	100
Noxious Weeds	761	-	-	761
Total non advelorum charges	<u>43,294</u>	<u>-</u>	<u>-</u>	<u>43,294</u>
Total all taxing entities	<u>\$ 2,355,902</u>	<u>\$ 414,520</u>	<u>\$ 75,964</u>	<u>\$ 2,846,386</u>

(Continued)

C A C H E C O U N T Y

**TREASURER'S TAX FUND
SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISBURSED (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012**

Taxing Entities	Taxes Collected	Collection Rate	Fee In-Lieu	Misc. Collections	Delinquent Taxes	Interest / Penalties	Total Collected / Disbursed
Special Districts							
Powder Mountain	\$ 3,015	99.21%	\$ -	\$ 18	\$ -	\$ -	\$ 3,033
Cache Mosquito Abatement	282,499	95.64%	27,331	4,141	12,515	483	326,969
College/Young Mosq Abatement	9,719	94.32%	511	83	290	16	10,619
Benson Culinary H2o Improve	-	0.00%	-	-	-	-	-
Cache Valley Transit District	-	0.00%	-	-	-	-	-
Total special districts	<u>295,233</u>		<u>27,842</u>	<u>4,242</u>	<u>12,805</u>	<u>499</u>	<u>340,621</u>
Cemetery Districts							
Avon Cemetery	17,968	95.34%	179	76	1,159	35	19,417
Cornish Cemetery	9,808	98.16%	437	139	213	10	10,607
Hyde Park Cemetery	63,860	94.76%	6,417	1,027	3,045	144	74,493
Millville Nibley Cemetery	28,123	96.51%	3,428	181	913	40	32,685
Newton Cemetery	4,938	97.55%	418	-	105	6	5,467
Paradise Cemetery	10,590	95.79%	864	67	200	6	11,727
Richmond Cemetery	<u>22,291</u>	95.46%	<u>2,018</u>	<u>207</u>	<u>758</u>	<u>29</u>	<u>25,303</u>
Total cemetery districts	<u>157,578</u>		<u>13,761</u>	<u>1,697</u>	<u>6,393</u>	<u>270</u>	<u>179,699</u>
Redevelopment Districts							
Cache County	563,979	100.00%	-	-	-	-	563,979
Logan City Schools	2,154,601	100.00%	-	-	-	-	2,154,601
Cache County Schools	317,376	100.00%	-	-	-	-	317,376
Logan City	632,503	100.00%	-	-	-	-	632,503
North Logan City	12,243	100.00%	-	-	-	-	12,243
Smithfield City	38,149	100.00%	-	-	-	-	38,149
Hyde Park City	1,475	100.00%	-	-	-	-	1,475
Cache County Mosquito Abate.	<u>2,619</u>	100.00%	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,619</u>
Total redevelopment districts	<u>3,722,945</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,722,945</u>
Non Advelorum Charges							
Delinquent Benson Culinary	6,074	78.89%	-	-	626	-	6,700
Garbage	16,704	35.05%	-	-	12,317	-	29,021
Logan Special Improve #1	17,608	96.66%	-	-	4,063	-	21,671
Logan Special Improve #2	17,160	100.00%	-	-	-	-	17,160
Logan Business Improvement	17,572	74.88%	-	-	-	-	17,572
Logan Temple Improvement	7,063	100.00%	-	-	-	-	7,063
Logan 600W 100 S Impr	2,999	86.15%	-	-	-	-	2,999
Greenbelt Rollback	188,642	100.00%	-	-	-	-	188,642
State Assessed Revision	8	100.00%	-	-	-	-	8
Drainage #3	1,542	98.72%	-	-	-	-	1,542
Drainage #4	4,726	98.54%	-	-	30	-	4,756
Drainage #5	1,688	99.70%	-	-	10	-	1,698
Drainage #6	5,349	97.29%	-	-	184	-	5,533
Wellsville Mendon	136,029	98.10%	-	2,575	3,014	-	141,618
Penalty	113	53.05%	-	-	-	-	113
Noxious Weeds	<u>1,565</u>	67.28%	<u>-</u>	<u>-</u>	<u>252</u>	<u>-</u>	<u>1,817</u>
Total non advelorum charges	<u>424,842</u>		<u>-</u>	<u>2,575</u>	<u>20,496</u>	<u>-</u>	<u>447,913</u>
Total all taxing entities	<u>\$ 63,285,640</u>		<u>\$ 5,370,726</u>	<u>\$ 679,621</u>	<u>\$ 2,687,587</u>	<u>\$ 269,093</u>	<u>\$ 72,292,667</u>

