



CACHE COUNTY, UTAH

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

CACHE COUNTY
FINANCIAL STATEMENTS
DECEMBER 31, 2015

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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, 2015, 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.

Auditors' 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 4 percent, 4 percent, and 5 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 9 percent, 9 percent, and 22 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units of the County. Those statements were audited by other auditors whose report has 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 report 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 the County as of December 31, 2015, 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.

Implementation of New Accounting Guidance

As described in Note 2 to the financial statements, in 2015, the County adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

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 and accompanying notes as listed in the table of contents is presented for purposes of additional analysis and are 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 Title 2 U.S. *Code of Federal*

Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), 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 report 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 27, 2016, 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 27, 2016

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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, 2015. 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. During 2015, the County implemented new Governmental Accounting Standards, which have caused prior year balances to be restated. See note 2 and note 7 to the financial statements.

FINANCIAL HIGHLIGHTS

- The net position of the County increased by approximately \$4.3 million or about 8.4 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 \$2.8 million, or 5.1 percent of total net position.
- During the year, the County had net program expenses of approximately \$24.6 million. This compares to last year, when net program expenses were approximately 28.1 million. The total cost of the County's programs was about \$39.1 million and decreased approximately \$7.2 million, or about 15.5 percent, from the prior year.
- Combined fund balances of the County amounted to about \$32.6 million, an increase of approximately \$2.4 million or about 7.8 percent, from the prior year. Of the combined total, approximately \$24.2 million, or 74.3 percent, is subject to external restrictions on its use.
- Unassigned fund balance of the General Fund was about \$5.8 million, which amount was approximately 28.1 percent of the total expenditures of the fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Statements

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2015

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. 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 2015, the County’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$55,361,927, an increase of \$4,279,831 from the prior year.

Just more than half of the County’s net position, \$28,327,477 or 51.2 percent, reflect its investment in capital assets (e.g. land, construction in process, buildings and improvements, equipment, and infrastructure) less any related, outstanding debt used to acquire the assets. The County uses these assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the County’s

CACHE COUNTY'S NET POSITION			
GOVERNMENTAL ACTIVITIES			
	2015	2014	% Change
ASSETS			
Current and other assets	\$ 37,236,221	\$ 36,140,008	3.0%
Capital assets, net	35,316,540	35,059,086	0.7%
Non-current assets	73,996	12,335	499.9%
Total assets	<u>72,626,757</u>	<u>71,211,429</u>	<u>2.0%</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	<u>2,797,188</u>	<u>2,463,646</u>	<u>13.5%</u>
LIABILITIES			
Current liabilities	3,743,619	4,880,345	-23.3%
Long-term liabilities	<u>15,098,154</u>	<u>17,712,634</u>	<u>-14.8%</u>
Total liabilities	<u>18,841,773</u>	<u>22,592,979</u>	<u>-16.6%</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions	<u>1,220,245</u>	<u>-</u>	<u>100.0%</u>
NET POSITION			
Net investment in capital assets	28,327,477	27,075,525	4.6%
Restricted	24,241,099	22,297,192	8.7%
Unrestricted	<u>2,793,351</u>	<u>1,709,379</u>	<u>63.4%</u>
Total net position	<u>\$ 55,361,927</u>	<u>\$ 51,082,096</u>	<u>8.4%</u>

MANAGEMENT DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2015

investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$24,241,099, or 43.8 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 \$2,793,351, or 5.1 percent of net position, may be used to meet the general, ongoing financial obligations of the County.



Governmental Activities

As discussed previously, activities can commonly be divided into either governmental or business-type activities. However, none of the operations of the County meet the definition of business-type activities. Therefore, the entire increase in net position of \$4,279,831 from the prior year is attributable to governmental activities.

In total, revenues for the County decreased \$2,542,773, or 5.5 percent, from the prior year. The primary reason for the decrease is due to the completion of certain water projects in the County in the prior year. These projects had received large grants provided by the federal government and other local governmental and private entities in the prior year. The decrease in capital grants was about \$5.1 million. This decrease was offset in part by increases in taxes, charges for services, and operating grants and contributions. In 2015 no large projects were started.

Property tax revenue, representing 37.0 percent of all revenue, is the County's most significant tax revenue source. In 2015, property tax revenue increased over the prior year by \$391,008, or 2.5 percent, and totaled \$16,044,031. Sales tax revenue, also a significant source of tax revenue for the County, accounts for 28.2 percent of all revenue. In 2015, it grew by \$842,402, or 7.4 percent, and totaled \$12,246,152. There was not a property tax rate increase for 2015, nor were there any other new taxes imposed. Both increases are due to economic improvements in the County which lead to new development and higher consumer spending compared to activity in the prior year.

CHANGES IN CACHE COUNTY'S NET POSITION

GOVERNMENTAL ACTIVITIES

	<u>2015</u>	<u>2014</u>	<u>% Change</u>
REVENUES			
Program revenues			
Charges for services	\$ 7,204,239	\$ 6,604,143	9.1%
Operating grants and contributions	7,201,088	6,418,418	12.2%
Capital grants and contributions	38,000	5,138,347	-99.3%
General revenues			
Property taxes	16,044,031	15,653,023	2.5%
Sales taxes	12,246,152	11,403,750	7.4%
Other general revenues	639,414	698,016	-8.4%
Total revenues	<u>43,372,924</u>	<u>45,915,697</u>	<u>-5.5%</u>
EXPENSES			
General government	10,147,306	14,915,895	-32.0%
Public safety	15,128,491	15,303,936	-1.1%
Streets and public improvements	4,915,119	7,803,062	-37.0%
Health and welfare	5,011,572	4,484,332	11.8%
Culture and recreation	3,583,036	3,439,191	4.2%
Interest on long-term debt	307,569	313,458	-1.9%
Total expenses	<u>39,093,093</u>	<u>46,259,874</u>	<u>-15.5%</u>
Change in net position	4,279,831	(344,177)	-1343.5%
Net position - January 1, as restated	<u>51,082,096</u>	<u>51,426,273</u>	<u>-0.7%</u>
Net position - December 31	<u>\$ 55,361,927</u>	<u>\$ 51,082,096</u>	<u>8.4%</u>

In 2015, charges for services increased over the prior year by \$600,096, or 9.1 percent. A significant portion of this increase was due to an increase in jail fees of \$213,738. In 2015, operating grants and contributions increased over the prior year by \$782,670, or 12.2 percent. This increase was due to the CDRA fund receiving revenue for the first time of \$204,441. The

