



CACHE COUNTY, UTAH

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

CACHE COUNTY
FINANCIAL STATEMENTS
DECEMBER 31, 2014

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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, 2014, 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 7 percent, 8 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, 2014, 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 accompanying Statement of Expenditures of State Awards is presented for purposes of additional analysis as required by the Utah State Compliance Audit Guide 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 June 30, 2015 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
June 30, 2015

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INTRODUCTION

The following discussion and analysis is presented as an overview of the financial performance of Cache County for the year ended December 31, 2014. 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 decreased by approximately \$344 thousand or about 0.6 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 \$7.1 million, or 12.5 percent of total net position.
- During the year, the County had net program expenses of approximately \$27.5 million. This compares to last year, when net program expenses were approximately 26.1 million. The total cost of the County's programs was about \$45.7 million and decreased approximately \$10.9 million, or about 19.3 percent, from the prior year.
- Combined fund balances of the County amounted to about \$30.2 million, an increase of approximately \$700 thousand or about 2.5 percent, from the prior year. Of the combined total, approximately \$22.3 million, or 73.7 percent, is subject to external restrictions on its use.
- Unassigned fund balance of the General Fund was about \$5.1 million, which amount was approximately 25.7 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.

The government-wide financial statements include not only the County's financial information, known as the *primary government*, but also some 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.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

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 2014, the County’s assets exceeded its liabilities by \$56,446,373, a decline of \$344,177 from the prior year.

Just less than half of the County’s net position, \$27,075,525 or 48.0 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 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.

CACHE COUNTY'S NET POSITION			
GOVERNMENTAL ACTIVITIES			
	<u>2014</u>	<u>2013</u>	<u>% Change</u>
ASSETS			
Current and other assets	\$ 36,140,008	\$ 38,169,710	-5.3%
Capital assets, net	<u>35,059,086</u>	<u>36,202,676</u>	<u>-3.2%</u>
Total assets	<u>71,199,094</u>	<u>74,372,386</u>	<u>-4.3%</u>
LIABILITIES			
Current liabilities	4,880,345	7,584,445	-35.7%
Long-term liabilities	<u>9,872,376</u>	<u>9,997,391</u>	<u>-1.3%</u>
Total liabilities	<u>14,752,721</u>	<u>17,581,836</u>	<u>-16.1%</u>
NET POSITION			
Net investment in capital assets	27,075,525	27,968,305	-3.2%
Restricted	22,297,192	21,888,156	1.9%
Unrestricted	<u>7,073,656</u>	<u>6,934,089</u>	<u>2.0%</u>
Total net position	<u>\$ 56,446,373</u>	<u>\$ 56,790,550</u>	<u>-0.6%</u>

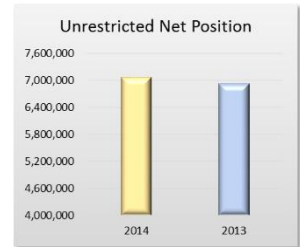
MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2014

An additional \$22,297,192, or 39.5 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 \$7,073,656, or 12.5 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 decrease in net position of \$344,177 from the prior year is attributable to governmental activities.



In total, revenues for the County decreased \$10,098,457, or 18.3 percent, from the prior year. The primary reason for the decrease is due to the winding down and completion of certain water projects in the County. These projects had received large grants provided by the federal government and other local governmental and private entities in the prior year. In 2014 grant revenue was significantly reduced given the status of projects.

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. A relatively small amount of the project remained incomplete at the beginning of 2014, but was finished early in the year.

The other water project related to repairing and restoring one of the County’s rivers after it had sustained heavy flood damage. The federal government contributed more than \$3.8 million for this project in 2014, which was completed before the end of the year. Other changes in program revenues were beneficial amounting to an increase of more than \$1.0 million over the prior year. A large share of that increase is due to the implementation of an Air Pollution Control fee, which generated more than \$250 thousand. Road contracts were also increased in 2014 by more than \$371 thousand.

CHANGES IN CACHE COUNTY’S NET POSITION
GOVERNMENTAL ACTIVITIES

	<u>2014</u>	<u>2013</u>	<u>% Change</u>
REVENUES			
Program revenues			
Charges for services	\$ 6,604,143	\$ 5,979,656	10.4%
Operating grants and contributions	6,418,418	6,029,329	6.5%
Capital grants and contributions	5,138,347	18,548,056	-72.3%
General revenues			
Property taxes	15,653,023	14,206,939	10.2%
Sales taxes	11,403,750	10,794,923	5.6%
Other general revenues	698,016	455,251	53.3%
Total revenues	<u>45,915,697</u>	<u>56,014,154</u>	<u>-18.0%</u>
EXPENSES			
General government	14,915,895	25,538,820	-41.6%
Public safety	15,303,936	14,936,998	2.5%
Streets and public improvements	7,803,062	8,519,326	-8.4%
Health and welfare	4,484,332	3,917,647	14.5%
Culture and recreation	3,439,191	3,378,514	1.8%
Interest on long-term debt	313,458	340,984	-8.1%
Total expenses	<u>46,259,874</u>	<u>56,632,289</u>	<u>-18.3%</u>
Decrease in net position	(344,177)	(618,135)	-44.3%
Net position - January 1	<u>56,790,550</u>	<u>57,408,685</u>	<u>-1.1%</u>
Net position - December 31	<u>\$ 56,446,373</u>	<u>\$ 56,790,550</u>	<u>-0.6%</u>

Growth in both property taxes and sales taxes contributed significantly to the overall increase in revenues. Property tax revenue, the County’s most significant tax revenue source, increased from the prior year by \$1,446,084, or 10.2 percent, and totaled \$15,653,023. A significant portion of that increase, amounting to \$596,331, is due to a change in revenue recognition for tax increment collected by the County and distributed to redevelopment agencies. Sales tax revenue, the second most significant source of tax revenue for the County, grew by \$608,827, or 5.6 percent, and totaled \$11,403,750. There was not a property tax rate increase for 2014, nor were there any other new taxes imposed. Aside from the change

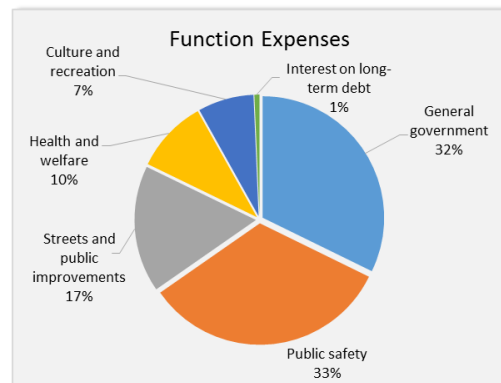
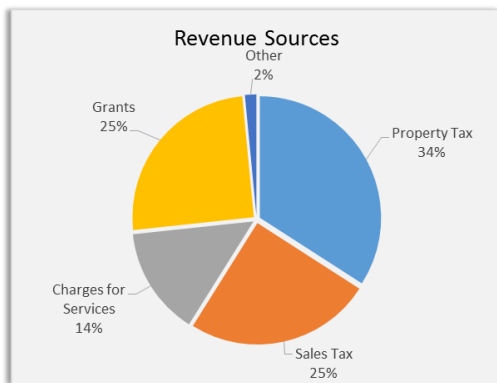
MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2014

in property tax revenue recognition, 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.

Taxes collected by the County create the largest portion of revenues for the County totaling \$27,056,773, or 58.9 percent of all revenues. Grants and contributions, totaling \$11,556,765 or 25.2 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 \$6,604,143 or 14.4 percent.

Total expenses decreased for the County by \$10,372,415, or 18.3 percent, from the prior year. The activity with the largest decrease was General Government, experiencing a decrease of \$10,622,925, or 41.6 percent. As already discussed as part of the analysis of revenue changes, the expenses were dramatically decreased this year due to the completion of multi-year projects related to rebuilding a critical canal system and a river repair and restoration project. Road construction projects also played a small role in the decrease, with a reduced amount of work completed in 2014 compared to the prior year.



Public safety services generate the most significant portion of the County's expenses amounting to \$15,303,936, or 31.5 percent of total expenses. 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, with program costs of \$4,029,240, \$1,754,152, and \$7,258,460 respectively. Combined, these three programs account for 28.2 percent of the County's total expenses. These costs increased by 2.3 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 2014, these revenues covered \$18,160,908, or 39.8 percent, of total expenses through charges for services, grants and contributions. Taxes and other general revenues covered the remaining 60.2 percent of the County's expenses.

CACHE COUNTY'S NET PROGRAM COSTS

GOVERNMENTAL ACTIVITIES

ACTIVITIES	Program Expenses	Less Program Revenues	Net Program Expenses		Program Revenues as a Percentage of Program Expenses	
	2014	2014	2014	2013	2014	2013
General government	\$ 14,915,895	\$ (7,606,006)	\$ 7,309,889	\$ 4,815,208	51.0%	81.1%
Public safety	15,303,936	(4,572,483)	10,731,453	10,229,131	29.9%	31.5%
Streets and public improvements	7,803,062	(2,140,008)	5,663,054	6,731,160	27.4%	21.0%
Health and welfare	4,484,332	(3,351,912)	1,132,420	1,099,182	74.7%	71.9%
Culture and recreation	3,439,191	(490,499)	2,948,692	2,859,583	14.3%	15.4%
Interest on long-term debt	313,458	-	313,458	340,984	0.0%	0.0%
Total governmental activities	\$ 46,259,874	\$ (18,160,908)	\$ 28,098,966	\$ 26,075,248	39.3%	54.0%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The investment in capital assets, net of accumulated depreciation, of the County for its governmental activities totaled \$35,059,086 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 \$1,143,590, or 3.2 percent. No individually significant additions to capital assets were made during the year. The decrease represents additional depreciation of approximately \$2.4 million, offset by capital expenditures of approximately \$1.3 million.

CACHE COUNTY'S CAPITAL ASSETS, NET			
GOVERNMENTAL ACTIVITIES			
	<u>2014</u>	<u>2013</u>	<u>% Change</u>
Land	\$ 3,130,437	\$ 3,130,437	0.0%
Buildings and improvements	17,493,702	17,841,393	-1.9%
Equipment	4,798,504	5,187,445	-7.5%
Infrastructure	9,636,443	10,043,401	-4.1%
Total capital assets, net	<u>\$ 35,059,086</u>	<u>\$ 36,202,676</u>	<u>-3.2%</u>

Long-term Debt

Bonded debt outstanding at the end of the year, consisting of revenue bonds, had a balance of \$7,218,352 compared to \$7,258,771 at the prior year end. These bonds were issued in order to refinance debt related to the 2002 construction of the County Administration Building. No additional bonds were issued in 2014, so the change represents payment on existing debt. Capital leases at the end of the year totaled \$765,209 compared to \$975,600 at the prior year end. There were two leases outstanding at the end of the year. One is for the purchase of land for recreational purposes and the other is for the purchase of new fire vehicles and equipment. In addition to the revenue bonds and capital leases, the County's long-term obligations include an accrual for compensated absences in the amount of \$1,888,815. The adjoining table presents changes to long-term obligations relative to the prior year.

CACHE COUNTY'S LONG-TERM DEBT			
GOVERNMENTAL ACTIVITIES			
	<u>2014</u>	<u>2013</u>	<u>% Change</u>
Sales tax revenue bonds, net of premiums and refundings	\$ 7,218,352	\$ 7,258,771	-0.6%
Capital leases	765,209	975,600	-21.6%
Compensated absences	1,888,815	1,763,020	7.1%
Total long-term debt	<u>\$ 9,872,376</u>	<u>\$ 9,997,391</u>	<u>-1.3%</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, 2014, the combined fund balance of the governmental funds of the County was \$30,247,663, an increase of \$700,398, or 2.4 percent, in comparison with the prior year. Of that fund balance, \$5,118,781, or 16.9 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.