COMPONENT UNITS

C A C H E C O U N T Y

**COMBINING STATEMENT OF NET POSITION
NORTH PARK INTERLOCAL COOPERATIVE
AS OF DECEMBER 31, 2012**

	2012		
	North Park Interlocal Cooperative	Bridgerland Community Ice Arena	Total
ASSETS			
Cash and cash equivalents.....	\$ 132	\$ 237,180	\$ 237,312
Accounts receivable, net.....	-	6,751	6,751
Pledges receivable, net.....	-	117,002	117,002
Restricted cash and investments.....	202	-	202
Investments.....	-	322,819	322,819
Inventory.....	-	19,859	19,859
Other assets.....	-	12,235	12,235
Noncurrent pledges receivable, net.....	-	19,822	19,822
Capital assets:			
Buildings, improvements and equipment.....	4,516,695	404,479	4,921,174
Accumulated depreciation.....	<u>(1,082,518)</u>	<u>(258,207)</u>	<u>(1,340,725)</u>
Total assets.....	<u>3,434,511</u>	<u>881,940</u>	<u>4,316,451</u>
LIABILITIES			
Accounts payable and accrued liabilities.....	-	25,440	25,440
Noncurrent liabilities:			
Due within one year.....	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total liabilities.....	<u>-</u>	<u>75,440</u>	<u>75,440</u>
NET POSITION			
Net investment in capital assets.....	3,434,177	96,272	3,530,449
Restricted for:			
Capital projects.....	-	109,175	109,175
Debt service.....	202	-	202
Other purposes.....	-	383,329	383,329
Unrestricted.....	<u>132</u>	<u>217,724</u>	<u>217,856</u>
Total net position.....	<u>\$ 3,434,511</u>	<u>\$ 806,500</u>	<u>\$ 4,241,011</u>

C A C H E C O U N T Y

COMBINING STATEMENT OF ACTIVITIES
 NORTH PARK INTERLOCAL COOPERATIVE
 FOR THE YEAR ENDED DECEMBER 31, 2012

	2012		
	North Park Interlocal Cooperative	Bridgerland Community Ice Arena	Total
Expenses	\$ 114,883	\$ 704,378	\$ 819,261
 Program revenues			
Charges for services.....	-	463,107	463,107
Operating grants and contributions.....	-	312,540	312,540
Total program revenues.....	-	775,647	775,647
Net revenues (expenses).....	(114,883)	71,269	(43,614)
 General revenues			
Interest income.....	1	1,116	1,117
Total general revenues.....	1	1,116	1,117
Change in net assets.....	(114,882)	72,385	(42,497)
Net position - beginning.....	3,549,393	734,115	4,283,508
Net position - ending.....	\$ 3,434,511	\$ 806,500	\$ 4,241,011

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CACHE COUNTY
SINGLE AUDIT REPORTS

C A C H E C O U N T Y

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Grant No.</u>	<u>Expenditures</u>
U.S. Department of Agriculture (USDA)			
<i>Direct Program</i>			
Secure Rural Schools-Title I	10.665	FY2012	37,272
Secure Rural Schools-Title III	10.665	FY2012	226,295
NRCS Canal Project - TA	10.923	10-16-01	1,433,147
NRCS Canal Project - FA	10.923	10-16-01	8,348,460
NRCS River Restoration TA	10.923	68-8D43-12-12	266,711
<i>Passed through Utah Weed Supervisors Association</i>			
APHIS Biological Weed Control	10.025		5,000
<i>Passed through Utah Weed Supervisors Association</i>			
FS-Noxious Weed Control	10.664		3,000
<i>Passed through Bear River Association of Governments</i>			
Elderly Feeding Program, Cash-In-Lieu	10.550	FY 11-12	41,853
Elderly Feeding Program, Cash-In-Lieu	10.550	FY 12-13	39,327
<i>Passed through Utah Department of Health</i>			
Special Supplemental Food Program for Women, Infants and Children:			
Food Checks 2012	10.557	C7	2,084,078
Food Checks 2013	10.557	C7	693,094
Administrative Costs 2012	10.557	C7	802,643
Administrative Costs 2013	10.557	C7	244,998
Summer Food 2012	10.559	C6-IV	300
Total USDA			14,226,178
U.S. Environmental Protection Agency (EPA)			
<i>Direct Program</i>			
DEQ Drinking Water 2012	66.468	120203	5,655
DEQ Drinking Water 2013	66.468	130034	5,655
DEQ Environmental Services 2012	66.605	120203	1,500
DEQ Environmental Services 2013	66.605	130034	1,500
Total EPA			14,310