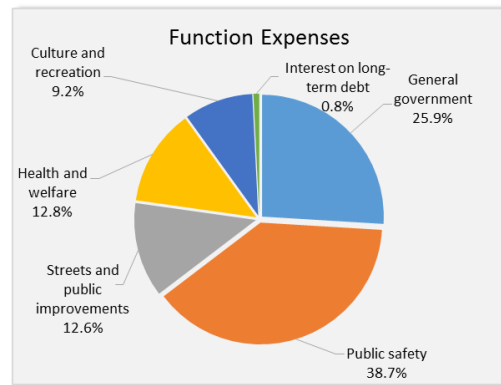
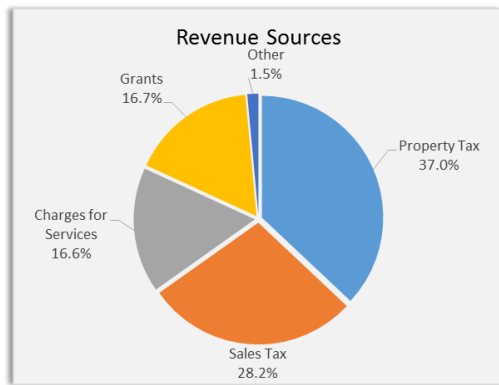
MANAGEMENT DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2015

Ambulance fund received a \$250,000 contribution from CCEMS for the new ambulance building being constructed, and \$220,527 additional state grant monies for various grants in the Municipal Services fund.

Taxes collected by the County create the largest portion of revenues for the County totaling \$28,290,183, or 65.2 percent of all revenues. Grants and contributions, totaling \$7,239,088 or 16.7 percent, also played a key role in financing the County’s operational and capital needs. Charges for services were also a significant portion of total revenues at \$7,204,239 or 16.6 percent.

Total expenses decreased for the County by \$7,166,781, or 15.5 percent, from the prior year. The activity with the largest decrease was General Government, experiencing a decrease of \$4,768,589, or 32.0 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 water projects related to rebuilding a critical canal system and a river repair and restoration project in 2014.



Public safety services generate the most significant portion of the County’s expenses amounting to \$15,128,491, or 38.7 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 \$4,117,534, \$1,866,917, and \$6,964,840 respectively. Combined, these three programs account for 33.1 percent of the County’s total expenses. These costs decreased by 0.7 percent from 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 2015, these revenues covered \$14,443,327, or 36.9 percent, of total expenses through charges for services, grants and contributions. Taxes and other general revenues covered the remaining 63.1 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	
	2015	2015	2015	2014	2015	2014
General government	\$ 10,147,306	\$ (3,126,676)	\$ 7,020,630	\$ 7,309,889	30.8%	51.0%
Public safety	15,128,491	(5,169,709)	9,958,782	10,731,453	34.2%	29.9%
Streets and public improvements	4,915,119	(2,139,213)	2,775,906	5,663,054	43.5%	27.4%
Health and welfare	5,011,572	(3,525,037)	1,486,535	1,132,420	70.3%	74.7%
Culture and recreation	3,583,036	(482,692)	3,100,344	2,948,692	13.5%	14.3%
Interest on long-term debt	307,569	-	307,569	313,458	0.0%	0.0%
Total governmental activities	\$ 39,093,093	\$ (14,443,327)	\$ 24,649,766	\$ 28,098,966	36.9%	39.3%

MANAGEMENT DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2015

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The investment in capital assets, net of accumulated depreciation, of the County for its governmental activities totaled \$35,316,540 at the end of the year. This investment in capital assets includes land, construction in process, buildings and improvements, equipment, and infrastructure. The total net amount increased over the prior year by \$257,454, or 0.7 percent. No individually significant additions to capital assets were made during the year. The increase represents additional depreciation of approximately \$2.4 million, offset by capital expenditures of approximately \$2.9 million.

CACHE COUNTY'S CAPITAL ASSETS, NET			
GOVERNMENTAL ACTIVITIES			
	<u>2015</u>	<u>2014</u>	<u>% Change</u>
Land	\$ 3,056,634	\$ 3,130,437	-2.4%
Construction in process	163,892	-	100.0%
Buildings and improvements	17,098,420	17,493,702	-2.3%
Equipment	5,906,215	4,798,504	23.1%
Infrastructure	<u>9,091,379</u>	<u>9,636,443</u>	-5.7%
Total capital assets, net	<u>\$ 35,316,540</u>	<u>\$ 35,059,086</u>	<u>0.7%</u>

Long-term Debt

Bonded debt outstanding at the end of the year, consisting of revenue bonds, had a balance of \$6,437,933 compared to \$7,218,352 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 2015, so the change represents payment on existing debt. Capital leases at the end of the year totaled \$551,130 compared to \$765,209 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 \$1,983,293. The adjoining table presents changes to long-term obligations relative to the prior year.

CACHE COUNTY'S LONG-TERM DEBT			
GOVERNMENTAL ACTIVITIES			
	<u>2015</u>	<u>2014</u>	<u>% Change</u>
Sales tax revenue bonds, net of premiums and refundings	\$ 6,437,933	\$ 7,218,352	-10.8%
Capital leases	551,130	765,209	-28.0%
Compensated absences	<u>1,983,293</u>	<u>1,888,815</u>	5.0%
Total long-term debt	<u>\$ 8,972,356</u>	<u>\$ 9,872,376</u>	<u>-9.1%</u>

FUND FINANCIAL ANALYSIS

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

Governmental Funds

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

As of December 31, 2015, the combined fund balance of the governmental funds of the County was \$32,608,602, an increase of \$2,360,939, or 7.8 percent, in comparison with the prior year. Of that fund balance, \$5,821,369, or 17.9 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.

MANAGEMENT DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2015

The general fund is the principal operating fund of the County. As of December 31, 2015, the unassigned fund balance of the general fund was \$5,821,369. This amount represents 28.1 percent of the total expenditures of the general fund.