The general fund is the principal operating fund of the County. As of December 31, 2014, the unassigned fund balance of the general fund was \$5,123,073. This amount represents 25.0 percent of the total expenditures of the general fund.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

CACHE COUNTY'S FUND BALANCES
GOVERNMENTAL FUNDS

FUNDS	2014					2013		% Change
	Nonspendable	Restricted	Assigned	Unassigned	Total	Total		
General	\$ 22,962	\$ 850,000	\$ -	\$ 5,123,073	\$ 5,996,035	\$ 6,309,327	-5.0%	
Assessing and Collecting	-	4,867,780	-	-	4,867,780	4,546,784	7.1%	
Municipal Services	-	4,290,987	-	-	4,290,987	3,869,286	10.9%	
Capital Projects	-	6,318,583	869,530	-	7,188,113	8,299,218	-13.4%	
Other (Nonmajor)	-	5,969,842	1,939,198	(4,292)	7,904,748	6,522,650	21.2%	
Total fund balances	<u>\$ 22,962</u>	<u>\$ 22,297,192</u>	<u>\$ 2,808,728</u>	<u>\$ 5,118,781</u>	<u>\$ 30,247,663</u>	<u>\$ 29,547,265</u>	<u>2.4%</u>	

General Fund Budgetary Highlights

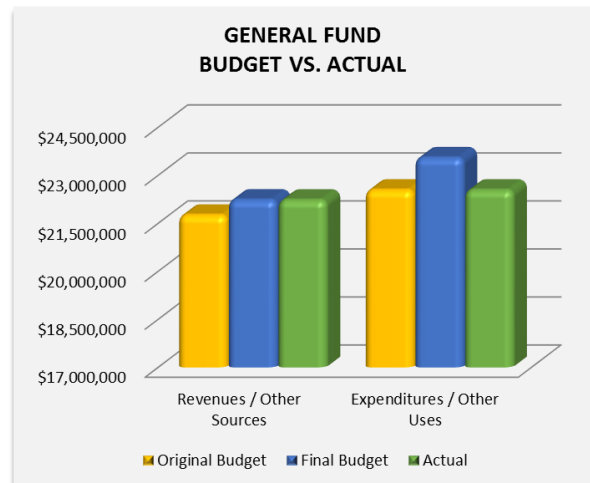
The final adopted revenue budget of the general fund increased by \$359,759 over the original budget. The two most significant increases in budgeted revenues resulted from a change in estimates of property tax collection and for intergovernmental revenues. The increase for property tax was \$170,500, or 47.4 percent of the total revenue budget increase. The increase for intergovernmental revenues was \$123,476, or 34.3 percent of the total increase. Charges for services generated another increase of \$29,783, or 8.3 percent of the total budgetary increase.

Budgeted expenditures increased by \$949,374 over the original budget. Some of the most notable increases are as follows:

- The function with the largest increase to the budget was public safety, increasing by \$621,095. Within this increase, there was \$335,660 appropriated for additional compensation to Sheriff’s Office employees. An additional \$58,136 was appropriated for rescue and safety equipment.
- In addition to its own equipment, the County increased the budget in order to make a contribution of \$150,000 toward the purchase of a fire truck that will be owned by Smithfield City and used within the County fire district.
- Facility improvements at the County Fairgrounds accounted for another \$155,586 increase to the budget. These improvements are part of an ongoing effort to update the facilities and serve additional members of the community.

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 Finance department at 179 North Main, Logan, Utah, 84321.



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BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

	Primary Government		Component Units
	Governmental Activities	Total	
ASSETS			
Cash and cash equivalents	\$ 6,469,516	\$ 6,469,516	\$ 5,969,491
Equity in investment pool	24,688,610	24,688,610	357,069
Taxes receivable	3,163,767	3,163,767	-
Accounts receivable, net	61,731	61,731	2,018,439
Accrued interest	23,826	23,826	-
Pledges receivable, net	-	-	13,678
Due from other governments	1,709,596	1,709,596	587,093
Investments	-	-	530,448
Inventory	-	-	238,345
Restricted cash and investments	-	-	202
Other assets, net	22,962	22,962	18,212
Noncurrent pledges receivable, net	-	-	1,822
Capital assets:			
Land	3,130,437	3,130,437	1,996,084
Buildings, improvements and equipment	44,380,800	44,380,800	32,382,987
Infrastructure	15,671,026	15,671,026	-
Accumulated depreciation	<u>(28,123,177)</u>	<u>(28,123,177)</u>	<u>(13,682,982)</u>
Total assets	<u>71,199,094</u>	<u>71,199,094</u>	<u>30,430,888</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 3,664,945	\$ 3,664,945	\$ 828,177
Due to other governments	834,466	834,466	-
Unearned revenue	380,934	380,934	81,002
Long-term liabilities:			
Due within one year	2,257,079	2,257,079	270,000
Due in more than one year	<u>7,615,297</u>	<u>7,615,297</u>	<u>358,500</u>
Total liabilities	<u>14,752,721</u>	<u>14,752,721</u>	<u>1,537,679</u>
NET POSITION			
Net investment in capital assets	27,075,525	27,075,525	20,696,089
Restricted for:			
Air pollution control	245,050	245,050	-
Ambulance services	317,556	317,556	-
Capital projects	-	-	66,330
Debt service	-	-	202
Election equipment	850,000	850,000	-
Health services	1,110,996	1,110,996	-
Municipal services	1,666,099	1,666,099	-
Parks and recreation	4,552,892	4,552,892	-
Property tax administration	4,867,780	4,867,780	-
Streets and public improvements	8,682,758	8,682,758	-
Other purposes	4,061	4,061	487,039
Unrestricted	<u>7,073,656</u>	<u>7,073,656</u>	<u>7,643,549</u>
Total net position	<u>\$ 56,446,373</u>	<u>\$ 56,446,373</u>	<u>\$ 28,893,209</u>

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

CACHE COUNTY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

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	\$ 14,915,895	\$ 1,463,672	\$ 1,011,987	\$ 5,130,347	\$ (7,309,889)	\$ (7,309,889)	\$ -
Public safety	15,303,936	3,559,991	1,012,492	-	(10,731,453)	(10,731,453)	-
Streets and public improvements	7,803,062	871,571	1,260,437	8,000	(5,663,054)	(5,663,054)	-
Health and welfare	4,484,332	343,596	3,008,316	-	(1,132,420)	(1,132,420)	-
Culture and recreation	3,439,191	365,313	125,186	-	(2,948,692)	(2,948,692)	-
Interest on long-term debt	313,458	-	-	-	(313,458)	(313,458)	-
Total governmental activities	<u>46,259,874</u>	<u>6,604,143</u>	<u>6,418,418</u>	<u>5,138,347</u>	<u>(28,098,966)</u>	<u>(28,098,966)</u>	<u>-</u>
Total primary government	<u>\$ 46,259,874</u>	<u>\$ 6,604,143</u>	<u>\$ 6,418,418</u>	<u>\$ 5,138,347</u>	<u>(28,098,966)</u>	<u>(28,098,966)</u>	<u>-</u>
Component Units:							
Airport Authority	\$ 983,976	\$ 132,951	\$ 106,215	\$ 478,646	-	-	(266,164)
North Park Interlocal Cooperative	961,449	494,068	340,137	-	-	-	(127,244)
Bear River Health Department	9,844,162	2,555,536	7,496,821	-	-	-	208,195
CCEMS Authority	2,999,699	2,742,026	494,174	-	-	-	236,501
Roads Special Service District	372,629	-	201,547	-	-	-	(171,082)
Total component units	<u>\$ 15,161,915</u>	<u>\$ 5,924,581</u>	<u>\$ 8,638,894</u>	<u>\$ 478,646</u>	<u>-</u>	<u>-</u>	<u>(119,794)</u>
General revenues:							
Property taxes					15,653,023	15,653,023	-
Sales and use taxes					11,403,750	11,403,750	-
Interest and investment income					138,719	138,719	41,273
Gain on sale of assets					262,637	262,637	9,559
Miscellaneous income					296,660	296,660	1,040
Total general revenues					<u>27,754,789</u>	<u>27,754,789</u>	<u>51,872</u>
Changes in net position					(344,177)	(344,177)	(67,922)
Net position - January 1					<u>56,790,550</u>	<u>56,790,550</u>	<u>28,961,131</u>
Net position - December 31					<u>\$ 56,446,373</u>	<u>\$ 56,446,373</u>	<u>\$ 28,893,209</u>

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

	Special Revenue					Nonmajor Governmental Funds	Total Governmental Funds
	General	Assessing and Collecting	Municipal Services	Mental Health	Capital Projects		
ASSETS							
Cash and cash equivalents	\$ 4,782,669	\$ 1,290,401	\$ 30,706	\$ -	\$ -	\$ 365,740	\$ 6,469,516
Equity in investment pool	2,103,284	3,654,887	3,880,455	7,055	7,760,212	7,282,717	24,688,610
Interfund receivable - investment pool	-	-	36,296	-	-	-	36,296
Taxes receivable	1,589,126	195,000	144,624	-	619,427	615,590	3,163,767
Accounts receivable	44,860	-	13,456	-	-	3,415	61,731
Interest receivable	19,341	3,512	-	-	-	973	23,826
Due from other governments	398,227	16,630	302,234	827,411	69,635	95,459	1,709,596
Other assets	22,962	-	-	-	-	-	22,962
Total assets	<u>\$ 8,960,469</u>	<u>\$ 5,160,430</u>	<u>\$ 4,407,771</u>	<u>\$ 834,466</u>	<u>\$ 8,449,274</u>	<u>\$ 8,363,894</u>	<u>\$ 36,176,304</u>
LIABILITIES							
Interfund payable - investment pool	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,296	\$ 36,296
Accounts payable and accrued liabilities	1,826,800	97,650	116,784	-	1,261,161	362,550	3,664,945
Due to other governments	-	-	-	834,466	-	-	834,466
Unearned revenues	379,634	-	-	-	-	1,300	380,934
Total liabilities	<u>2,206,434</u>	<u>97,650</u>	<u>116,784</u>	<u>834,466</u>	<u>1,261,161</u>	<u>400,146</u>	<u>4,916,641</u>
DEFERRED INFLOWS OF RESOURCES							
Delinquent property taxes	\$ 758,000	\$ 195,000	\$ -	\$ -	\$ -	\$ 59,000	\$ 1,012,000
Total deferred inflows of resources	<u>758,000</u>	<u>195,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,000</u>	<u>1,012,000</u>
FUND BALANCES							
Nonspendable	22,962	-	-	-	-	-	22,962
Restricted for:							
Air pollution control	-	-	-	-	-	245,050	245,050
Ambulance services	-	-	-	-	-	317,556	317,556
Election equipment	850,000	-	-	-	-	-	850,000
Health services	-	-	-	-	-	1,110,996	1,110,996
Municipal services	-	-	1,666,099	-	-	-	1,666,099
Parks and recreation	-	-	260,713	-	-	4,292,179	4,552,892
Property tax administration	-	4,867,780	-	-	-	-	4,867,780
Streets and public improvements	-	-	2,364,175	-	6,318,583	-	8,682,758
Other purposes	-	-	-	-	-	4,061	4,061
Assigned to:							
Capital projects	-	-	-	-	869,530	-	869,530
Debt service	-	-	-	-	-	1,618,400	1,618,400
Health and welfare	-	-	-	-	-	320,798	320,798
Unassigned	5,123,073	-	-	-	-	(4,292)	5,118,781
Total fund balances	<u>5,996,035</u>	<u>4,867,780</u>	<u>4,290,987</u>	<u>-</u>	<u>7,188,113</u>	<u>7,904,748</u>	<u>30,247,663</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,960,469</u>	<u>\$ 5,160,430</u>	<u>\$ 4,407,771</u>	<u>\$ 834,466</u>	<u>\$ 8,449,274</u>	<u>\$ 8,363,894</u>	<u>\$ 36,176,304</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**

CACHE COUNTY

AS OF DECEMBER 31, 2014

Total Fund Balance - Governmental Funds \$ 30,247,663

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	3,130,437	
Buildings, improvements and equipment	44,380,800	
Infrastructure	15,671,026	
Accumulated depreciation	<u>(28,123,177)</u>	
		35,059,086

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		1,012,000
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Long-term liabilities and related transactions are not due and payable in the current period and are therefore not reported in the funds.

Bonds payable	(7,215,000)	
Unamortized bond premiums	(3,352)	
Capital leases	(765,209)	
Compensated absences	<u>(1,888,815)</u>	
		<u>(9,872,376)</u>

Net Position - Governmental Activities \$ 56,446,373

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

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

CACHE COUNTY

AS OF DECEMBER 31, 2014

	<u>Special Revenue</u>					Nonmajor Governmental Funds	Total Governmental Funds
	General	Assessing and Collecting	Municipal Services	Mental Health	Capital Projects		
REVENUES							
Taxes:							
Property	\$ 11,751,174	\$ 3,012,491	\$ -	\$ -	\$ -	\$ 915,358	\$ 15,679,023
Sales and use	<u>4,425,422</u>	<u>-</u>	<u>789,956</u>	<u>-</u>	<u>3,191,078</u>	<u>2,997,294</u>	<u>11,403,750</u>
	16,176,596	3,012,491	789,956	-	3,191,078	3,912,652	27,082,773
Other revenues:							
Intergovernmental	531,453	-	1,975,870	2,641,500	4,907,023	1,195,792	11,251,638
Charges for services	4,278,554	371,013	1,126,935	-	-	372,629	6,149,131
Licenses and permits	25,991	-	301,902	-	-	-	327,893
Fines and forfeitures	127,119	-	-	-	-	-	127,119
Interest and investment income	127,593	-	11,126	-	-	-	138,719
Rental income	200,956	-	-	-	-	-	200,956
Public contributions	68,248	-	-	-	214,324	22,555	305,127
Miscellaneous revenues	<u>113,446</u>	<u>4,137</u>	<u>309,550</u>	<u>-</u>	<u>-</u>	<u>8,130</u>	<u>435,263</u>
Total revenues	<u>21,649,956</u>	<u>3,387,641</u>	<u>4,515,339</u>	<u>2,641,500</u>	<u>8,312,425</u>	<u>5,511,758</u>	<u>46,018,619</u>
EXPENDITURES							
General government	5,754,984	3,066,645	857,162	-	5,101,035	65,467	14,845,293
Public safety	13,547,008	-	590,469	-	-	743,407	14,880,884
Streets and public improvements	-	-	2,820,683	-	4,352,495	-	7,173,178
Health and welfare	354,345	-	-	2,641,500	-	1,439,924	4,435,769
Culture and recreation	840,950	-	26,897	-	-	2,551,401	3,419,248
Debt service principal	-	-	-	-	-	250,391	250,391
Debt service interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>313,458</u>	<u>313,458</u>
Total expenditures	<u>20,497,287</u>	<u>3,066,645</u>	<u>4,295,211</u>	<u>2,641,500</u>	<u>9,453,530</u>	<u>5,364,048</u>	<u>45,318,221</u>
Revenues over (under) expenditures	1,152,669	320,996	220,128	-	(1,141,105)	147,710	700,398
OTHER FINANCING SOURCES (USES)							
Transfers in	583,954	-	681,573	-	30,000	1,478,895	2,774,422
Transfers out	<u>(2,049,915)</u>	<u>-</u>	<u>(480,000)</u>	<u>-</u>	<u>-</u>	<u>(244,507)</u>	<u>(2,774,422)</u>
Total other financing sources (uses)	<u>(1,465,961)</u>	<u>-</u>	<u>201,573</u>	<u>-</u>	<u>30,000</u>	<u>1,234,388</u>	<u>-</u>
Net change in fund balances	(313,292)	320,996	421,701	-	(1,111,105)	1,382,098	700,398
Fund balances - January 1	<u>6,309,327</u>	<u>4,546,784</u>	<u>3,869,286</u>	<u>-</u>	<u>8,299,218</u>	<u>6,522,650</u>	<u>29,547,265</u>
Fund balances - December 31	<u>\$ 5,996,035</u>	<u>\$ 4,867,780</u>	<u>\$ 4,290,987</u>	<u>\$ -</u>	<u>\$ 7,188,113</u>	<u>\$ 7,904,748</u>	<u>\$ 30,247,663</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 THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