C A C H E C O U N T Y

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Grant No.</u>	<u>Expenditures</u>
U.S. Department of Health & Human Services (HHS)			
<i>Passed through Bear River Association of Governments</i>			
Aging Cluster			
Special Programs for Aging, Title III, Part B	93.044	FY 11-12	7,013
Special Programs for Aging, Title III, Part B	93.044	FY 12-13	48,098
Special Programs for Aging, CMM Title III, Part C1	93.045	FY 11-12	9,409
Special Programs for Aging, CMM Title III, Part C1	93.045	FY 12-13	20,137
Special Programs for Aging, HDM Title III, Part C2	93.045	FY 11-12	31,297
Special Programs for Aging, IIID PHP	93.045	FY 11-12	1,576
Special Programs for Aging, IIID PHP	93.045	FY 12-13	307
Health Insurance Counseling	93.779	FY 11-12	1,502
Health Insurance Counseling	93.779	FY 12-13	2,192
Title XX Discretionary Fund	93.667	FY 11-12	4,600
Title XX Discretionary Fund	93.667	FY 12-13	2,300
<i>Passed through State Department of Health</i>			
General Federal Block MHF	93.958	092576	107,323
Federal Block Children MHX	93.958	092576	27,952
NAACHO 2012	93.008	MRC 12 473	5,000
NAACHO 2012	93.008	MRC 12 2333	5,000
NAACHO 2012	93.008	MRC 12 158	5,000
Bioterrorism Grant 2012	93.069	C8	145,569
Bioterrorism Grant 2013	93.069	C8	163,449
Regional EPI 2012	93.069	C8	16,557
PREP 2012	93.092	C4-I	55,479
PREP 2013	93.092	C4-I	66,382
FDA Standards	93.103	1U18FD004665-01	5,238
TB Elimination 2012	93.116	C5-I	3,942
Immunization 2012	93.268	C5-V	39,302
Immunization 2013	93.268	C5-V	25,152
Drug Free Communities 2012	93.276	5H79SP015878-03	157,556
Drug Free Communities 2013	93.276	5H79SP015878-04	31,862
Cancer Control 2012	93.283	C3-I	21,360
Cancer Control 2013	93.283	C3-I	20,523
Tobacco Control Core Capacity Building 2012	93.283	C3-V	35,464
Tobacco Control Core Capacity Building 2013	93.283	C3-V	18,124

C A C H E C O U N T Y

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Grant No.</u>	<u>Expenditures</u>
Arthritis 2012	93.283	C3-IX	6,903
Diabetes 2013	93.283	C3-VI	3,873
HAI 2012	93.521	111801	18,369
Community Transformation Capacity	93.531	C3-XX	48,764
School Located Vaccination Clinic 2013	93.539	PPHF	52,370
Outreach to Employer Groups 2013	93.539	PPHF	4,833
TB Special Populations 2012	93.566	C5-IV	51,363
Case Management 2012	93.778	CI-II	53,573
Case Management 2013	93.778	CI-II	62,053
CHEC 2012	93.778	CI-I	27,688
CHEC 2013	93.778	CI-I	20,362
Healthy Kids Healthy Families	93.778	CI-V	3,999
State Medical Reserve Corp. 2012	93.889	C8-I	12,859
State Medical Reserve Corp. 2013	93.889	C8-II	16,031
Regional Healthcare Preparedness 2012	93.889	C8-I	63,625
Regional Healthcare Preparedness 2013	93.889	C8-III	104,773
AIDS 2012	93.940	C5-III	5,000
Arthritis 2013	93.945	C3-IX	5,484
Substance Abuse - SAPT Block Grant 2012	93.959	092177	318,605
Substance Abuse - SAPT Block Grant 2013	93.959	122435	579,010
STD Basic 2012	93.977	C5-II	5,200
Diabetes 2012	93.988	C3-VI	3,516
Injury Prevention 2013	93.991	C3-III	4,512
Preventative Block Grant 2012	93.991	C3-II	3,444
Preventative Block Grant 2013	93.991	C3-II	4,658
Home Visitation 2012	93.994	C4-I	9,600
Home Visitation 2013	93.994	C4-I	9,600
Maternal & Child Health 2012	93.994	C4-I	47,099
Maternal & Child Health 2013	93.994	C4-I	49,099
MCH Community Injury 2012	93.994	C3-III	20,873
MCH Community Injury 2013	93.994	C3-III	13,765
Total HHS			2,715,568