CACHE COUNTY'S FUND BALANCES

GOVERNMENTAL FUNDS

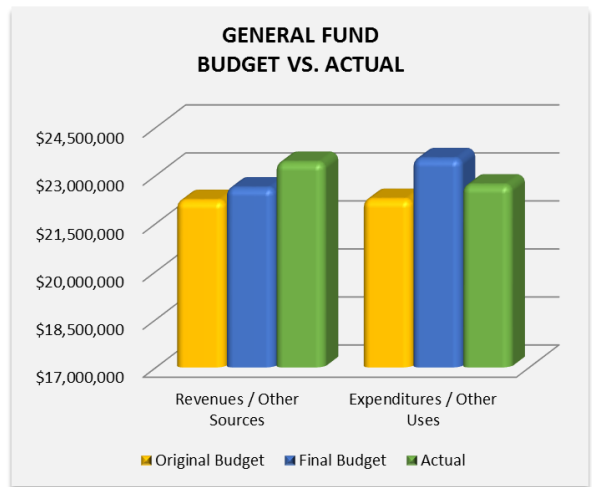
FUNDS	2015					2014	% Change
	Nonspendable	Restricted	Assigned	Unassigned	Total	Total	
General	\$ 15,865	\$ 850,000	\$ -	\$ 5,821,369	\$ 6,687,234	\$ 5,996,035	11.5%
Assessing and Collecting	2,640	4,957,793	-	-	4,960,433	4,867,780	1.9%
Municipal Services	10,565	4,307,968	-	-	4,318,533	4,290,987	0.6%
Capital Projects	-	7,474,736	689,142	-	8,163,878	7,188,113	13.6%
Other (Nonmajor)	7,591	6,650,602	1,820,331	-	8,478,524	7,904,748	7.3%
Total fund balances	<u>\$ 36,661</u>	<u>\$ 24,241,099</u>	<u>\$ 2,509,473</u>	<u>\$ 5,821,369</u>	<u>\$ 32,608,602</u>	<u>\$ 30,247,663</u>	<u>7.8%</u>

General Fund Budgetary Highlights

The final adopted revenue budget of the general fund increased by \$271,792 over the original budget. The two most significant increases in budgeted revenues resulted from a change in charges for services and for intergovernmental revenues. The increase for charges for services was \$136,100, or 50.1 percent of the total revenue budget increase. The increase for intergovernmental revenues was \$92,042, or 33.9 percent of the total increase.

Budgeted expenditures increased by \$1,325,561 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 \$855,150. Within this increase, there was \$610,617 appropriated for additional compensation to Sheriff's Office employees and Support Services employees. An additional \$110,416 was appropriated for rescue and safety equipment.
- Facility improvements at the County Fairgrounds accounted for another \$263,641 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
 AS OF DECEMBER 31, 2015

	<u>Primary Government</u>		
	<u>Governmental</u>		<u>Component</u>
	<u>Activities</u>	<u>Total</u>	<u>Units</u>
ASSETS			
Cash and cash equivalents	\$ 4,544,285	\$ 4,544,285	\$ 6,890,671
Equity in investment pool	27,389,439	27,389,439	591,969
Taxes receivable	3,172,481	3,172,481	-
Accounts receivable, net	77,638	77,638	3,382,420
Interest receivable	3,651	3,651	-
Pledges receivable, net	-	-	662
Due from other governments	2,012,066	2,012,066	1,627
Investments	-	-	620,684
Inventory	-	-	241,610
Other assets, net	36,661	36,661	8,067
Capital assets:			
Land	3,056,634	3,056,634	1,862,945
Construction in process	163,892	163,892	-
Buildings, improvements and equipment	45,931,586	45,931,586	32,647,736
Infrastructure	15,671,026	15,671,026	-
Accumulated depreciation	(29,506,598)	(29,506,598)	(15,139,664)
Net pension asset	73,996	73,996	3,500
Total assets	<u>72,626,757</u>	<u>72,626,757</u>	<u>31,112,227</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	<u>2,797,188</u>	<u>2,797,188</u>	<u>850,810</u>
Total deferred outflows of resources	<u>2,797,188</u>	<u>2,797,188</u>	<u>850,810</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 2,533,647	\$ 2,533,647	\$ 572,256
Due to other governments	816,688	816,688	433,000
Unearned revenue	393,284	393,284	74,442
Long-term liabilities:			
Due within one year	2,341,833	2,341,833	275,000
Due in more than one year	6,630,523	6,630,523	415,000
Net pension liability	6,125,798	6,125,798	1,859,754
Total liabilities	<u>18,841,773</u>	<u>18,841,773</u>	<u>3,629,452</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions	<u>1,220,245</u>	<u>1,220,245</u>	<u>242,207</u>
Total deferred inflows of resources	<u>1,220,245</u>	<u>1,220,245</u>	<u>242,207</u>
NET POSITION			
Net investment in capital assets	28,327,477	28,327,477	19,371,017
Restricted for:			
Air pollution control	256,531	256,531	-
Ambulance services	590,046	590,046	-
Capital projects	-	-	85,432
Election equipment	850,000	850,000	-
Health services	1,122,496	1,122,496	-
Municipal services	2,009,946	2,009,946	-
Parks and recreation	4,988,431	4,988,431	-
Property tax administration	4,957,793	4,957,793	-
Streets and public improvements	9,451,042	9,451,042	-
Other purposes	14,814	14,814	467,518
Unrestricted	<u>2,793,351</u>	<u>2,793,351</u>	<u>8,167,411</u>
Total net position	<u>\$ 55,361,927</u>	<u>\$ 55,361,927</u>	<u>\$ 28,091,378</u>

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

CACHE COUNTY

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Program Revenues				Net (Expenses) Revenues Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units
					Governmental Activities	Total	
Primary government:							
Governmental activities:							
General government	\$ 10,147,306	\$ 1,873,426	\$ 1,220,250	\$ 33,000	\$ (7,020,630)	\$ (7,020,630)	\$ -
Public safety	15,128,491	3,930,697	1,239,012	-	(9,958,782)	(9,958,782)	-
Streets and public improvements	4,915,119	653,249	1,480,964	5,000	(2,775,906)	(2,775,906)	-
Health and welfare	5,011,572	356,046	3,168,991	-	(1,486,535)	(1,486,535)	-
Culture and recreation	3,583,036	390,821	91,871	-	(3,100,344)	(3,100,344)	-
Interest on long-term debt	307,569	-	-	-	(307,569)	(307,569)	-
Total governmental activities	<u>39,093,093</u>	<u>7,204,239</u>	<u>7,201,088</u>	<u>38,000</u>	<u>(24,649,766)</u>	<u>(24,649,766)</u>	<u>-</u>
Total primary government	<u>\$ 39,093,093</u>	<u>\$ 7,204,239</u>	<u>\$ 7,201,088</u>	<u>\$ 38,000</u>	<u>(24,649,766)</u>	<u>(24,649,766)</u>	<u>-</u>
Component Units:							
Airport Authority	\$ 1,046,676	\$ 95,483	\$ 244,855	\$ 183,247	-	-	(523,091)
North Park Interlocal Cooperative	861,909	491,807	349,481	-	-	-	(20,621)
Bear River Health Department	10,288,271	2,656,472	8,381,280	-	-	-	749,481
CCEMS Authority	3,334,407	3,195,012	483,314	-	-	-	343,919
Roads Special Service District	183,000	-	182,786	-	-	-	(214)
Total component units	<u>\$ 15,714,263</u>	<u>\$ 6,438,774</u>	<u>\$ 9,641,716</u>	<u>\$ 183,247</u>	<u>-</u>	<u>-</u>	<u>549,474</u>
General revenues:							
Property taxes					16,044,031	16,044,031	-
Sales and use taxes					12,246,152	12,246,152	-
Interest and investment income					141,589	141,589	54,555
Gain on sale of assets					113,091	113,091	176,044
Miscellaneous income					384,734	384,734	5,155
Total general revenues					<u>28,929,597</u>	<u>28,929,597</u>	<u>235,754</u>
Changes in net position					4,279,831	4,279,831	785,228
Net position - January 1, as restated					<u>51,082,096</u>	<u>51,082,096</u>	<u>27,306,150</u>
Net position - December 31					<u>\$ 55,361,927</u>	<u>\$ 55,361,927</u>	<u>\$ 28,091,378</u>