CACHE COUNTY

AS OF DECEMBER 31, 2014

Net Changes in Fund Balances - Total Governmental Funds \$ 700,398

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	1,312,795	
Depreciation expense	<u>(2,379,463)</u>	
		(1,066,668)

In the Statement of Activities, only the gain or loss on the sale of assets is reported, whereas in governmental funds, the proceeds from the sales increase financial resources. Changes in net assets differ from changes in fund balance by the book value of assets. (76,922)

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	40,000	
Payments of capital lease principal	<u>210,391</u>	
		250,391

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. (26,000)

Some transactions reported in the Statement of Activities do not result in the receipt of, 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	
Increase in compensated absences liability	<u>(125,795)</u>	
		<u>(125,376)</u>

Change in Net Position of Governmental Activities \$ (344,177)

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

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 27,755,795
Equity in investment pool	273,023
Taxes receivable	<u>950,964</u>
Total assets	<u>\$ 28,979,782</u>
LIABILITIES	
Due to other taxing units	\$ 28,024,236
Due to employees	11,566
Refunds payable	670,957
Other payables	<u>273,023</u>
Total liabilities	<u>\$ 28,979,782</u>

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

	<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	\$ -	\$ 278,675	\$ 4,984,651	\$ 596,919	\$ 109,246	\$ 5,969,491
Equity in investment pool	357,069	-	-	-	-	357,069
Accounts receivable, net	8,497	18,549	1,249,399	741,994	-	2,018,439
Pledges receivable, net	-	13,678	-	-	-	13,678
Due from other governments	112,093	-	-	475,000	-	587,093
Investments	-	530,448	-	-	-	530,448
Inventory	-	3,950	234,395	-	-	238,345
Restricted cash and investments	-	202	-	-	-	202
Other assets	-	15,687	-	2,525	-	18,212
Noncurrent pledges receivable, net	-	1,822	-	-	-	1,822
Capital assets:						
Land	1,289,262	-	706,822	-	-	1,996,084
Buildings, improvements and equipment	16,177,654	4,944,741	9,846,971	1,413,621	-	32,382,987
Accumulated depreciation	<u>(6,508,398)</u>	<u>(1,613,651)</u>	<u>(4,589,443)</u>	<u>(971,490)</u>	<u>-</u>	<u>(13,682,982)</u>
Total assets	<u>11,436,177</u>	<u>4,194,101</u>	<u>12,432,795</u>	<u>2,258,569</u>	<u>109,246</u>	<u>30,430,888</u>
LIABILITIES						
Accounts payable and accrued liabilities	314,345	32,809	467,770	13,253	-	828,177
Unearned revenue	81,002	-	-	-	-	81,002
Noncurrent liabilities:						
Due within one year	-	-	270,000	-	-	270,000
Due in more than one year	-	-	358,500	-	-	358,500
Total liabilities	<u>395,347</u>	<u>32,809</u>	<u>1,096,270</u>	<u>13,253</u>	<u>-</u>	<u>1,537,679</u>
NET POSITION						
Net investment in capital assets	10,958,518	3,331,090	5,964,350	442,131	-	20,696,089
Restricted for:						
Capital projects	-	66,330	-	-	-	66,330
Debt service	-	202	-	-	-	202
Other purposes	-	487,039	-	-	-	487,039
Unrestricted	<u>82,312</u>	<u>276,631</u>	<u>5,372,175</u>	<u>1,803,185</u>	<u>109,246</u>	<u>7,643,549</u>
Total net position	<u>\$ 11,040,830</u>	<u>\$ 4,161,292</u>	<u>\$ 11,336,525</u>	<u>\$ 2,245,316</u>	<u>\$ 109,246</u>	<u>\$ 28,893,209</u>

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

	<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	\$ 983,976	\$ 961,449	\$ 9,844,162	\$ 2,999,699	\$ 372,629	\$ 15,161,915
Program revenues						
Charges for services	132,951	494,068	2,555,536	2,742,026	-	5,924,581
Operating grants and contributions	106,215	340,137	7,496,821	494,174	201,547	8,638,894
Capital grants and contributions	478,646	-	-	-	-	478,646
Total program revenues	<u>717,812</u>	<u>834,205</u>	<u>10,052,357</u>	<u>3,236,200</u>	<u>201,547</u>	<u>15,042,121</u>
Net revenues (expenses)	<u>(266,164)</u>	<u>(127,244)</u>	<u>208,195</u>	<u>236,501</u>	<u>(171,082)</u>	<u>(119,794)</u>
General revenues						
Interest income	1,073	18,224	16,345	4,612	1,019	41,273
Gain on sale of assets	-	-	9,559	-	-	9,559
Miscellaneous income	-	-	1,040	-	-	1,040
Total general revenues	<u>1,073</u>	<u>18,224</u>	<u>26,944</u>	<u>4,612</u>	<u>1,019</u>	<u>51,872</u>
Change in net assets	(265,091)	(109,020)	235,139	241,113	(170,063)	(67,922)
Net position - beginning	<u>11,305,921</u>	<u>4,270,312</u>	<u>11,101,386</u>	<u>2,004,203</u>	<u>279,309</u>	<u>28,961,131</u>
Net position - ending	<u>\$ 11,040,830</u>	<u>\$ 4,161,292</u>	<u>\$ 11,336,525</u>	<u>\$ 2,245,316</u>	<u>\$ 109,246</u>	<u>\$ 28,893,209</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, 2014

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 projects of the County. The Governing Board of the MBA is comprised of the County Council. Currently, MBA is inactive.

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 Clerk-Auditor, 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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 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, including an allocation of Restaurant Tax from the County. 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 (CEEMS) – CEEMS 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. CEEMS 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. CEEMS provides ambulance services to Cache County residents. CEEMS issues separate financial statements which can be

obtained at 179 North Main, Suite 202, 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, NPIC, CEEMS and RSSD 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 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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. Grants are usually reimbursable grants and are thus recognized as revenue at the time the related expenditures are made. All other revenue items are considered to be measurable and available only when the County receives cash. 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:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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 assets 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 and investments 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 investment pool is available upon demand and is considered to be a cash equivalent when preparing these financial statements. Negative balances incurred in the investment pool at the end of the year are treated as temporary interfund payables of the deficit fund and as temporary 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, 2014, all receivables of the County were considered to be fully collectible and no allowance was established. BRHD has estimated that \$360,000 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 \$307,000 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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. 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	30 – 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 the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, 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 Position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

County does not have a formal policy relating to custodial credit risk. As of December 31, 2014, \$42,792,398 of the County's bank balances of \$43,292,398 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 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, 2014 are as follows:

Investment Type	Fair Value	Investment Maturities (in years)			
		Under 1	1 to 5	6 to 10	Over 10
PTIF Investments - Govt Funds	\$ 8,671,767	\$ 8,671,767	\$ -	\$ -	\$ -
Corporate Bonds - Govt Funds	779,111	93,512	685,599	-	-
U.S. Agencies - Govt Funds	4,244,064	800,700	3,443,364	-	-
PTIF Investments - Agency Funds	2,803,037	2,803,037	-	-	-
Total investments	\$ 16,497,979	\$ 12,369,016	\$ 4,128,963	\$ -	\$ -

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, 2014 are presented on the following page:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF Investments - Govt Funds	\$ 8,671,767	\$ -	\$ -	\$ -	\$ 8,671,767
Corporate Bonds - Govt Funds	779,111	-	-	779,111	-
U.S. Agencies - Govt Funds	4,244,064	4,244,064			
PTIF Investments - Agency Funds	2,803,037	-	-	-	2,803,037
Total investments	\$ 16,497,979	\$ 4,244,064	\$ -	\$ 779,111	\$ 11,474,804

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, 2014, were with the PTIF and therefore, are not categorized as to concentration of credit risk. The largest investment in corporate notes, issued by Goldman Sachs Group Inc., is \$250,820, or 1.5 percent, which 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, 2014, 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 \$5,023,175 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, 2014, \$2,870,463 of the bank balances of \$3,776,436 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, 2014, the Bear River Health Department and NPIC held investments in the PTIF which 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 \$479,323, fair value of \$530,448 and unrealized appreciation of \$51,125.

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At December 31, 2014, there were interfund balances of the investment pool between special revenue funds. The Municipal Services fund had a receivable of \$36,296. That amount was payable by the Children’s Justice Center fund and represents a short-term advance from the County’s cash and investment pool repaid before the end of the next calendar year.

Due to Municipal Services Fund	
Special revenue funds:	
Children's Justice Center fund	\$36,296

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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 \$30,000 to the Capital Projects fund for trails related to 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	Recreation	RAPZ Tax	
Transfers in reported in:					
Major Funds:					
General Fund	\$ -	\$ 450,000	\$ 115,500	\$ 18,454	\$ 583,954
Municipal Services Fund	671,020	-	-	10,553	681,573
Capital Projects Fund	-	30,000	-	-	30,000
Nonmajor Funds:					
Visitor's Bureau Fund	-	-	100,000	-	100,000
Council on Aging Fund	195,000	-	-	-	195,000
Debt Service Fund	1,183,895	-	-	-	1,183,895
Total transfers out	\$ 2,049,915	\$ 480,000	\$ 215,500	\$ 29,007	\$ 2,774,422

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 4 – CAPITAL ASSETS

Primary Government

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

	Balance 1/1/2014	Additions	Reductions	Balance 12/31/2014
Capital assets, nondepreciable				
Land	\$ 3,130,437	\$ -	\$ -	\$ 3,130,437
Capital assets, depreciable				
Buildings	22,651,711	224,714	-	22,876,425
Improvements	2,068,020	76,962	-	2,144,982
Equipment	19,709,107	875,539	(1,225,253)	19,359,393
Infrastructure	15,535,446	135,580	-	15,671,026
Totals	59,964,284	1,312,795	(1,225,253)	60,051,826
Accumulated depreciation				
Buildings	(6,025,445)	(567,480)	-	(6,592,925)
Improvements	(852,893)	(81,887)	-	(934,780)
Equipment	(14,521,662)	(1,187,558)	1,148,331	(14,560,889)
Infrastructure	(5,492,045)	(542,538)	-	(6,034,583)
Totals	(26,892,045)	(2,379,463)	1,148,331	(28,123,177)
Total capital assets, net	\$ 36,202,676	\$ (1,066,668)	\$ (76,922)	\$ 35,059,086

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

General government	\$ 442,669
Public safety	1,034,378
Streets and public improvements	760,094
Health and welfare	47,534
Culture and recreation	94,788
Total depreciation expense	\$ 2,379,463

Component Units

Changes in capital assets of component units were as follows:

	Balance 1/1/2014	Additions	Deletions	Balance 12/31/2014
Land	\$ 1,996,084	\$ -	\$ -	\$ 1,996,084
Construction in process	302,753	-	(302,753)	-
Buildings and improvements	26,823,446	1,099,295	-	27,922,741
Equipment and machinery	4,291,639	231,823	(63,216)	4,460,246
Accumulated depreciation	(12,190,400)	(1,554,187)	61,605	(13,682,982)
Capital assets, net	\$ 21,223,522	\$ (223,069)	\$ (304,364)	\$ 20,696,089

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 5 – LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Balance 1/1/14	Additions	Reductions	Balance 12/31/14	Due Within One Year
Primary Government					
Sales tax revenue bonds	\$ 7,255,000	\$ -	\$ (40,000)	\$ 7,215,000	\$ 780,000
Bond Premium	3,771	-	(419)	3,352	-
Total bonds payable	7,258,771	-	(40,419)	7,218,352	780,000
Capital leases	975,600	-	(210,391)	765,209	214,079
Compensated absences	1,763,020	1,304,276	(1,178,481)	1,888,815	1,263,000
Total long-term liabilities	\$ 9,997,391	\$ 1,304,276	\$ (1,429,291)	\$ 9,872,376	\$ 2,257,079
Component Units					
Compensated absences	\$ 615,000	\$ 311,212	\$ (297,712)	\$ 628,500	\$ 270,000

B. Sales Tax Revenue Bonds

Primary Government

Sales tax revenue bonds payable at December 31, 2014, were as follows:

Purpose	Series	Maturity Date	Interest Rate %	Original Amount	Balance
Advance refund - part of the 2002 series	2007	12/15/22	4.00 - 4.50	7,580,000	7,215,000
Add unamortized premium					3,352
Total sales tax revenue bonds payable					\$ 7,218,352

Proceeds from the 2007 sales tax revenue bonds were used to advance refund a portion of the Series 2002 sales tax revenue bonds, which were issued to finance the construction of the County Administration building and the Sheriff's Complex.