C A C H E C O U N T Y

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Grant No.</u>	<u>Expenditures</u>
U.S. Dept of Housing and Urban Development (HUD)			
<i>Passed through State Department of Community and Economic Development</i>			
Community Development Block Grant - NNHC - Land Acquisition	14.228	12-0247	100,000
Total HUD			100,000
U.S. Department of Interior (DOI)			
<i>Direct Program</i>			
ARRA BOR Water Master Plan	15.507		55,125
<i>Passed through the State Division of Wildlife Resources</i>			
Pittman-Robertson Program	15.611	FY2012	9,053
Total DOI			64,178
U.S. Department of Justice (DOJ)			
<i>Passed through State Office of the Attorney General</i>			
State Criminal Alien Assistance Program	16.606	2012-AP-BX	18,387
Bulletproof Vest Partnership Program	16.607	DOJ 2010	1,305
Victim Assistance Services Grant	16.575	11-VOCA-04	48,077
Victim Assistance Services Grant	16.575	11-VOCA-05	7,653
Victim Assistance Services Grant	16.575	12-VOCA-04	50,053
Victim Assistance Services Grant	16.575	12-VOCA-05	5,368
Victim Assistance Services Grant	16.575	12-VOCA-06	4,081
Violence Against Women Grant - Investigations	16.588	11-VAWA-05	16,633
Violence Against Women Grant - Prosecutions	16.588	11-VAWA-03	24,755
Violence Against Women Grant - Prosecutions	16.588	11-VAWA-04	52,853
Total DOJ			229,165
U.S. Department of Transportation (DOT)			
<i>Direct Program</i>			
Airport Improvement Project #23 Aircraft Rescue/ARFF	20.106	DOT-FA12NM-1052	18,188
Wildlife Assessment and Management Plan (WHMA)	20.106	DOT-FA12NM-1054	11,818
<i>Passed through State Department of Transportation</i>			
Logan Canyon Scenic Byway - Projects	20.205	098288, 098289, 058377	25,100
<i>Passed through State Office of Highway Safety</i>			
Safe Community 2012	20.600	CP120204	19,005

C A C H E C O U N T Y

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Grant No.</u>	<u>Expenditures</u>
<i>Passed through State Division of Homeland Security</i> 2011 LEPC Hazardous Materials Planning Grant	20.703	SFM-2008-LEPC-CC	1,104
Total DOT			75,215
The Corporation for National and Community Service (CNCS)			
<i>Direct Program</i> Retired Service Volunteer Program	94.002	210-OPEI-P74-COO-61511-4101	42,180
Total CNCS			42,180
U.S. Department of Homeland Security (DHS)			
<i>Passed through State Department of Public Safety</i> 2010 HS Grant-State HS Program Grant Allocation	97.067	ODP-FY10	1,412
Emergency Management Performance Grant	97.042	2011 EMPG	113,552
Total DHS			114,964
GRAND TOTAL			\$ 17,581,758

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1 – PURPOSE OF THE SCHEDULE

The Schedule of Expenditures of Federal Awards (the Schedule) is a supplementary schedule to the basic financial statements designed to provide expenditure information for each federal program in which the County participated. The schedule is required by the U.S. Office of Management and Budget (OMB) Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Schedule is prepared using the same accounting policies and basis of accounting as the basic financial statements.