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

GOVERNMENTAL FUNDS
BALANCE SHEET

	Special Revenue					Nonmajor Governmental Funds	Total Governmental Funds
	General	Assessing and Collecting	Municipal Services	Mental Health	Capital Projects		
ASSETS							
Cash and cash equivalents	\$ 3,156,316	\$ 878,761	\$ 17,191	\$ -	\$ -	\$ 492,017	\$ 4,544,285
Equity in investment pool	4,490,606	4,106,638	3,505,456	330,450	7,484,756	7,471,533	27,389,439
Interfund receivable - investment pool	-	-	126,672	-	-	-	126,672
Taxes receivable	1,540,139	169,000	149,120	-	679,122	635,100	3,172,481
Accounts receivable	63,781	-	13,857	-	-	-	77,638
Interest receivable	3,651	-	-	-	-	-	3,651
Due from other governments	479,436	14,279	605,039	486,238	-	427,074	2,012,066
Other assets	15,865	2,640	10,565	-	-	7,591	36,661
Total assets	<u>\$ 9,749,794</u>	<u>\$ 5,171,318</u>	<u>\$ 4,427,900</u>	<u>\$ 816,688</u>	<u>\$ 8,163,878</u>	<u>\$ 9,033,315</u>	<u>\$ 37,362,893</u>
LIABILITIES							
Interfund payable - investment pool	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,672	\$ 126,672
Accounts payable and accrued liabilities	2,006,276	41,885	109,367	-	-	376,119	2,533,647
Due to other governments	-	-	-	816,688	-	-	816,688
Unearned revenues	393,284	-	-	-	-	-	393,284
Total liabilities	<u>2,399,560</u>	<u>41,885</u>	<u>109,367</u>	<u>816,688</u>	<u>-</u>	<u>502,791</u>	<u>3,870,291</u>
DEFERRED INFLOWS OF RESOURCES							
Delinquent property taxes	\$ 663,000	\$ 169,000	\$ -	\$ -	\$ -	\$ 52,000	\$ 884,000
Total deferred inflows of resources	<u>663,000</u>	<u>169,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,000</u>	<u>884,000</u>
FUND BALANCES							
Nonspendable	15,865	2,640	10,565	-	-	7,591	36,661
Restricted for:							
Air pollution control	-	-	-	-	-	256,531	256,531
Ambulance services	-	-	-	-	-	590,046	590,046
Election equipment	850,000	-	-	-	-	-	850,000
Health services	-	-	-	-	-	1,122,496	1,122,496
Municipal services	-	-	2,009,946	-	-	-	2,009,946
Parks and recreation	-	-	321,716	-	-	4,666,715	4,988,431
Property tax administration	-	4,957,793	-	-	-	-	4,957,793
Streets and public improvements	-	-	1,976,306	-	7,474,736	-	9,451,042
Other purposes	-	-	-	-	-	14,814	14,814
Assigned to:							
Capital projects	-	-	-	-	689,142	-	689,142
Debt service	-	-	-	-	-	1,500,257	1,500,257
Health and welfare	-	-	-	-	-	320,074	320,074
Unassigned	5,821,369	-	-	-	-	-	5,821,369
Total fund balances	<u>6,687,234</u>	<u>4,960,433</u>	<u>4,318,533</u>	<u>-</u>	<u>8,163,878</u>	<u>8,478,524</u>	<u>32,608,602</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,749,794</u>	<u>\$ 5,171,318</u>	<u>\$ 4,427,900</u>	<u>\$ 816,688</u>	<u>\$ 8,163,878</u>	<u>\$ 9,033,315</u>	<u>\$ 37,362,893</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, 2015

Total Fund Balance - Governmental Funds \$ 32,608,602

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	3,056,634	
Construction in process	163,892	
Buildings, improvements and equipment	45,931,586	
Infrastructure	15,671,026	
Accumulated depreciation	<u>(29,506,598)</u>	
		35,316,540

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		884,000
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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	(6,435,000)	
Unamortized bond premiums	(2,933)	
Capital leases	(551,130)	
Compensated absences	<u>(1,983,293)</u>	
		(8,972,356)

The net pension asset, net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions are not reported in the funds.

Net pension asset	73,996	
Deferred outflow of resources - pensions	2,797,188	
Net pension liability	(6,125,798)	
Deferred inflow of resources - pensions	<u>(1,220,245)</u>	
		<u>(4,474,859)</u>