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.

Year	Sales Tax Revenue Bonds Debt Service Requirements to Maturity		
	Principal	Interest	Total
2015	\$ 780,000	\$ 289,610	\$ 1,069,610
2016	815,000	258,410	1,073,410
2017	845,000	225,810	1,070,810
2018	885,000	192,010	1,077,010
2019	920,000	156,610	1,076,610
2020	950,000	119,810	1,069,810
2021 - 2022	2,020,000	123,525	2,143,525
Total	\$ 7,215,000	\$ 1,365,785	\$ 8,580,785

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

C. Capital Leases

Primary Government

The County entered in to a capital lease on June 5, 2013, in the amount of \$437,600 for the purchase of fire fighting vehicles and equipment. Lease payments are due annually on June 5, in the amount of \$113,894, until 2017, with an applicable interest rate of 1.63 percent.

The County entered in to an additional capital lease on June 21, 2013, in the amount of \$538,000 for the purchase of land. Lease payments are due annually on June 21, in the amount of \$113,744, until 2018, with an applicable interest rate of 1.88 percent.

The aggregate cost of assets under capital lease is \$975,600 with accumulated amortization of \$46,216. Amortization expense for fiscal year 2014 was \$28,640.

Debt Service Requirements to Maturity						
Year	Fire Trucks		Land Purchase		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 108,502	\$ 5,392	\$ 105,577	\$ 8,167	\$ 214,079	\$ 13,559
2016	110,270	3,624	107,563	6,181	217,833	9,805
2017	112,067	1,827	109,585	4,159	221,652	5,986
2018	-	-	111,645	2,099	111,645	2,099
Total	\$ 330,839	\$ 10,843	\$ 434,370	\$ 20,606	\$ 765,209	\$ 31,449

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 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.

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.

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 13.28 percent to 14.46 percent of their annual covered salary. For plan members in the Local Government Noncontributory Division Tier 2, the County was required to contribute 13.99 to 14.94 of their annual salary. In the Local Government Noncontributory Division Tier 1, the County was required to contribute 17.29 percent to 18.47 percent of the eligible employees’ annual covered salary. In the Public Safety Noncontributory Division Tier 1, the County was required to contribute 32.14 percent to 34.04 percent of the eligible employees’ annual covered salary. For plan members in the Public Safety Contributory Division Tier 2, the County was required to contribute 20.85 percent to 22.55 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 2.96 percent to 3.82 percent of their annual covered salary. The contribution rates are the actuarially 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, 2014, 2013 and 2012 were as follows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Pension Plans	2014	2013	2012
A. Local Governmental - Contributory			
Employer paid for employee contributions	\$ 5,970	\$ 6,691	\$ 7,344
Employer contributions	54,873	51,535	36,655
B. Local Governmental - Noncontributory			
Employer contributions	861,748	856,594	761,004
C. Public Safety - Contributory			
Employer contributions	94,122	52,297	19,342
D. Public Safety - Noncontributory			
Employer contributions	1,457,124	1,335,415	1,179,646
E. Firefighters			
Employer paid for employee contributions	27,774	18,839	18,268
Employer contributions	6,261	3,520	1,958

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:

	Paid by Employee	Employer Paid For Employee	Total
2014	\$ 346,979	\$ 144,156	\$ 491,135
2013	371,946	121,581	493,527
2012	297,804	261,133	558,937

C. Component Units

Defined Benefit Plans

BRHD also participated in the Local Government Systems retirement plans administered by URS. The required contribution rates are the same as the County's rates. BRHD's contributions to the system for the years ended December 31, 2014, 2013 and 2012 were as follows:

Pension Plans	2014	2013	2012
A. Local Governmental - Contributory			
Employer paid for employee contributions	\$ -	\$ 349	\$ 1,823
Employer contributions	47,651	30,015	13,152
B. Local Governmental - Noncontributory			
Employer contributions	662,675	594,535	546,515

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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 \$364,820, \$363,018 and \$378,672 were made to the 401(k) plan during the years ended December 31, 2014, 2013, and 2012 respectively. Of this amount, \$131,161, \$137,675 and \$141,491 was contributed by employees and \$233,659, \$225,343 and \$237,181 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 is insured through the Utah Local Governments Trust (ULGT), to manage its risk of loss. The County pays an annual premium to ULGT for its general insurance coverage. In addition, the County has purchased commercial insurance related to airport operations, steam boiler usage, employee performance, and workers' compensation.

As of December 31, 2014, 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 governmental and nonprofit entities. Awards become payable by the County when the conditions of the award are met. At December 31, 2014, there were \$688,151 in Restaurant Tax funds and \$751,882 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 in the amount of \$464,265 to BCIA for facility improvements over the next five years.

NOTE 9 – INDUSTRIAL REVENUE BONDS

In 2006 the County issued Industrial Revenue Bonds on behalf of Sunshine Terrace Foundation, Inc. in the

amount of \$5,000,000, maturing in 2026. Also in 2006, the County issued \$3,000,000 of Industrial Revenue Bonds on behalf of Lower Foods, Inc. scheduled to mature in 2026. Each of these entities is responsible for all bond payments and neither the County nor its resources are liable for repayment.

NOTE 10 – COMPLIANCE RELATED MATTERS

In the General fund, the Executive department expenditures exceeded its budget by \$25,052. The CDRA fund exceeded its total expenditure budget by \$17,032, creating a deficit fund balance of \$4,292.

The County did not adopt a budget to receive or distribute tax increment to redevelopment agencies. These pass-through payments are recorded as contributions to other units and were \$551,096 in the General fund and \$45,235 in the Health fund.

NOTE 11 – 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 \$80,000 based on the budget adopted by the Airport Authority and the agreement with Logan City.

BRHD – The County assessed and collected property taxes in its Health fund and transferred the appropriated amount of property taxes to BRHD to provide operating funds totaling \$776,620

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 \$597,488.

RSSD – The County's Municipal Services fund performed road construction and maintenance services for RSSD, for which RSSD paid a total of \$371,029.

Component Units

Airport Authority – Logan City provided operating funds of \$80,000 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 \$1,817,000.

REQUIRED SUPPLEMENTARY INFORMATION

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Property	\$10,828,160	\$ 10,998,660	\$ 11,751,174	\$ 752,514
Sales and use	<u>4,354,228</u>	<u>4,354,228</u>	<u>4,425,422</u>	<u>71,194</u>
	15,182,388	15,352,888	16,176,596	823,708
Other revenues:				
Intergovernmental revenues	558,289	681,765	531,453	(150,312)
Charges for services	4,868,103	4,897,886	4,278,554	(619,332)
Licenses and permits	30,000	30,000	25,991	(4,009)
Fines and forfeitures	129,000	129,000	127,119	(1,881)
Interest and investment income	200,000	200,000	127,593	(72,407)
Rental income	200,000	212,000	200,956	(11,044)
Public contributions	52,000	70,500	68,248	(2,252)
Miscellaneous revenues	<u>74,500</u>	<u>80,000</u>	<u>113,446</u>	<u>33,446</u>
Total revenues	<u>21,294,280</u>	<u>21,654,039</u>	<u>21,649,956</u>	<u>(4,083)</u>
EXPENDITURES				
General government:				
Council	103,703	119,193	103,110	16,083
Water development	276,587	329,087	186,404	142,683
Public legal assistance	397,442	407,148	378,254	28,894
Executive	121,449	121,429	146,481	(25,052)
Finance	296,288	316,598	250,848	65,750
Human resources	188,387	193,127	181,065	12,062
Geographic information systems	71,389	80,869	72,312	8,557
Information technology	95,422	179,379	79,658	99,721
Auditor	1,645	1,645	888	757
Clerk	166,032	169,732	164,483	5,249
Treasurer	21,768	24,818	21,930	2,888
Recorder	184,669	184,956	160,541	24,415
Attorney	1,226,403	1,305,277	1,269,919	35,358
Victim services	292,976	305,006	300,411	4,595
Elections	294,975	336,585	295,351	41,234
Economic development	35,000	35,000	35,000	-
USU Ag extension services	157,309	157,309	148,385	8,924
Agricultural promotion	57,500	108,918	43,324	65,594
Miscellaneous and general	1,172,800	807,611	660,524	147,087
Contributions to other units	<u>555,000</u>	<u>705,000</u>	<u>1,256,096</u>	<u>(551,096)</u>
	5,716,744	5,888,687	5,754,984	133,703
Public safety:				
Sheriff patrol	3,471,253	3,690,421	3,624,681	65,740
Support services	1,856,899	1,869,859	1,754,152	115,707
Search and rescue	64,767	108,948	75,702	33,246
Mounted posse	27,900	27,900	19,908	7,992
Fire safety	479,056	533,755	464,907	68,848
County jail	7,311,120	7,505,413	7,258,460	246,953
Animal control	89,402	109,042	100,153	8,889
Emergency management	<u>238,565</u>	<u>314,719</u>	<u>249,045</u>	<u>65,674</u>
	13,538,962	14,160,057	13,547,008	613,049