B. CFDA Numbers

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

C. Major Programs

OMB Circular A-133 establishes the levels of expenditures or expenses and other criteria to be used in defining major federal financial assistance. Major programs have been noted on the Schedule of Findings and Questioned Costs in accordance with those definitions.

D. Indirect Costs

The Schedule includes a portion of costs associated with general activities that are allocated to federal financial assistance programs using direct labor as a basis of allocation.

E. WIC Checks

Expenditures are recorded for WIC checks on the schedule based on information provided by the State of Utah Department of Health. The value of WIC checks is excluded from grant revenue and grant expenditures in the financial statements of Bear River Health Department.



Certified Public Accountants

www.jones-simkins.com

Logan Office:

1011 West 400 North, Suite 100
Logan, UT 84323-0747
Phone: (435) 752-1510 • (877) 752-1510
Fax: (435) 752-4878

Salt Lake City Office:

6715 South 1300 East, Suite 250
Salt Lake City, UT 84121
Phone: (801) 561-6026
Fax: (801) 561-2023

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

To the Cache County Council
Logan, Utah

We have audited 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cache County, Utah (the County) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 30, 2013. Our report includes a reference to other auditors who audited the financial statements of Bridgerland Community Ice Arena (a component unit of North Park Interlocal Cooperative), and Cache County Emergency Medical Service Authority, as described in our report on the County's financial statements. The financial statements of Bridgerland Community Ice Arena were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 12-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Cache County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result 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.



JONES SIMKINS LLC

Logan, Utah

July 30, 2013



Certified Public Accountants

www.jones-simkins.com

Logan Office:

1011 West 400 North, Suite 100
Logan, UT 84323-0747
Phone: (435) 752-1510 • (877) 752-1510
Fax: (435) 752-4878

Salt Lake City Office:

6715 South 1300 East, Suite 250
Salt Lake City, UT 84121
Phone: (801) 561-6026
Fax: (801) 561-2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Cache County Council
Logan, Utah

Report on Compliance for Each Major Federal Program

We have audited Cache County, Utah's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County 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 December 31, 2012.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



JONES SIMKINS LLC
Logan, Utah
July 30, 2013

CACHE COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2012

A. Summary of Audit Findings:

1.	Type of report issued	Unmodified
2.	Internal control over financial reporting: Material weaknesses identified: Significant deficiencies identified that were not considered to be material weaknesses:	Yes – One No
3.	Non-compliance material to financial statements noted:	No
4.	Internal control over major programs: Material weaknesses identified: Significant deficiencies identified that were not considered to be material weaknesses:	No None reported
5.	Type of auditors' report issued on compliance for major programs:	Unmodified
6.	Any audit findings disclosed that are required to be reported in accordance with section 510(d) of Circular A-133:	None
7.	Federal programs tested as major programs	10.923 – Emergency Watershed Protection Program
8.	Dollar threshold used to distinguish between Type A and Type B programs:	\$527,158
9.	Auditee qualification as high or low risk	High

CACHE COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2012

- B. Findings related to the financial statements required to be reported in accordance with Government Auditing Standards:

Finding 12-01

Criteria: Internal control standards adopted by the Government Accountability Office (GAO) expect that management or employees, in the normal course of performing their assigned functions, will prevent or detect misstatements in account balances prior to their being reported in the financial statements.

Condition: Across a variety of areas, the County's financial records contained misstatements of account balances.

Cause:

- a) Controls over financial close and reporting were insufficient to prevent misstatements in the presentation of the financial statements.
- b) Delays in the performance of accounting processes were experienced, which contribute to the conditions resulting in misstatements of the County's financial records.
- c) The County employs a limited number of staff qualified to perform certain accounting closing procedures.
- d) Back-up resources are not in place for the performance of certain key accounting processes when primary personnel are absent.
- e) A change in accounting software was made during the year. This conversion of accounting data also contributed to the circumstances which led to misstatements in the County's financial records.

Effect: Auditor-proposed adjustments were made to a variety of account balances. The necessity of these adjustments is evidence of a material weakness in internal controls with respect to the accurate recording, reporting, and disclosure of transactions and balances in accordance with Generally Accepted Accounting Principles.

Recommendation: Management should evaluate the sufficiency of its accounting and financial reporting resources with respect to its expectation for timely accurate accounting and financial reporting.