Net Position - Governmental Activities \$ 55,361,927

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

YEAR ENDED DECEMBER 31, 2015

	Special Revenue					Nonmajor Governmental Funds	Total Governmental Funds
	General	Assessing and Collecting	Municipal Services	Mental Health	Capital Projects		
REVENUES							
Taxes:							
Property	\$ 12,148,686	\$ 3,046,090	\$ -	\$ -	\$ -	\$ 977,255	\$ 16,172,031
Sales and use	<u>4,669,306</u>	<u>-</u>	<u>812,844</u>	<u>-</u>	<u>3,465,991</u>	<u>3,298,011</u>	<u>12,246,152</u>
	16,817,992	3,046,090	812,844	-	3,465,991	4,275,266	28,418,183
Other revenues:							
Intergovernmental	548,309	-	2,187,394	2,848,387	-	1,558,109	7,142,199
Charges for services	4,674,605	433,237	1,034,496	-	-	392,426	6,534,764
Licenses and permits	27,980	-	531,174	-	-	-	559,154
Fines and forfeitures	110,321	-	-	-	-	-	110,321
Interest and investment income	131,604	-	9,985	-	-	-	141,589
Rental income	200,651	-	-	-	-	-	200,651
Public contributions	62,988	-	-	-	-	33,901	96,889
Miscellaneous revenues	<u>201,071</u>	<u>1,434</u>	<u>303,468</u>	<u>-</u>	<u>-</u>	<u>48,776</u>	<u>554,749</u>
Total revenues	<u>22,775,521</u>	<u>3,480,761</u>	<u>4,879,361</u>	<u>2,848,387</u>	<u>3,465,991</u>	<u>6,308,478</u>	<u>43,758,499</u>
EXPENDITURES							
General government	5,762,847	3,388,108	841,556	-	-	232,429	10,224,940
Public safety	13,608,965	-	648,931	-	-	799,909	15,057,805
Streets and public improvements	-	-	3,786,354	-	2,305,854	-	6,092,208
Health and welfare	404,015	-	-	2,848,387	-	1,740,346	4,992,748
Culture and recreation	939,321	-	22,057	-	-	2,766,833	3,728,211
Debt service principal	-	-	-	-	-	994,079	994,079
Debt service interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>307,569</u>	<u>307,569</u>
Total expenditures	<u>20,715,148</u>	<u>3,388,108</u>	<u>5,298,898</u>	<u>2,848,387</u>	<u>2,305,854</u>	<u>6,841,165</u>	<u>41,397,560</u>
Revenues over (under) expenditures	2,060,373	92,653	(419,537)	-	1,160,137	(532,687)	2,360,939
OTHER FINANCING SOURCES (USES)							
Transfers in	621,366	-	925,648	-	58,565	1,478,505	3,084,084
Transfers out	<u>(1,990,540)</u>	<u>-</u>	<u>(478,565)</u>	<u>-</u>	<u>(242,937)</u>	<u>(372,042)</u>	<u>(3,084,084)</u>
Total other financing sources (uses)	<u>(1,369,174)</u>	<u>-</u>	<u>447,083</u>	<u>-</u>	<u>(184,372)</u>	<u>1,106,463</u>	<u>-</u>
Net change in fund balances	691,199	92,653	27,546	-	975,765	573,776	2,360,939
Fund balances - January 1	<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>
Fund balances - December 31	<u>\$ 6,687,234</u>	<u>\$ 4,960,433</u>	<u>\$ 4,318,533</u>	<u>\$ -</u>	<u>\$ 8,163,878</u>	<u>\$ 8,478,524</u>	<u>\$ 32,608,602</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**

CACHE COUNTY

TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

Net Changes in Fund Balances - Total Governmental Funds \$ 2,360,939

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

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

Capital outlay	2,907,846	
Depreciation expense	<u>(2,392,817)</u>	515,029

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. Assets differ from changes in fund balance by the book value of assets. (257,575)

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	780,000	
Payments of capital lease principal	<u>214,079</u>	994,079

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. (128,000)

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>(94,478)</u>	(94,059)

The net effect of transactions involving net pension asset and liability, deferred outflows and inflows of resources related to pension, nonemployer contributions, and pension expense and benefit is to increase net position.

Change in net pension asset	61,661	
Change in deferred outflow of resources related to pensions	333,542	
Change in net pension liability	1,714,460	
Change in deferred inflow of resources related to pensions	<u>(1,220,245)</u>	<u>889,418</u>

Change in Net Position of Governmental Activities \$ 4,279,831

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

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 20,832,955
Equity in investment pool	310,973
Taxes receivable	<u>1,322,763</u>
Total assets	<u>\$ 22,466,691</u>
LIABILITIES	
Due to other taxing units	\$ 21,397,269
Due to employees	10,676
Refunds payable	747,773
Other payables	<u>310,973</u>
Total liabilities	<u>\$ 22,466,691</u>

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

	Airport Authority	North Park Interlocal Cooperative	Bear River Health Department	CCEMS Authority	Roads Special Service District	Total
ASSETS						
Cash and cash equivalents	\$ -	\$ 346,447	\$ 4,801,076	\$ 1,449,825	\$ 293,323	\$ 6,890,671
Equity in investment pool	591,969	-	-	-	-	591,969
Accounts receivable, net	10,152	4,071	2,345,775	1,022,422	-	3,382,420
Pledges receivable, net	-	662	-	-	-	662
Due from other governments	1,627	-	-	-	-	1,627
Investments	-	620,684	-	-	-	620,684
Inventory	-	5,400	236,210	-	-	241,610
Other assets	150	7,917	-	-	-	8,067
Capital assets:						
Land	1,289,262	-	573,683	-	-	1,862,945
Buildings, improvements and equipment	16,188,348	4,948,876	9,895,891	1,614,621	-	32,647,736
Accumulated depreciation	(7,308,998)	(1,748,690)	(4,888,529)	(1,193,447)	-	(15,139,664)
Net pension asset	-	-	3,500	-	-	3,500
Total assets	<u>10,772,510</u>	<u>4,185,367</u>	<u>12,967,606</u>	<u>2,893,421</u>	<u>293,323</u>	<u>31,112,227</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	<u>11,692</u>	<u>-</u>	<u>839,118</u>	<u>-</u>	<u>-</u>	<u>850,810</u>
Total deferred outflows of resources	<u>11,692</u>	<u>-</u>	<u>839,118</u>	<u>-</u>	<u>-</u>	<u>850,810</u>
LIABILITIES						
Accounts payable and accrued liabilities	7,091	25,888	498,673	40,604	-	572,256
Due to other governments	-	-	-	250,000	183,000	433,000
Unearned revenue	74,442	-	-	-	-	74,442
Noncurrent liabilities:						
Due within one year	-	-	275,000	-	-	275,000
Due in more than one year	-	-	415,000	-	-	415,000
Net pension liability	<u>28,962</u>	<u>-</u>	<u>1,830,792</u>	<u>-</u>	<u>-</u>	<u>1,859,754</u>
Total liabilities	<u>110,495</u>	<u>25,888</u>	<u>3,019,465</u>	<u>290,604</u>	<u>183,000</u>	<u>3,629,452</u>
DEFERRED INFLOWS OF RESOURCES						
Pensions	<u>3,674</u>	<u>-</u>	<u>238,533</u>	<u>-</u>	<u>-</u>	<u>242,207</u>
Total deferred inflows of resources	<u>3,674</u>	<u>-</u>	<u>238,533</u>	<u>-</u>	<u>-</u>	<u>242,207</u>
NET POSITION						
Net investment in capital assets	10,168,612	3,200,186	5,581,045	421,174	-	19,371,017
Restricted for:						
Capital projects	-	85,432	-	-	-	85,432
Debt service	-	-	-	-	-	-
Other purposes	-	467,518	-	-	-	467,518
Unrestricted	<u>501,421</u>	<u>406,343</u>	<u>4,967,681</u>	<u>2,181,643</u>	<u>110,323</u>	<u>8,167,411</u>
Total net position	<u>\$ 10,670,033</u>	<u>\$ 4,159,479</u>	<u>\$ 10,548,726</u>	<u>\$ 2,602,817</u>	<u>\$ 110,323</u>	<u>\$ 28,091,378</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	\$ 1,046,676	\$ 861,909	\$ 10,288,271	\$ 3,334,407	\$ 183,000	\$ 15,714,263
Program revenues						
Charges for services	95,483	491,807	2,656,472	3,195,012	-	6,438,774
Operating grants and contributions	244,855	349,481	8,381,280	483,314	182,786	9,641,716
Capital grants and contributions	183,247	-	-	-	-	183,247
Total program revenues	<u>523,585</u>	<u>841,288</u>	<u>11,037,752</u>	<u>3,678,326</u>	<u>182,786</u>	<u>16,263,737</u>
Net revenues (expenses)	<u>(523,091)</u>	<u>(20,621)</u>	<u>749,481</u>	<u>343,919</u>	<u>(214)</u>	<u>549,474</u>
General revenues						
Interest income	-	18,808	20,874	13,582	1,291	54,555
Gain on sale of assets	173,683	-	2,361	-	-	176,044
Miscellaneous income	-	-	5,155	-	-	5,155
Total general revenues	<u>173,683</u>	<u>18,808</u>	<u>28,390</u>	<u>13,582</u>	<u>1,291</u>	<u>235,754</u>
Change in net assets	(349,408)	(1,813)	777,871	357,501	1,077	785,228
Net position - beginning, as restated	<u>11,019,441</u>	<u>4,161,292</u>	<u>9,770,855</u>	<u>2,245,316</u>	<u>109,246</u>	<u>27,306,150</u>
Net position - ending	<u>\$ 10,670,033</u>	<u>\$ 4,159,479</u>	<u>\$ 10,548,726</u>	<u>\$ 2,602,817</u>	<u>\$ 110,323</u>	<u>\$ 28,091,378</u>