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Health and welfare:				
Mental health services	220,000	220,000	220,000	-
Health services	68,710	68,710	68,710	-
Welfare services	<u>68,000</u>	<u>68,000</u>	<u>65,635</u>	<u>2,365</u>
	356,710	356,710	354,345	2,365
Culture and recreation:				
Fairgrounds	511,643	667,229	448,111	219,118
TV translator station	17,200	17,200	12,208	4,992
Library services	142,640	143,390	135,705	7,685
Fair and rodeo	233,905	233,905	226,624	7,281
Demolition derbies	<u>39,000</u>	<u>39,000</u>	<u>18,302</u>	<u>20,698</u>
	<u>944,388</u>	<u>1,100,724</u>	<u>840,950</u>	<u>259,774</u>
Total expenditures	<u>20,556,804</u>	<u>21,506,178</u>	<u>19,946,191</u>	<u>1,559,987</u>
Revenues over (under) expenditures	<u>737,476</u>	<u>147,861</u>	<u>1,152,669</u>	<u>1,004,808</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Municipal services fund	450,000	450,000	450,000	-
Recreation fund	-	115,500	115,500	-
RAPZ tax fund	<u>18,454</u>	<u>18,454</u>	<u>18,454</u>	<u>-</u>
Total transfers in	468,454	583,954	583,954	-
Transfers out:				
Municipal services fund	(612,035)	(671,020)	(671,020)	-
Council on aging fund	(195,000)	(195,000)	(195,000)	-
Debt service fund	<u>(1,183,895)</u>	<u>(1,183,895)</u>	<u>(1,183,895)</u>	<u>-</u>
Total transfers out	<u>(1,990,930)</u>	<u>(2,049,915)</u>	<u>(2,049,915)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,522,476)</u>	<u>(1,465,961)</u>	<u>(1,465,961)</u>	<u>-</u>
Net change in fund balances	(785,000)	(1,318,100)	(313,292)	1,004,808
Fund balances - January 1	<u>6,309,327</u>	<u>6,309,327</u>	<u>6,309,327</u>	<u>-</u>
Fund balances - December 31	<u>\$ 5,524,327</u>	<u>\$ 4,991,227</u>	<u>\$ 5,996,035</u>	<u>\$ 1,004,808</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
ASSESSING AND COLLECTING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 2,855,481	\$ 2,813,752	\$ 3,012,491	\$ 198,739
Other revenues:				
Charges for services	410,000	410,000	371,013	(38,987)
Miscellaneous revenues	<u>3,500</u>	<u>4,137</u>	<u>4,137</u>	<u>-</u>
Total revenues	<u>3,268,981</u>	<u>3,227,889</u>	<u>3,387,641</u>	<u>159,752</u>
EXPENDITURES				
General government:				
Council	11,523	11,523	11,406	117
Executive	52,050	52,050	25,850	26,200
Finance	145,933	145,933	123,552	22,381
Human resources	33,245	33,245	31,953	1,292
Geographic information systems	166,573	166,573	168,729	(2,156)
Information technology	540,728	655,728	451,400	204,328
Auditor	14,801	14,801	7,993	6,808
Treasurer	250,330	250,330	252,188	(1,858)
Recorder	123,113	123,113	107,028	16,085
Attorney	121,293	121,293	125,657	(4,364)
Assessor	1,636,787	1,773,511	1,558,607	214,904
Miscellaneous and general	145,048	145,048	120,640	24,408
Contributions to other units	<u>171,163</u>	<u>69,903</u>	<u>81,642</u>	<u>(11,739)</u>
Total expenditures	<u>3,412,587</u>	<u>3,563,051</u>	<u>3,066,645</u>	<u>496,406</u>
Revenues over (under) expenditures	<u>(143,606)</u>	<u>(335,162)</u>	<u>320,996</u>	<u>656,158</u>
Net change in fund balances	(143,606)	(335,162)	320,996	656,158
Fund balances - January 1	<u>4,546,784</u>	<u>4,546,784</u>	<u>4,546,784</u>	<u>-</u>
Fund balances - December 31	<u>\$ 4,403,178</u>	<u>\$ 4,211,622</u>	<u>\$ 4,867,780</u>	<u>\$ 656,158</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Sales and use	\$ 754,491	\$ 754,491	\$ 789,956	\$ 35,465
Other revenues:				
Intergovernmental	1,927,436	2,070,816	1,975,870	(94,946)
Charges for services	230,400	1,062,754	1,126,935	64,181
Licenses and permits	294,800	317,670	301,902	(15,768)
Interest income	10,000	10,000	11,126	1,126
Miscellaneous revenues	-	368,500	309,550	(58,950)
Total revenues	<u>3,217,127</u>	<u>4,584,231</u>	<u>4,515,339</u>	<u>(68,892)</u>
EXPENDITURES				
General government:				
Zoning administration	417,835	485,914	418,606	67,308
Building inspection	352,078	393,748	377,785	15,963
Sanitation and waste collection	39,000	39,000	35,573	3,427
Miscellaneous expenditures	52,968	45,628	25,198	20,430
	861,881	964,290	857,162	107,128
Public safety:				
Sheriff patrol	385,695	385,695	404,559	(18,864)
Fire safety	155,070	155,070	152,526	2,544
Animal control	29,801	29,801	33,384	(3,583)
	570,566	570,566	590,469	(19,903)
Streets and public improvements:				
Road projects	1,748,672	2,711,838	2,498,995	212,843
Weed eradication	198,043	294,721	279,648	15,073
Storm water management	-	85,000	42,040	42,960
	1,946,715	3,091,559	2,820,683	270,876
Culture and recreation:				
Parks and trails	235,000	482,946	17,773	465,173
Eccles Ice Center support	-	16,000	9,124	6,876
	<u>235,000</u>	<u>498,946</u>	<u>26,897</u>	<u>472,049</u>
Total expenditures	<u>3,614,162</u>	<u>5,125,361</u>	<u>4,295,211</u>	<u>830,150</u>
Revenues over (under) expenditures	<u>(397,035)</u>	<u>(541,130)</u>	<u>220,128</u>	<u>761,258</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<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	612,035	821,020	671,020	(150,000)
RAPZ tax fund	-	<u>10,553</u>	<u>10,553</u>	<u>-</u>
Total transfers in	612,035	831,573	681,573	(150,000)
Transfers out:				
General fund	(450,000)	(450,000)	(450,000)	-
Capital projects fund	-	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Total transfers out	<u>(450,000)</u>	<u>(480,000)</u>	<u>(480,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>162,035</u>	<u>351,573</u>	<u>201,573</u>	<u>(150,000)</u>
Net change in fund balances	(235,000)	(189,557)	421,701	611,258
Fund balances - January 1	<u>3,869,286</u>	<u>3,869,286</u>	<u>3,869,286</u>	<u>-</u>
Fund balances - December 31	<u><u>\$ 3,634,286</u></u>	<u><u>\$ 3,679,729</u></u>	<u><u>\$ 4,290,987</u></u>	<u><u>\$ 611,258</u></u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
MENTAL HEALTH FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<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	\$ 2,641,500	\$ (358,500)
Total revenues	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,641,500</u>	<u>(358,500)</u>
EXPENDITURES				
Health and welfare:				
Mental health services	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,641,500</u>	<u>358,500</u>
Total expenditures	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,641,500</u>	<u>358,500</u>
Revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014

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 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.

SUPPLEMENTARY INFORMATION

CACHE COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2014

Special Revenue

	<u>CDRA</u>	<u>Health</u>	<u>Visitor's Bureau</u>	<u>Council on Aging</u>	<u>Recreation</u>	<u>Children's Justice Center</u>	<u>RAPZ Tax</u>	<u>Ambulance</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS										
Cash and cash equivalents	\$ -	\$ 365,325	\$ 225	\$ 90	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ 365,740
Equity in investment pool	15,610	989,748	809,796	289,343	1,335,629	-	1,746,950	477,241	1,618,400	7,282,717
Taxes receivable	-	59,000	58,884	-	249,950	-	247,756	-	-	615,590
Accounts receivable	-	-	3,415	-	-	-	-	-	-	3,415
Interest receivable	-	973	-	-	-	-	-	-	-	973
Due from other governments	-	-	1,876	51,354	-	42,229	-	-	-	95,459
Total assets	<u>\$ 15,610</u>	<u>\$ 1,415,046</u>	<u>\$ 874,196</u>	<u>\$ 340,787</u>	<u>\$ 1,585,579</u>	<u>\$ 42,329</u>	<u>\$ 1,994,706</u>	<u>\$ 477,241</u>	<u>\$ 1,618,400</u>	<u>\$ 8,363,894</u>
LIABILITIES										
Interfund payable - investment pool	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,296	\$ -	\$ -	\$ -	\$ 36,296
Accounts payable and accrued liabilities	19,902	-	11,179	18,689	112,185	1,972	38,938	159,685	-	362,550
Unearned revenues	-	-	-	1,300	-	-	-	-	-	1,300
Total liabilities	<u>19,902</u>	<u>-</u>	<u>11,179</u>	<u>19,989</u>	<u>112,185</u>	<u>38,268</u>	<u>38,938</u>	<u>159,685</u>	<u>-</u>	<u>400,146</u>
DEFERRED INFLOWS OF RESOURCES										
Delinquent property taxes	\$ -	\$ 59,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,000
Total deferred inflows of resources	<u>-</u>	<u>59,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,000</u>
FUND BALANCE										
Restricted for:										
Air pollution control	-	245,050	-	-	-	-	-	-	-	245,050
Ambulance services	-	-	-	-	-	-	-	317,556	-	317,556
Health services	-	1,110,996	-	-	-	-	-	-	-	1,110,996
Parks and recreation	-	-	863,017	-	1,473,394	-	1,955,768	-	-	4,292,179
Other purposes	-	-	-	-	-	4,061	-	-	-	4,061
Assigned to:										
Debt service	-	-	-	-	-	-	-	-	1,618,400	1,618,400
Health and welfare	-	-	-	320,798	-	-	-	-	-	320,798
Unassigned	(4,292)	-	-	-	-	-	-	-	-	(4,292)
Total fund balances	<u>(4,292)</u>	<u>1,356,046</u>	<u>863,017</u>	<u>320,798</u>	<u>1,473,394</u>	<u>4,061</u>	<u>1,955,768</u>	<u>317,556</u>	<u>1,618,400</u>	<u>7,904,748</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,610</u>	<u>\$ 1,415,046</u>	<u>\$ 874,196</u>	<u>\$ 340,787</u>	<u>\$ 1,585,579</u>	<u>\$ 42,329</u>	<u>\$ 1,994,706</u>	<u>\$ 477,241</u>	<u>\$ 1,618,400</u>	<u>\$ 8,363,894</u>

CACHE COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Special Revenue

	<u>CDRA</u>	<u>Health</u>	<u>Visitor's Bureau</u>	<u>Council on Aging</u>	<u>Recreation</u>	<u>Children's Justice Center</u>	<u>RAPZ Tax</u>	<u>Ambulance</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES										
Taxes:										
Property	\$ -	\$ 915,358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 915,358
Sales and use	-	-	446,840	-	1,275,407	-	1,275,047	-	-	2,997,294
	-	915,358	446,840	-	1,275,407	-	1,275,047	-	-	3,912,652
Other revenues:										
Intergovernmental	-	-	76,189	350,962	-	171,153	-	597,488	-	1,195,792
Charges for services	-	250,727	29,033	92,869	-	-	-	-	-	372,629
Public contributions	-	-	6,701	15,854	-	-	-	-	-	22,555
Miscellaneous revenues	-	-	959	7,135	-	-	-	36	-	8,130
Total revenues	-	1,166,085	559,722	466,820	1,275,407	171,153	1,275,047	597,524	-	5,511,758
EXPENDITURES										
General government	20,232	45,235	-	-	-	-	-	-	-	65,467
Public safety	-	-	-	-	-	169,777	-	573,630	-	743,407
Health and welfare	-	795,720	-	644,204	-	-	-	-	-	1,439,924
Culture and recreation	-	-	546,198	-	897,549	-	1,107,654	-	-	2,551,401
Debt service principal	-	-	-	-	-	-	-	-	250,391	250,391
Debt service interest	-	-	-	-	-	-	-	-	313,458	313,458
Total expenditures	20,232	840,955	546,198	644,204	897,549	169,777	1,107,654	573,630	563,849	5,364,048
Revenues over (under) expenditures	(20,232)	325,130	13,524	(177,384)	377,858	1,376	167,393	23,894	(563,849)	147,710
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	100,000	195,000	-	-	-	-	1,183,895	1,478,895
Transfers out	-	-	-	-	(215,500)	-	(29,007)	-	-	(244,507)
Total other financing sources (uses)	-	-	100,000	195,000	(215,500)	-	(29,007)	-	1,183,895	1,234,388
Net change in fund balances	(20,232)	325,130	113,524	17,616	162,358	1,376	138,386	23,894	620,046	1,382,098
Fund balances - January 1	15,940	1,030,916	749,493	303,182	1,311,036	2,685	1,817,382	293,662	998,354	6,522,650
Fund balances - December 31	\$ (4,292)	\$ 1,356,046	\$ 863,017	\$ 320,798	\$ 1,473,394	\$ 4,061	\$ 1,955,768	\$ 317,556	\$ 1,618,400	\$ 7,904,748

**CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
CDRA FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budget Amounts</u>			<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXPENDITURES				
General government:				
Cache County Redevelopment Agency	\$ -	\$ 3,200	\$ 20,232	\$ (17,032)
Total expenditures	<u>-</u>	<u>3,200</u>	<u>20,232</u>	<u>(17,032)</u>
Revenues under expenditures	<u>-</u>	<u>(3,200)</u>	<u>(20,232)</u>	<u>(17,032)</u>
OTHER FINANCING SOURCES				
Transfers in:				
General fund	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(3,200)	(20,232)	(17,032)
Fund balances - January 1	<u>15,940</u>	<u>15,940</u>	<u>15,940</u>	<u>-</u>
Fund balances - December 31	<u>\$ 15,940</u>	<u>\$ 12,740</u>	<u>\$ (4,292)</u>	<u>\$ (17,032)</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
HEALTH FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Property	\$ 854,248	\$ 857,807	\$ 915,358	\$ 57,551
Other revenues:				
Charges for services	<u>235,000</u>	<u>235,000</u>	<u>250,727</u>	<u>15,727</u>
Total revenues	<u>1,089,248</u>	<u>1,092,807</u>	<u>1,166,085</u>	<u>73,278</u>
EXPENDITURES				
General government:				
Contributions to other units	<u>-</u>	<u>-</u>	<u>45,235</u>	<u>(45,235)</u>
	-	-	45,235	(45,235)
Health and welfare:				
Air pollution control	19,100	19,100	19,100	-
Bear River Health Department	<u>776,620</u>	<u>776,620</u>	<u>776,620</u>	<u>-</u>
	<u>795,720</u>	<u>795,720</u>	<u>795,720</u>	<u>-</u>
Total expenditures	<u>795,720</u>	<u>795,720</u>	<u>840,955</u>	<u>(45,235)</u>
Revenues over expenditures	<u>293,528</u>	<u>297,087</u>	<u>325,130</u>	<u>28,043</u>
Net change in fund balances	293,528	297,087	325,130	28,043
Fund balances - January 1	<u>1,030,916</u>	<u>1,030,916</u>	<u>1,030,916</u>	<u>-</u>
Fund balances - December 31	<u>\$ 1,324,444</u>	<u>\$ 1,328,003</u>	<u>\$ 1,356,046</u>	<u>\$ 28,043</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
VISITOR'S BUREAU FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Sales and use	\$ 472,199	\$ 472,199	\$ 446,840	\$ (25,359)
Other revenues:				
Intergovernmental	67,772	67,772	76,189	8,417
Charges for services	30,000	30,000	29,033	(967)
Public contributions	1,000	1,000	6,701	5,701
Miscellaneous revenues	-	-	959	959
Total revenues	<u>570,971</u>	<u>570,971</u>	<u>559,722</u>	<u>(11,249)</u>
EXPENDITURES				
Culture and recreation:				
Cache Valley Visitor's Bureau	<u>570,971</u>	<u>677,185</u>	<u>546,198</u>	<u>130,987</u>
Total expenditures	<u>570,971</u>	<u>677,185</u>	<u>546,198</u>	<u>130,987</u>
Revenues over (under) expenditures	<u>-</u>	<u>(106,214)</u>	<u>13,524</u>	<u>119,738</u>
OTHER FINANCING SOURCES				
Transfers in:				
Recreation fund	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(6,214)</u>	<u>113,524</u>	<u>119,738</u>
Fund balances - January 1	<u>749,493</u>	<u>749,493</u>	<u>749,493</u>	<u>-</u>
Fund balances - December 31	<u>\$ 749,493</u>	<u>\$ 743,279</u>	<u>\$ 863,017</u>	<u>\$ 119,738</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
COUNCIL ON AGING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Other revenues:				
Intergovernmental	\$ 342,773	\$ 348,823	\$ 350,962	\$ 2,139
Charges for services	114,000	114,000	92,869	(21,131)
Public contributions	20,000	20,000	15,854	(4,146)
Miscellaneous revenues	6,100	6,100	7,135	1,035
Total revenues	<u>482,873</u>	<u>488,923</u>	<u>466,820</u>	<u>(22,103)</u>
EXPENDITURES				
Health and welfare:				
Nutrition	377,615	384,785	359,661	25,124
Senior center	144,871	146,591	122,683	23,908
Retired service volunteer program	58,652	61,242	53,068	8,174
Access	111,669	118,099	108,792	9,307
Total expenditures	<u>692,807</u>	<u>710,717</u>	<u>644,204</u>	<u>66,513</u>
Revenues under expenditures	<u>(209,934)</u>	<u>(221,794)</u>	<u>(177,384)</u>	<u>44,410</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General fund	195,000	195,000	195,000	-
Total transfers in	<u>195,000</u>	<u>195,000</u>	<u>195,000</u>	<u>-</u>
Transfers out:				
Municipal services fund	(1,200)	(1,200)	-	1,200
Total transfers out	<u>(1,200)</u>	<u>(1,200)</u>	<u>-</u>	<u>1,200</u>
Total other financing sources (uses)	<u>193,800</u>	<u>193,800</u>	<u>195,000</u>	<u>1,200</u>
Net change in fund balances	(16,134)	(27,994)	17,616	45,610
Fund balances - January 1	303,182	303,182	303,182	-
Fund balances - December 31	<u>\$ 287,048</u>	<u>\$ 275,188</u>	<u>\$ 320,798</u>	<u>\$ 45,610</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Sales and use	<u>\$ 1,156,414</u>	<u>\$ 1,156,414</u>	<u>\$ 1,275,407</u>	<u>\$ 118,993</u>
Total revenues	<u>1,156,414</u>	<u>1,156,414</u>	<u>1,275,407</u>	<u>118,993</u>
EXPENDITURES				
Culture and recreation:				
Recreation and tourism promotion	<u>1,156,414</u>	<u>940,914</u>	<u>897,549</u>	<u>43,365</u>
Total expenditures	<u>1,156,414</u>	<u>940,914</u>	<u>897,549</u>	<u>43,365</u>
Revenues over (under) expenditures	<u>-</u>	<u>215,500</u>	<u>377,858</u>	<u>162,358</u>
OTHER FINANCING USES				
Transfers out:				
General fund	-	(115,500)	(115,500)	-
Visitor's Bureau fund	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>(215,500)</u>	<u>(215,500)</u>	<u>-</u>
Net change in fund balances	-	-	162,358	162,358
Fund balances - January 1	<u>1,311,036</u>	<u>1,311,036</u>	<u>1,311,036</u>	<u>-</u>
Fund balances - December 31	<u><u>\$ 1,311,036</u></u>	<u><u>\$ 1,311,036</u></u>	<u><u>\$ 1,473,394</u></u>	<u><u>\$ 162,358</u></u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
CHILDREN'S JUSTICE CENTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Other revenues:				
Intergovernmental	\$ 182,068	\$ 182,068	\$ 171,153	\$ (10,915)
Total revenues	<u>182,068</u>	<u>182,068</u>	<u>171,153</u>	<u>(10,915)</u>
EXPENDITURES				
Public safety:				
Children's services	<u>182,068</u>	<u>183,984</u>	<u>169,777</u>	<u>14,207</u>
Total expenditures	<u>182,068</u>	<u>183,984</u>	<u>169,777</u>	<u>14,207</u>
Revenues over (under) expenditures	<u>-</u>	<u>(1,916)</u>	<u>1,376</u>	<u>3,292</u>
Net change in fund balances	-	(1,916)	1,376	3,292
Fund balances - January 1	<u>2,685</u>	<u>2,685</u>	<u>2,685</u>	<u>-</u>
Fund balances - December 31	<u>\$ 2,685</u>	<u>\$ 769</u>	<u>\$ 4,061</u>	<u>\$ 3,292</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
RAPZ TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Sales and use	\$ 1,230,238	\$ 1,230,238	\$ 1,275,047	\$ 44,809
Total revenues	<u>1,230,238</u>	<u>1,230,238</u>	<u>1,275,047</u>	<u>44,809</u>
EXPENDITURES				
Culture and recreation:				
Programs and projects	1,211,784	1,201,231	1,107,654	93,577
Total expenditures	<u>1,211,784</u>	<u>1,201,231</u>	<u>1,107,654</u>	<u>93,577</u>
Revenues over (under) expenditures	<u>18,454</u>	<u>29,007</u>	<u>167,393</u>	<u>138,386</u>
OTHER FINANCING USES				
Transfers out:				
General fund	(18,454)	(18,454)	(18,454)	-
Municipal services fund	-	(10,553)	(10,553)	-
Total other financing uses	<u>(18,454)</u>	<u>(29,007)</u>	<u>(29,007)</u>	<u>-</u>
Net change in fund balances	-	-	138,386	138,386
Fund balances - January 1	<u>1,817,382</u>	<u>1,817,382</u>	<u>1,817,382</u>	<u>-</u>
Fund balances - December 31	<u>\$ 1,817,382</u>	<u>\$ 1,817,382</u>	<u>\$ 1,955,768</u>	<u>\$ 138,386</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
AMBULANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenues:				
Intergovernmental	\$ 593,000	\$ 597,488	\$ 597,488	\$ -
Miscellaneous income	-	-	36	36
Total revenues	<u>593,000</u>	<u>597,488</u>	<u>597,524</u>	<u>36</u>
EXPENDITURES				
Public safety:				
Ambulance services	<u>593,000</u>	<u>597,488</u>	<u>573,630</u>	<u>23,858</u>
Total expenditures	<u>593,000</u>	<u>597,488</u>	<u>573,630</u>	<u>23,858</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>23,894</u>	<u>23,894</u>
Net change in fund balances	-	-	23,894	23,894
Fund balances - January 1	<u>293,662</u>	<u>293,662</u>	<u>293,662</u>	<u>-</u>
Fund balances - December 31	<u>\$ 293,662</u>	<u>\$ 293,662</u>	<u>\$ 317,556</u>	<u>\$ 23,894</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Other revenues:				
Interest income	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt service:				
Principal	146,762	250,392	250,391	1
Interest	<u>298,443</u>	<u>316,058</u>	<u>313,458</u>	<u>2,600</u>
Total expenditures	<u>445,205</u>	<u>566,450</u>	<u>563,849</u>	<u>2,601</u>
Revenues under expenditures	<u>(445,205)</u>	<u>(566,450)</u>	<u>(563,849)</u>	<u>2,601</u>
OTHER FINANCING SOURCES				
Transfers in:				
General fund	<u>1,183,895</u>	<u>1,183,895</u>	<u>1,183,895</u>	<u>-</u>
Total other financing sources	<u>1,183,895</u>	<u>1,183,895</u>	<u>1,183,895</u>	<u>-</u>
Net change in fund balances	738,690	617,445	620,046	2,601
Fund balances - January 1	<u>998,354</u>	<u>998,354</u>	<u>998,354</u>	<u>-</u>
Fund balances - December 31	<u>\$ 1,737,044</u>	<u>\$ 1,615,799</u>	<u>\$ 1,618,400</u>	<u>\$ 2,601</u>

CACHE COUNTY
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
AGENCY FUNDS
AS OF DECEMBER 31, 2014

	Fee Trust Fund	Health Department 125 Plan	Treasurer's Tax Fund	Total Agency Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 11,566	\$ 27,744,229	\$ 27,755,795
Equity in investment pool	273,023	-	-	273,023
Taxes receivable	-	-	950,964	950,964
Total assets	<u>\$ 273,023</u>	<u>\$ 11,566</u>	<u>\$ 28,695,193</u>	<u>\$ 28,979,782</u>
LIABILITIES				
Due to other taxing units	\$ -	\$ -	\$ 28,024,236	\$ 28,024,236
Due to employees	-	11,566	-	11,566
Refunds payable	-	-	670,957	670,957
Other payables	273,023	-	-	273,023
Total liabilities	<u>\$ 273,023</u>	<u>\$ 11,566</u>	<u>\$ 28,695,193</u>	<u>\$ 28,979,782</u>

COMPONENT UNITS

CACHE COUNTY
COMBINING STATEMENT OF NET POSITION
NORTH PARK INTERLOCAL COOPERATIVE
AS OF DECEMBER 31, 2014

	2014		
	North Park Interlocal Cooperative	Bridgerland Community Ice Arena	Total
ASSETS			
Cash and cash equivalents	\$ 134	\$ 278,541	\$ 278,675
Accounts receivable, net	-	18,549	18,549
Pledges receivable, net	-	13,678	13,678
Restricted cash and investments	202	-	202
Investments	-	530,448	530,448
Inventory	-	3,950	3,950
Other assets	-	15,687	15,687
Noncurrent pledges receivable, net	-	1,822	1,822
Capital assets:			
Buildings, improvements and equipment	4,516,695	428,046	4,944,741
Accumulated depreciation	<u>(1,312,283)</u>	<u>(301,368)</u>	<u>(1,613,651)</u>
Total assets	<u>3,204,748</u>	<u>989,353</u>	<u>4,194,101</u>
LIABILITIES			
Accounts payable and accrued liabilities	<u>-</u>	<u>32,809</u>	<u>32,809</u>
Total liabilities	<u>-</u>	<u>32,809</u>	<u>32,809</u>
NET POSITION			
Net investment in capital assets	3,204,412	126,678	3,331,090
Restricted for:			
Capital projects	-	66,330	66,330
Debt service	202	-	202
Other purposes	-	487,039	487,039
Unrestricted	<u>134</u>	<u>276,497</u>	<u>276,631</u>
Total net position	<u>\$ 3,204,748</u>	<u>\$ 956,544</u>	<u>\$ 4,161,292</u>

CACHE COUNTY
COMBINING STATEMENT OF ACTIVITIES
NORTH PARK INTERLOCAL COOPERATIVE
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014		
	North Park Interlocal Cooperative	Bridgerland Community Ice Arena	Total
Expenses	<u>\$ 114,883</u>	<u>\$ 846,566</u>	<u>\$ 961,449</u>
Program revenues			
Charges for services	-	494,068	494,068
Operating grants and contributions	<u>-</u>	<u>340,137</u>	<u>340,137</u>
Total program revenues	<u>-</u>	<u>834,205</u>	<u>834,205</u>
Net revenues (expenses)	<u>(114,883)</u>	<u>(12,361)</u>	<u>(127,244)</u>
General revenues			
Interest income	<u>1</u>	<u>18,223</u>	<u>18,224</u>
Total general revenues	<u>1</u>	<u>18,223</u>	<u>18,224</u>
Change in net assets	(114,882)	5,862	(109,020)
Net position - beginning	<u>3,319,630</u>	<u>950,682</u>	<u>4,270,312</u>
Net position - ending	<u>\$ 3,204,748</u>	<u>\$ 956,544</u>	<u>\$ 4,161,292</u>

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CACHE COUNTY
SINGLE AUDIT REPORTS