CACHE COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2012

- C. Findings and questioned costs related to federal awards required to be reported in accordance with OMB Circular A-133.

None

CACHE COUNTY
Summary Schedule of Prior Year Audit Findings
Year Ended December 31, 2012

There were no audit findings in the prior year related to federal awards.

CACHE COUNTY
Corrective Action Plan
(Client Submitted Document)
Year Ended December 31,2012

Cache County respectfully submits the following response for the finding 12-01 identified in the December 31, 2012 audit:

Response to finding 12-01

Management has provided additional resources and personnel to its accounting and financial reporting processes. Management will also continue to evaluate internal control structure to facilitate the performance of key accounting processes when primary personnel are absent.

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Certified Public Accountants

www.jones-simkins.com

Logan Office:

1011 West 400 North, Suite 100
Logan, UT 84323-0747
Phone: (435) 752-1510 • (877) 752-1510
Fax: (435) 752-4878

Salt Lake City Office:

6715 South 1300 East, Suite 250
Salt Lake City, UT 84121
Phone: (801) 561-6026
Fax: (801) 561-2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE IN ACCORDANCE WITH
THE STATE OF UTAH LEGAL COMPLIANCE AUDIT GUIDE

To the Cache County Council
Logan, Utah

We have audited Cache County, Utah's (the County) compliance with general and major state program compliance requirements described in the *State of Utah Legal Compliance Audit Guide* for the year ended December 31, 2012. The general compliance requirements applicable to the County are identified as follows:

Public Debt	Other General Issues
Cash Management	Uniform Building Code Standards
Purchasing Requirements	Statement of Taxes Charged, Collected & Disbursed
Budgetary Compliance	Assessing and Collecting of Property Taxes
Truth in Taxation and Property Tax Limitations	Transient Room Tax
Liquor Law Enforcement	Asset Forfeiture
B&C Road Funds	URS Compliance
Special Districts	Fund Balance

The County received the following major assistance programs from the State of Utah:

- Class B Road Funds (Department of Transportation)
- Liquor Law Enforcement Funds (Tax Commission)
- Mental Health Contracts (Department of Human Services; funds passed through to Bear River Mental Health, Inc., a non-profit corporation which is a subrecipient of the County)

Compliance with the requirements referred to above is the responsibility of the County's management. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit 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 *State of Utah Legal Compliance Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the major assistance programs or general compliance requirements identified above. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and

performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state programs for the year ended December 31, 2012. However, the results of our auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with the *State of Utah Legal Compliance Audit Guide* and which are described in our letter to management dated July 30, 2013.

This report is intended solely for the information and use of the County, the Office of the Utah State Auditor, awarding and pass-through entities, and other specified parties as applicable and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



JONES SIMKINS LLC
Logan, Utah
July 30, 2013

**SCHEDULE OF EXPENDITURES OF TRANSIENT ROOM TAXES
AND TOURISM, RECREATION, CULTURAL, AND CONVENTION FACILITIES TAXES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Transient Room Tax	
Establishing and promoting:	
Recreation.....	\$ -
Tourism.....	335,735
Film production.....	-
Conventions.....	-
Acquiring, leasing, constructing, furnishing, or operating:	
Convention meeting rooms.....	-
Exhibit halls.....	-
Visitor information centers.....	46,225
Museums.....	-
Related facilities.....	-
Acquiring or leasing land required for or related to:	
Convention meeting rooms.....	-
Exhibit halls.....	-
Visitor information centers.....	-
Museums.....	-
Related facilities.....	-
Mitigation costs.....	
Payment of principal, interest, and premiums on bonds.....	-
Total Transient Room Tax Expenditures.....	<u>\$ 381,960</u>
 Tourism, Recreation, Cultural, and Convention (TRCC) Facilities Taxes	
Financing tourism promotion.....	\$ 287,149
Development, operation, and maintenance of:	
Tourist facilities.....	-
Recreation facilities.....	220,500
Cultural facilities.....	-
Total TRCC Facilities Tax Expenditures.....	<u>\$ 507,649</u>
 Reserves and Pledges	
Reserves on bonds related to TRT funds.....	\$ -
Pledges as security for evidences of indebtedness related to TRCC.....	<u>-</u>
Total Pledges of TRT and TRCC Taxes.....	<u>\$ -</u>