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

**NOTES TO THE
FINANCIAL STATEMENTS**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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

YEAR ENDED DECEMBER 31, 2015

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 residents of 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 Agreement

Cache County has fiduciary responsibilities for the following interlocal agreement and the 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.

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 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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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 the acquisition or construction of major capital facilities or other capital assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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, Deferred Outflows, Liabilities, Deferred Inflows, 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, 2015, all receivables of the County were considered to be fully collectible and no allowance was established. BRHD has estimated that \$255,000 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 \$438,000 of its accounts receivable were uncollectable. These uncollectable receivables result from ambulance services.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 of each year. Taxes are levied on property owners in July and are payable by November 30. The County bills and collects property taxes for all taxing entities within the County through the Treasurer's Tax Fund (Agency Fund). Collections are periodically

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

distributed to the taxing entities, with final settlement due March 31 of the subsequent year. At the fund level, the County records a receivable and deferred inflow of resources 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, construction in process, 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 one item which qualifies for reporting in this category related to pensions.

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 two types of items, which qualify for reporting in this category. 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. The other item is related to pensions.

Pension Related Assets, Liabilities and Deferred Outflows/Inflows of Resources

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

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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.

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 – CHANGE IN ACCOUNTING PRINCIPLE

During 2015, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No.71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which require governmental entities to record their share of any unfunded liability associated with participation in a defined benefit plan and to record deferred outflows related to contributions made subsequent to the measurement date. The initial effect of the change on

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

the County's governmental activities was an increase in the net pension liability of \$7,840,258, an increase in net pension asset of \$12,335, an increase in deferred outflows of resources related to pensions of \$2,463,646, and a decrease in net position of \$5,364,277. The initial effect of the change on the County's Airport Authority and BRHD was an increase in net pension liability of \$31,872 and \$2,275,997, respectively, an increase in deferred outflows of resources related to pensions of \$10,483 and \$710,327, respectively, and a decrease in net position of \$21,389 and \$1,565,670, respectively. At December 31, 2015, governmental activities net pension liability is \$6,125,798, net pension asset is \$73,996 and the Airport Authority and BRHD component units' net pension liability is \$28,962 and \$1,830,792, respectively, and the net pension asset is \$0 and \$3,500, respectively. At December 31, 2015, governmental activities deferred outflows of resources related to pensions is \$2,797,188 and the Airport Authority and BRHD component units' deferred outflows of resources related to pensions is \$11,692 and \$839,118, respectively. At December 31, 2015, governmental activities deferred inflows of resources related to pensions is \$1,220,245 and the Airport Authority and BRHD component units' deferred inflows of resources related to pensions is \$3,674 and \$238,533, respectively. For the year ended December 31, 2015, the effect of the change is a decrease in governmental activities expense of \$889,418 and a decrease in operating expense of the Airport Authority and BRHD of \$445 and \$338,963, respectively.

NOTE 3 – DEPOSITS AND INVESTMENTS

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

The County follows the requirements of the Utah Money Management Act (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. The Money Management Act (Act) requires the depositing of funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

A. Deposits*Custodial Credit Risk*

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned. The County does not have a formal policy relating to custodial credit risk. As of December 31, 2015, \$21,622,539 of the County's bank balances of \$22,122,539 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, 2015 are as follows:

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

Investment Type	Fair Value	Investment Maturities (in years)			
		Under 1	1 to 5	6 to 10	Over 10
PTIF Investments - Govt Funds	\$ 8,732,384	\$ 8,732,384	\$ -	\$ -	\$ -
Corporate Bonds - Govt Funds	735,136	735,136	-	-	-
U.S. Agencies - Govt Funds	844,250	-	844,250	-	-
PTIF Investments - Agency Funds	20,821,435	20,821,435	-	-	-
Total investments	\$ 31,133,205	\$ 30,288,955	\$ 844,250	\$ -	\$ -

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, 2015 are presented on the following page:

Investment Type	Fair Value	Quality Ratings			
		AAA	A	A-	Unrated
PTIF Investments - Govt Funds	\$ 8,732,384	\$ -	\$ -	\$ -	\$ 8,732,384
Corporate Bonds - Govt Funds	735,136	-	684,667	50,469	-
U.S. Agencies - Govt Funds	844,250	844,250	-	-	-
PTIF Investments - Agency Funds	20,821,435	-	-	-	20,821,435
Total investments	\$ 31,133,205	\$ 844,250	\$ 684,667	\$ 50,469	\$ 29,553,819

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, 2015, 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

\$250,444, or 0.8 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, 2015, 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 \$1,579,386 is

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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, 2015, \$3,381,471 of the bank balances of \$4,497,534 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, 2015, the BRHD 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 \$551,757, fair value of \$620,684 and unrealized appreciation of \$68,927.