CACHE COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

<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	FY2015	180,634
Secure Rural Schools-Title III	10.665	FY2015	29,751
NRCS Canal Project FA	10.923	68-8D43-10-14	838,067
NRCS River Restoration FA	10.923	68-8D43-12-13	3,868,261
<i>Passed through Utah Weed Supervisors Association</i>			
2014 APHIS Noxious Weed/Bio-Control Grant	10.025	1401A	3,000
2014 EDRR Knapweed Project	10.025	1401	5,000
<i>Passed through Utah Department of Health</i>			
Special Supplemental Food Program for Women, Infants and Children:			
WIC Administrative Costs 2014	10.557	C7	835,600
WIC Administrative Costs 2015	10.557	152700153	278,533
WIC Vouchers 2014	10.557	C7	1,912,614
WIC Vouchers 2015	10.557	C7	664,765
Total USDA			8,616,225
U.S. Environmental Protection Agency (EPA)			
<i>Direct Program</i>			
DEQ Drinking Water 2014	66.468	130034	5,655
DEQ Drinking Water 2015	66.468	150025	20,734
DEQ Environmental Services 2014	66.605	150025	1,500
DEQ Environmental Services 2015	66.605	150025	1,500
Total EPA			29,389
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 14-15	39,430
Special Programs for Aging, Title III, Part C1	93.045	FY 13-14	22,138
Special Programs for Aging, Title III, Part C1	93.045	FY 14-15	23,788
Special Programs for Aging, Title IIIC-1 CIC	93.053	FY 14-15	10,573
Special Programs for Aging, HDM Title III, Part C2	93.045	FY 13-14	53,749
Special Programs for Aging, HDM Title III, Part C2	93.045	FY 14-15	11,089
Special Programs for Aging, Title IIIC-2 CIH	93.053	FY 14-15	19,689
Special Programs for Aging, IIID PHP	93.043	FY 13-14	950
Special Programs for Aging, IIID PHP	93.043	FY 14-15	475

CACHE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Grant No.</u>	<u>Expenditures</u>
Health Insurance Counseling	93.779	FY 13-14	315
Health Insurance Counseling	93.779	FY 14-15	706
MIPPA	93.071	FY13-14	1,750
MIPPA	93.071	FY14-15	1,800
Title XX - Social Services Block Grant	93.104	FY13-14	4,600
<i>Passed through State Department of Health</i>			
General Federal Block MHF	93.958	130023-Amd#2(13-14)	51,115
General Federal Block MHF	93.958	130023-Amd#3(14-15)	52,354
Federal Block Children MHX	93.958	130023-Amd#2(13-14)	15,500
Federal Block Children MHX	93.958	130023-Amd#3(14-15)	18,750
General Federal Block FRF	93.958	140208-Amd#2(13-14)	2,407
General Federal Block FRF	93.958	140208-Amd#3(14-15)	2,777
NACCHO 2014	93.008	MRC 14-0473	3,500
NACCHO 2014	93.008	MRC 14-2333	3,500
NACCHO 2014	93.008	MRC 14-0158	3,500
Bioterrorism Grant 2014	93.069	C8-1	134,530
Bioterrorism Grant 2015	93.069	C8-1	181,979
PREP 2014	93.092	C4-I	66,879
PREP 2015	93.092	C4-I	22,592
FDA Standards 2014	93.103	1U18FD004665-01	45,973
FDA Standards 2015	93.103	5U18FD004665-01	60,388
EPICC 1422 2015	93.757	152700350	18,220
Immunization 2014	93.268	C5-V	19,122
Immunization 2015	93.268	152700190	44,842
Drug Free Communities 2014	93.276	5H79SP015878-03	85,163
Cancer Control 2014	93.283	C9-I	21,352
Cancer Control 2014	93.744	C9-II	1,348
Cancer Control 2015	93.283	C9-III	1,812
Cancer Control 2015	93.094	C9-I	10,909
Cancer Control 2015	93.919	C9-II	7,318
Tobacco Control Core Capacity Building 2014	93.283	C10-II	18,049
Tobacco Control Core Capacity Building 2015	93.283	C10-II	19,672

CACHE COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Grant No.</u>	<u>Expenditures</u>
HAI 2014	93.521	131616	8,189
HAI 2015	93.521	131616	4,120
Community Transformation Capacity 2014	93.531	C3-IV	19,868
Community Transformation Capacity 2015	93.531	C3-III	9,750
Outreach to Employer Groups 2014	93.539	PPHF	10,000
TB Elimination 2014	93.116	C5-I	4,187
TB Special Populations 2014	93.566	152700271	44,279
Case Management 2014	93.778	CI-II	29,923
Case Management 2015	93.778	CI-III	39,427
CHEC 2014	93.778	CI-I	16,268
CHEC 2015	93.778	CI-II	14,641
Healthy Kids Healthy Families 2014	93.778	CI-IV	52,579
Healthy Kids Healthy Families 2015	93.778	CI-IV	62,224
State Medical Reserve Corp. 2014	93.889	C8-II	7,173
State Medical Reserve Corp. 2015	93.889	C8-II	8,881
Regional Healthcare Preparedness 2014	93.889	C8-III	89,369
Regional Healthcare Preparedness 2015	93.889	C8-III	83,013
AIDS/HIV	93.940	C5-III	4,057
Arthritis 2014	93.945	C3-V	1,564
Arthritis 2015	93.945	C3-IV	868
Substance Abuse - SAPT Block Grant 2014	93.959	122435	335,596
Substance Abuse - SAPT Block Grant 2015	93.959	122435	516,716
STD Basic 2014	93.977	C5-II	4,862
Injury Prevention 2014	93.991	C3-II	9,578
Injury Prevention 2015	93.991	C3-II	6,211
Preventative Block Grant (Cardio) 2014	93.991	C3-I	8,805
Preventative Block Grant (Cardio) 2014	93.945	C3-I	3,394
Preventative Block Grant (Cardio) 2015	93.991	C3-I	8,133
Preventative Block Grant (Cardio) 2015	93.945	C3-I	4,066
MCH Community Injury 2014	93.994	C3-II	9,380
MCH Community Injury 2015	93.994	C3-II	24,033
Home Visitation 2014	93.994	C4-I	9,600
Home Visitation 2015	93.994	C4-I	9,600
Maternal & Child Health 2014	93.994	C4-I	47,099
Maternal & Child Health 2015	93.994	152700014	47,099

CACHE COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

<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 of Utah Office of Lieutenant Governor</i> Polling Place Accessibility	93.617	2014	200
Total HHS			2,659,355
U.S. Department of Interior (DOI)			
<i>Passed through the State Division of Wildlife Resources</i> Pittman-Robertson Program	15.611	FY2014	9,053
Total DOI			9,053
U.S. Department of Justice (DOJ)			
<i>Passed through State Office of the Attorney General</i> State Criminal Alien Assistance Program	16.606	2014-AP-BX-00847	7,333
Victim Assistance Services Grant	16.575	13-VOCA-04	44,071
Victim Assistance Services Grant	16.575	13-VOCA-05	4,894
Victim Assistance Services Grant	16.575	13-VOCA-06	5,490
Victim Assistance Services Grant	16.575	14-VOCA-04	5,549
Victim Assistance Services Grant	16.575	14-VOCA-05	4,588
Victim Assistance Services Grant	16.575	14-VOCA-06	49,790
Violence Against Women Grant - Prosecutions	16.588	12-VAWA-03	6,314
Violence Against Women Grant - Prosecutions	16.588	13-VAWA-05	24,755
Violence Against Women Grant - Prosecutions	16.588	13-VAWA-06	52,852
Total DOJ			205,636
U.S. Department of Transportation (DOT)			
<i>Direct Program</i>			
Wildlife Assessment and Management Plan (WHMA)	20.106	DOT-FA12NM-1054	22,608
Construction Taxiway J (Juliet)	20.106	DOT-FA13NM-1046	46,955
Install Runway Lighting (HIRL)	20.106	DOT-FA14NM-1053	385,681
<i>Passed through State Department of Transportation</i>			
Logan Canyon Scenic Byway - Projects	20.205	SB-UT08(004)	13,188
CMPO 2014	20.205	128730	144,686
CMPO 2015	20.205	128730	144,686
<i>Passed through State Office of Highway Safety</i>			
Safe Community 2014	20.600	CP130204	7,943
Safe Community 2015	20.600	MOA	1,750

CACHE COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

<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>			
2014 LEPC Hazardous Materials Planning Grant	20.703	CACC-14HMEP	3,127
Total DOT			770,624
The Corporation for National and Community Service (CNCS)			
<i>Direct Program</i>			
Retired Service Volunteer Program	94.002	13SR148940	22,551
Retired Service Volunteer Program	94.002	14SR159696	22,966
Total CNCS			45,517
U.S. Department of Homeland Security (DHS)			
<i>Passed through State Department of Public Safety</i>			
2011 HLS Grant - State HLS Program Grant Allocation	97.067	DES-2011-SHSP-001	10,175
2012 HLS Grant - State HLS Program Grant Allocation	97.067	DES-2012-SHSP-001	23,123
Emergency Management Performance Grant	97.042	2014 EMPG	33,230
Total DHS			66,528
GRAND TOTAL			\$ 12,402,327

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2014

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.



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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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 30, 2015. 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 14-01 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JONES SIMKINS LLC
Logan, Utah
June 30, 2015



Certified Public Accountants

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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, 2014. 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, 2014.

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
June 30, 2015

CACHE COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2014

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 10.557 – WIC
8.	Dollar threshold used to distinguish between Type A and Type B programs:	\$372,070
9.	Auditee qualification as high or low risk	High

CACHE COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2014

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

Finding 14-01

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.

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, 2014

- 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, 2013

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

CACHE COUNTY

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2014

Cache County respectfully submits the following response for the finding identified in the financial statements audited as of December 31, 2014

Response to finding 14-01

Management will evaluate controls over financial reporting, including specific procedures, the skill sets of personnel performing procedures and the timing of executing procedures. Management will also evaluate internal control structure to facilitate the performance of key accounting processes when primary personnel are absent. The County Council will consider providing additional resources and personnel to its accounting and financial reporting processes as needed.

STATE COMPLIANCE REPORTS

CACHE COUNTY

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Contract No.</u>	<u>Year of Last Audit</u>	<u>Expenditures</u>
Governor's Office of Economic Development			
Bridgerland Tourism - Target Marketing Efforts	140929		25,000
Utah Division of Water Resources			
Operational Winter Cloud Seeding Program	141690		1,225
Operational Winter Cloud Seeding Program	151579		9,582
Utah Attorney General's Office			
Children's Justice Center	110197 - FY2014		91,651
Children's Justice Center	110197 - FY2015		79,503
Internet Crimes Against Children (ICAC)	FY 2014		5,928
Utah Commission on Criminal & Juvenile Justice			
Liquor Allocation	FY 2014	FY 2013	108,191
Utah Department of Transportation (UDOT)			
Class B Allotment	FY 2014	FY 2014	653,122
Class B Allotment	FY 2015	FY 2014	607,315
Utah Department of Public Transportation			
Eliminate Alcohol Sales to Youth (E.A.S.Y.)	AR-EZ-2014		445
Eliminate Alcohol Sales to Youth (E.A.S.Y.)	AR-EZ-2015		444
Utah Office of Tourism			
Utah Cooperative Marketing Round 8	FY 2011		3,549
Utah Cooperative Marketing Round 12	FY 2015		28,438
Bear River Association of Governments Aging Services			
State Services	2014-2015		36,512
State Transportation	2014-2015		2,944
State Nutrition C-2	2014-2015		6,939

CACHE COUNTY

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Contract No.</u>	<u>Year of Last Audit</u>	<u>Expenditures</u>
State Home Delivered Meals	2014-2015		57,625
State One-Time Home Delivered Meals	2014-2015		4,598
RSVP	2013-2014		2,774
RSVP	2014-2015		2,723
Utah Search & Rescue Advisory Board			
Search & Rescue Reimbursement	FY 2014		45,079
Total State Awards			\$ 1,773,587

CACHE COUNTY
SCHEDULE OF EXPENDITURES OF TRANSIENT ROOM TAXES
AND TOURISM, RECREATION, CULTURAL AND CONVENTION FACILITIES TAXES
FOR THE YEAR ENDED DECEMBER 31, 2014

Transient Room Tax

Establishing and promoting:	
Recreation	\$ -
Tourism	393,415
Film production	-
Conventions	-
Acquiring, leasing, constructing, furnishing, or operating:	-
Convention meeting rooms	-
Exhibit halls	-
Visitor information centers	53,425
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>\$ 446,840</u>

Tourism, Recreation, Cultural, and Convention (TRCC) Facilities Taxes

Financing tourism promotion	\$ 214,423
Development, operation, and maintenance of:	
Airport facilities	-
Convention facilities	-
Cultural facilities	94,427
Recreation facilities	588,699
Tourist facilities	-
Total TRCC Facilities Tax Expenditures	<u>\$ 897,549</u>

Reserves and Pledges

Reserves on bonds related to TRT funds	\$ -
Pledges as security for evidences of indebtedness related to TRCC	-
Total Pledges of TRT and TRCC Taxes	<u>\$ -</u>

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INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH THE *STATE COMPLIANCE AUDIT GUIDE* ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS, EACH MAJOR STATE PROGRAM, AND INTERNAL CONTROL OVER COMPLIANCE

To the Cache County Council
Logan, Utah

Report on Compliance with General State Compliance Requirements and for Each Major State Program

We have audited Cache County, Utah's (the County) compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide* issued by the Office of the Utah State Auditor, that could have a direct and material effect on the County or each of its major state programs for the year ended December 31, 2014.