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At December 31, 2015, there were interfund balances of the investment pool between special revenue funds. The Municipal Services fund had a receivable of \$126,672. That amount was payable by the Children's Justice Center fund and CDRA 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:	
CDRA fund	\$52,806
Children's Justice Center fund	\$73,866
Total due	\$ 126,672

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 Restaurant Tax and RAPZ Tax funds were to fund recreational improvements. Transfers out from the General and Capital Projects funds were to finance road projects in the Municipal Service fund. Other transfers were to fund the normal operations of individual funds.

	Transfers out reported in:						Total Transfers In
	General	Municipal Services	Capital Projects	CDRA	Restaurant Tax	RAPZ Tax	
Transfers in reported in:							
Major Funds:							
General Fund	\$ -	\$ 450,000	\$ -	\$ 48,514	\$ -	\$ 122,852	\$ 621,366
Municipal Services Fund	612,035	-	242,937	-	-	70,676	925,648
Capital Projects Fund	-	28,565	-	-	-	30,000	58,565
Nonmajor Funds:							
Visitor's Bureau Fund	-	-	-	-	100,000	-	100,000
Council on Aging Fund	195,000	-	-	-	-	-	195,000
Debt Service Fund	1,183,505	-	-	-	-	-	1,183,505
Total transfers out	\$ 1,990,540	\$ 478,565	\$ 242,937	\$ 48,514	\$ 100,000	\$ 223,528	\$ 3,084,084

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

NOTE 5 – CAPITAL ASSETS

Primary Government

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

	Balance 1/1/2015	Additions	Reductions	Balance 12/31/2015
Capital assets, nondepreciable				
Land	\$ 3,130,437	\$ 44,240	\$ (118,043)	\$ 3,056,634
Construction in process	-	163,892	-	163,892
Totals	3,130,437	208,132	(118,043)	3,220,526
Capital assets, depreciable				
Buildings	22,876,425	224,420	-	23,100,845
Improvements	2,144,982	35,136	-	2,180,118
Equipment	19,359,393	2,440,158	(1,148,928)	20,650,623
Infrastructure	15,671,026	-	-	15,671,026
Totals	60,051,826	2,699,714	(1,148,928)	61,602,612
Accumulated depreciation				
Buildings	(6,592,925)	(569,758)	-	(7,162,683)
Improvements	(934,780)	(85,080)	-	(1,019,860)
Equipment	(14,560,889)	(1,192,915)	1,009,396	(14,744,408)
Infrastructure	(6,034,583)	(545,064)	-	(6,579,647)
Totals	(28,123,177)	(2,392,817)	1,009,396	(29,506,598)
Total capital assets, net	\$ 35,059,086	\$ 515,029	\$ (257,575)	\$ 35,316,540

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

Function	Amount
General government	\$ 438,648
Public safety	1,017,507
Streets and public improvements	798,860
Health and welfare	42,352
Culture and recreation	95,450
Total depreciation expense	\$ 2,392,817

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

Component Units

Changes in capital assets of component units were as follows:

	Balance 1/1/2015	Additions	Deletions	Balance 12/31/2015
Land	\$ 1,996,084	\$ -	\$ (133,139)	\$ 1,862,945
Buildings and improvements	27,922,741	51,946	-	27,974,687
Equipment and machinery	4,460,246	315,251	(102,448)	4,673,049
Accumulated depreciation	(13,682,982)	(1,559,130)	102,448	(15,139,664)
Capital assets, net	\$ 20,696,089	\$ (1,191,933)	\$ (133,139)	\$ 19,371,017

NOTE 6 – LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2015, was as follows:

	Balance 1/1/15	Additions	Reductions	Balance 12/31/15	Due Within One Year
Primary Government					
Sales tax revenue bonds	\$ 7,215,000	\$ -	\$ (780,000)	\$ 6,435,000	\$ 815,000
Bond Premium	3,352	-	(419)	2,933	-
Total bonds payable	7,218,352	-	(780,419)	6,437,933	815,000
Capital leases	765,209	-	(214,079)	551,130	217,833
Compensated absences	1,888,815	1,341,336	(1,246,858)	1,983,293	1,309,000
Total long-term liabilities	\$ 9,872,376	\$ 1,341,336	\$ (2,241,356)	\$ 8,972,356	\$ 2,341,833
Component Units					
Compensated absences	\$ 628,500	\$ 357,624	\$ (296,124)	\$ 690,000	\$ 275,000

B. Sales Tax Revenue Bonds

Primary Government

Sales tax revenue bonds payable at December 31, 2015, 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	6,435,000
Add unamortized premium					2,933
Total sales tax revenue bonds payable					\$ 6,437,933

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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
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	990,000	81,810	1,071,810
2022	1,030,000	41,715	1,071,715
Total	\$ 6,435,000	\$ 1,076,175	\$ 7,511,175

C. Capital Leases

Primary Government

The County entered into 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 into 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 \$74,856. Amortization expense for fiscal year 2015 was \$28,640.

Year	Debt Service Requirements to Maturity					
	Fire Trucks		Land Purchase		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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	\$ 222,337	\$ 5,451	\$ 328,793	\$ 12,439	\$ 551,130	\$ 17,890

NOTE 7 – PENSION PLANS

A. Defined Benefit Plans

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pensions (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560

East 200 South, Salt Lake City, Utah, 84102 or visiting the website: www.urs.org.

Eligible plan participants are provided with pensions through the Systems. The Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System); Public Employees Contributory Retirement System (Contributory System); Firefighters Retirement System (Firefighters System); are multiple employer, cost sharing, public employees, retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employee System); and

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

• The Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighter System) are multiple employer, cost sharing, public employees, retirement systems.

July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are member of the Tier 2 Retirement System.