General state compliance requirements were tested for the year ended December 31, 2014 in the following areas:

- Budgetary Compliance
- Fund Balance
- Transient Room Tax and Tourism, Recreation, Culture, Convention, and Airport Facilities Tax
- Utah Retirement Systems Compliance
- Interlocal Agreement Entities
- Assessing & Collecting Property Taxes
- Government Records Access Management Act (GRAMA)
- Conflicts of Interest

The County received state funding from the following program classified as a major program for the year ended December 31, 2014:

- Class B Road Funds (Department of Transportation)

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the County's compliance based on our audit of the 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 the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the County or its major state programs 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 with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on General State Compliance – Property Tax Administration

As described in the accompanying schedule of findings and recommendations, the County did not comply with requirements related to the administration of property taxes (see finding SC-14-01). Compliance with these requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that area.

Qualified Opinion on General State Compliance - Property Tax Administration

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Property Tax Administration for the year ended December 31, 2014.

Unmodified Opinion on Each of the Other General State Compliance Areas and Major State Programs

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other General Compliance Areas and Major State Programs for the year ended December 31, 2014.

Other Matters

The County's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the compliance requirements that could have a direct and material effect on the County or each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance with the *State Compliance Audit Guide*, 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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 general state or major state program compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and recommendations as finding SC-14-01 to be a material weakness.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of This Report

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



JONES SIMKINS LLC
Logan, Utah
June 30, 2015

CACHE COUNTY
Schedule of Findings and Recommendations – State Compliance
Year Ended December 31, 2014

Finding SC-14-01 – Property Tax Administration

Criteria:

- Acting as an agent for all local governmental entities within its boundaries, the County government is responsible to assess, bill, and collect levied property taxes.
- In its role as the collecting agent, the County is required by State statute to charge interest and penalties and report information related to taxpayers who do not remit their tax payments by the established deadlines (known as “delinquencies”).
- By State statute, the County is granted certain powers to provide relief to taxpayers through a reduction of the taxes, penalties, or interest owed. The County’s acceptance of an amount less than the full amount due for taxes, penalties or interest is referred to as a “settlement”.
- State statute grants the County powers to provide a temporary postponement of the tax payment deadline for taxpayers who meet specific conditions. These actions are referred to as a “deferral”.
- The County is also responsible for administering several programs established to provide property tax relief for elderly, low income and disabled persons. Tax relief under these programs is commonly referred to as “abatements”.
- State statutes, County code and regulations issued by the State Tax Commission place procedural requirements and limitations on the granting of settlements, deferrals, abatements, and on the handling of delinquencies.

Condition:

- Some settlements and deferrals of delinquent taxes and associated penalty and interest charges have been performed without meeting the procedural requirements or obtaining the necessary authorizations mandated under State code and/or County code.
- Some settlements and deferrals were performed in violation of the limitations on the types of settlements allowed under County code in effect at the time of the settlement.
- Some penalty and interest charges on delinquencies were not performed in compliance with applicable State Code.
- Mandatory public reporting related to delinquencies was not complete.
- Some abatements were authorized and processed outside of the procedural requirements established in the State Code and/or County Code, or State Tax Commission regulations.

CACHE COUNTY
Schedule of Findings and Recommendations – State Compliance
Year Ended December 31, 2014

Cause:

The conditions described above were identified during the 2013 annual audit, with the findings issued in August 2014. Under these circumstances, the conditions noted in 2013 continued in 2014. The 2013 audit identified the following causes:

- Over numerous years, the County developed certain administrative practices with respect to property tax administration which were in conflict with existing law.
- The administrative practices were developed based on an incomplete or inaccurate understanding of the complex set of State and County laws which regulate property tax administration

Effect:

Our audit procedures indicate that the effect of the above described property tax administrative non-compliance is financially immaterial. However, non-compliance with State and County laws governing property tax administration can result in:

- Unwarranted reduction in the amount of tax, penalty and interest charges collected and distributed to local governments.
- Unnecessary delay in the collection of taxes, penalties and interest.
- Lack of public transparency and diminished taxpayer confidence in the taxation system.
- Inconsistent treatment of property tax transactions.

Recommendations:

County personnel involved in property tax administration should thoroughly review the applicable sections of State code, County code and State Tax Commission regulations and then establish procedures that ensure the following:

- Settlements, deferrals, abatements and the charging of penalties and interest on delinquent taxes are all processed, approved and recorded in a manner compliant with current law.
- Proper public disclosure is made of all property tax administrative actions in accordance with current law.
- The property tax database software is modified in a way that facilitates the above described compliance objectives and allows for proper segregation of duties.

**CORRECTIVE ACTION PLAN – STATE COMPLIANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Cache County respectfully submits the following response for the finding identified in the Schedule of Findings and Recommendations – State Compliance for the year ended December 31, 2014:

Response to finding SC-14-01

The County has made a thorough review of State and County code applicable to settlements, deferrals, abatements and the charging of penalties and interest on delinquent property taxes. The County code has been updated to eliminate inconsistencies with the State code. Procedures for processing these transactions were also reviewed and new procedures have been implemented to ensure the County’s compliance. Further review and testing of compliance will be performed by the County’s internal audit function, which was established in January 2015. Procedures may continue to be modified, or additional procedures will be implemented, as needed.

Also, improvements are being made to the County’s property tax software. The information technology department has made and continues to make programming changes to the current software, strengthening the County’s compliance with State and County Code. The County has also allocated significant resources to facilitate the design and implementation of a new property tax collection software program to meet compliance objectives.



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June 30, 2015

To the Cache County Council
Logan, Utah

We have audited 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) for the year ended December 31, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and Office of Management and Budget Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 6, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the County's financial statements was the estimated useful lives of capital assets.

Management's estimate of the useful lives of capital assets is based on expected future use of the assets and prior experience with similar assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were related to the changes in capital assets and the changes in long-term liabilities, and are located in Note 4 and Note 5, respectively, to the financial statements. The disclosures of the changes in capital assets and the changes in long-term liabilities were formulated to include all changes to each respective category during the year. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that the effects of these uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Misstatements we identified during the audit that were corrected by management affected the balances of cash, accounts payable and accrued liabilities, unearned revenue, fund balance, revenues, and expenditures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 30, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

We applied certain limited procedures to the required supplementary information (RSI) listed in the table of contents which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information listed in the table of contents, which accompany the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Internal Control

In planning and performing our audit of the financial statements of the County as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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.

Comments, if any, related to internal control were reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

Other Matters

Our audit procedures also identified other matters involving internal control and compliance that, although not considered by us to be significant deficiencies, are weaknesses in internal control for which corrective action might be taken, or are immaterial instances of non-compliance with laws and regulations.

1. A follow up on the recommendations in this letter should be made by the County Council and reflected in the Council meeting minutes.
2. During our audit, we performed testing of certain internal controls over compliance related to the County's ongoing NRCS canal and riverbank restoration project federal grants. We noted during this control testing that there was a lack of clear evidence of the County verifying that vendors or subcontractors used on the projects were not debarred or suspended parties as published on federal Excluded Parties Listing System (EPLS). Federal grant compliance requirements indicate that the County must document either their search for debarred and suspended parties via the EPLS website, or their obtaining signed certifications from their vendors indicating they are not a debarred or suspended party. Importantly, we did not note any vendors used that were actually a debarred or suspended party. We only noted that the County lacked documentation of their verification of the status of these vendors. We encourage County grant management to retain documentation of these verification procedures in their federal grant files.
3. Currently, the Treasurer's Tax Agency Fund is the only County fund that performs its accounting in a separate general ledger system (all other funds are accounted for in the Casselle general ledger system). Though not required, we recommend that the County consider the merits of bringing the Treasurer's Tax Agency Fund in to the Casselle general ledger system, allowing for improved county-wide financial reporting, uniformity in accounting procedures across all offices, and reduction in the number of accounting systems that require support by the County's information technology department.
4. We noted that the Executive department within the General Fund and the CDRA Fund both incurred expenditures exceeding the final authorized budgets for the year ended December 31, 2014 by \$25,052 and \$17,032, respectively. We encourage continued diligence in the updating of budgets through the appropriate amendment process.
5. We noted that the fund balance of the CDRA Fund is in a deficit position of \$4,292 as of December 31, 2014. Though the amount is not monetarily significant to the County, we encourage management to take the necessary steps to eliminate the deficit.
6. We noted that the County's designated records officer as defined in the Government Records Access Management Act did not complete the required annual online training course provided by the State Archives. We recommend compliance with this training requirement in future years.
7. Beginning with the County's fiscal year 2015, OMB Circular A-133 has been superseded by the new Uniform Guidance for federal award compliance. We recommend that County management and all County personnel who serve as managers of any federal grant obtain sufficient training to understand the new Uniform Guidance and the changes in compliance procedures that the County will be required to make.

8. The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is effective for the County's fiscal year 2015. GASB No. 68 requires governmental entities to report in their financial statements their share of any unfunded liability associated with participation in a defined benefit pension plan. At December 31, 2014, the Utah Retirement System (URS) estimated that the County's share of the URS unfunded liability was approximately \$6,000,000.

We appreciate the cooperation and assistance provided by County personnel during our audit. Their help was very beneficial in the completion of this year's audit.

Restriction on Use

This information is intended solely for the use of management of the County, the County Council and the State of Utah Auditor's Office, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



JONES SIMKINS LLC

<i>Cache County</i>			
<i>Listing of Uncorrected Misstatements</i>			
<i>12/31/2014</i>			
Account	Description	Debit	Credit
To account for taxes collected in February 2015 that were recorded as deferred revenue at the fund level rather than being recognized as revenue.			
100-2332000	DEF REV - DELINQ TAX RCVBL	49,684.00	
150-2332000	DEF REV - DELINQ TAX RCVBL	13,336.00	
210-2332000	DEF REV - DELINQ TAX RCVBL	4,022.00	
100-31-20000	PRIOR YEARS TAX		49,684.00
150-31-21000	PRIOR YR TAXES -ASSESS & COLL		13,336.00
210-31-20000	PRIOR YEARS TAX		4,022.00
Total		67,042.00	67,042.00
To record correct treatment of incurred in 2013, paid in 2014, but not recorded as an expenditure in the general ledger until 2015.			
100-2980000	BEGINNING OF YEAR	46,388.00	
100-2141000	ACCRUED EXPENSES PAYABLE		46,388.00
Total		46,388.00	46,388.00
To record revenue in the current year that was incorrectly recognized in the prior year.			
100-2980000	BEGINNING OF YEAR	32,442.00	
100-33-10400	FED GRANT - HOMELAND SECURITY		32,442.00
Total		32,442.00	32,442.00
To correct the allocation of funds from Logan City to the Airport Component Unit that were incorrectly allocated to the Capital Projects Fund.			
277-1190000	CASH - COMBINED FUND	53,785.00	
460-33-70100	LOCAL MATCH - LOGAN CITY	53,785.00	
277-33-70105	LOGAN CITY-SHARED NET EXP		53,785.00
460-1190000	CASH - COMBINED FUND		53,785.00
Total		107,570.00	107,570.00



June 30, 2015

Jones Simkins LLC
1011 West 400 North, Suite 100
PO Box 747
Logan, Utah 84323-0747

This representation letter is provided in connection with your audit of the financial statements of Cache County (the County), which comprise the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of December 31, 2014, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of June 30, 2015, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 6, 2015, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to this representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the County is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the County from whom you determined it necessary to obtain audit evidence.

- d) Minutes of the meetings of County Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the County and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the County's financial statements communicated by employees, former employees, regulators, or others.
- 16) Except as has been disclosed to you, we have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the County's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
- 21) We have a process to track the status of audit findings and recommendations
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The County has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 27) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 28) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 29) Except as has been disclosed to you, there are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 30) The County has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 31) The County has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 32) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 33) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 34) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 35) Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 36) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

- 37) Provisions for uncollectible receivables have been properly identified and recorded.
- 38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 39) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 40) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 41) Special and extraordinary items are appropriately classified and reported.
- 42) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 43) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 44) We have appropriately disclosed the County's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 45) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 46) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 47) With respect to Required Supplementary Information (RSI):
 - a) We acknowledge our responsibility for presenting the RSI in accordance with accounting principles generally accepted in the United States of America, and we believe the RSI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the RSI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the RSI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary

information no later than the date we issue the supplementary information and the auditor's report thereon.

48) With respect to federal award programs:

- a) We are responsible for understanding and complying with and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including requirements relating to preparation of the schedule of expenditures of federal awards.
- b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of OMB Circular A-133 §310.b, and we believe the SEFA, including its form and content, is fairly presented in accordance with OMB Circular A-133 §310.b. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133, and have included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.

- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have charged costs to federal awards in accordance with applicable cost principles.
- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.
- w) We are responsible for preparing and implementing a corrective action plan for each audit finding.

49) Special districts included in the County's financial statements (Cache County Special Service District #1, Cache County Fire Protection District, and Cache County Roads Special Service District) have complied with applicable laws regarding publishing of tentative budgets, final budgets and audit reports, as well as provision of contact information to the local telephone directory.

50) With regard to special districts included in the County's financial statements, no member of a governing board of a special district is also an employee of the special district at the same time.

51) Management has complied with the Nepotism Act of section 52-3 of the Utah Code.

52) Management, the governing board and employees have complied with standards of conduct as found in section 67-16 of the Utah Code.

53) We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Signature: 
Craig W Buttars – County Executive

Signature: 
Cameron Jensen – County Finance Director