The Tier 2 Public Employees Systems became effective July 1, 2011. All eligible employees beginning on or after

The System provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or are Eligible for Benefit	Benefit Percentage per Year of Service	COLA**
Noncontributory System	Highest 3 Years	30 years any age 25 years any age* 20 years age 60 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 Years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Firefighter System	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* with actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

As a condition of participation in the System, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

Contribution rates are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System			
11 - Local Governmental Division Tier 1	N/A	6.000%	14.460%
111 - Local Governmental Division Tier 2	N/A	N/A	14.910%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	N/A	18.470%
Public Safety Retirement System			
43 - Other Division A Noncontributory Tier 1	N/A	N/A	34.040%
122 - Other division A Contributory Tier 2	N/A	N/A	22.500%
Firefighter System			
31 - Division A Tier 1	N/A	15.050%	3.990%
132 - Division B Tier 2	N/A	N/A	10.750%

B. Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension.

Governmental Activities:

At December 31, 2014, the most current year information was available, the County reported for the primary government a net pension asset of \$73,996 and a net pension liability of \$6,125,798.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.5416136%	\$ -	\$ 2,351,813
Contributory System	0.1861052%	-	53,681
Public Safety Retirement System	2.9582971%	-	3,720,304
Firefighter System	0.7023555%	40,079	-
Tier 2 Public Employees System	0.0995314%	3,016	-
Tier 2 Public Safety and Firefighter System	2.0888465%	30,901	-
Total Net Pension Asset / Liability		\$ 73,996	\$ 6,125,798

Component Units:

At December 31, 2014, the most current year information was available, the County reported for component units a net pension asset of \$3,500 and a net pension liability of \$1,859,754, of which \$28,962 (liability) is related to the Airport Authority and \$3,500 (asset) and \$1,830,792 (liability) is related to the BRHD.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Airport Authority - Noncontributory System	0.0066698%	\$ -	\$ 28,962
BRHD - Noncontributory System	0.4216243%	-	1,830,792
BRHD - Tier 2 Public Employees System	0.0995314%	3,500	-
Total Net Pension Asset / Liability		\$ 3,500	\$ 1,859,754

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial calculation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

Governmental Activities:

For the year ended December 31, 2014, the most current year information was available, the County recognized for the primary government pension expense of \$1,779,470. At December 31, 2014, the County reported for the primary government deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,008	\$ 460,043
Changes in assumptions	-	760,202
Net difference between projected and actual earnings on pension plan investments	149,539	-
Contributions subsequent to the measurement date	2,646,641	-
Total	\$ 2,797,188	\$ 1,220,245

Deferred outflows of resources related to pensions resulting from County contributions of \$2,646,641, made subsequent to the measurement date will be recognized as a reduction on the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2015	\$ (305,197)
2016	(298,652)
2017	(295,978)
2018	(151,723)
2019	(5,200)
Thereafter	<u>(12,948)</u>
	\$ (1,069,698)

Component Units:

For the year ended December 31, 2014, the most current year information was available, the County recognized for the Airport Authority and BRHD component units pension expense of \$6,527 and \$457,129, respectively. At December 31, 2014, the County reported for the Airport Authority and BRHD component units deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

	Airport Deferred Outflows of Resources	Airport Deferred Inflows of Resources	BRHD Deferred Outflows of Resources	BRHD Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 858	\$ -	\$ 59,041
Changes in assumptions	-	2,816	-	179,492
Net difference between projected and actual earnings on pension plan investments	649	-	41,651	-
Contributions subsequent to the measurement date	11,043	-	797,467	-
Total	\$ 11,692	\$ 3,674	\$ 839,118	\$ 238,533

Deferred outflows of resources related to pensions resulting from Airport Authority and BRHD contributions of \$11,043 and \$797,467, respectively, made subsequent to the measurement date will be recognized as a reduction in the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Airport Net Deferred Outflows (Inflows) of Resources	BRHD Net Deferred Outflows (Inflows) of Resources
2015	\$ (863)	\$ (48,850)
2016	(845)	(48,850)
2017	(837)	(48,850)
2018	(429)	(46,504)
2019	(15)	(612)
Thereafter	(36)	(3,214)
	\$ (3,025)	\$ (196,880)

Actuarial Assumptions

The total liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary increase	3.50 - 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member’s gender, occupation, and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

Retired Member Mortality	
Class of Member	
Educators	
Men	EDUM (90%)
Women	EDUF (100%)
Public Safety and Firefighters	
Men	RP 2000mWC (100%)
Women	EDUF (120%)
Local Government, Public Employees	
Men	RP 2000mWC (100%)
Women	EDUF (120%)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage.

EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage.

RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage.

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are

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

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
Inflation			2.75%
Expected arithmetic nominal return			7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount Rate:

The discount rate used to measure the total pension liability for all plans was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage –point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

Governmental Activities:

Proportionate Share of Net Pension Liability/(Asset)	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Noncontributory System	\$ 5,642,919	\$ 2,351,813	\$ (390,363)
Contributory System	152,592	53,681	(29,273)
Public Safety Retirement System	9,437,517	3,720,304	(929,432)
Firefighter System	136,074	(40,079)	(182,903)
Tier 2 Public Employees System	22,182	(3,016)	(22,017)
Tier 2 Public Safety and Firefighter System	13,212	(30,901)	(64,648)
Total Net Pension Liability/(Asset)	\$ 15,404,496	\$ 6,051,802	\$ (1,618,636)

Component Units:

Proportionate Share of Net Pension Liability/(Asset)	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Airport Authority - Noncontributory System	\$ 69,491	\$ 28,962	\$ (4,807)
BRHD - Noncontributory System	4,392,786	1,830,792	(303,882)
BRHD - Tier 2 Public Employees System	25,741	(3,500)	(25,549)
Total Net Pension Liability/(Asset)	\$ 4,488,018	\$ 1,856,254	\$ (334,238)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan’s fiduciary net position is available in the separate issued URS financial report.

C. Defined Contribution Plans

Governmental Activities:

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 in 2015 were as follows:

	Employee Paid Contributions	Employer Paid Contributions
401(k) Plan	\$ 385,417	\$ 155,792
457 Plan	15,208	-
Roth IRA Plan	52,277	-
Traditional IRA Plan	605	-
HRA Plan	-	-
Total	\$ 453,507	\$ 155,792

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) Plan.

Component Units:

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 to the plans in 2015 were as follows:

	Employee Paid Contributions	Employer Paid Contributions
401(k) Plan	\$ 248,562	\$ 248,784
457 Plan	16,448	-
Roth IRA Plan	20,993	-
Traditional IRA Plan	-	-
HRA Plan	-	-
Total	\$ 286,003	\$ 248,784

NOTE 8 – 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, 2015, 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 9 – 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, 2015, there were \$958,235 in Restaurant Tax funds and \$530,549 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 \$371,412 to BCIA for facility improvements over the next four years.

NOTE 10 – 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 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 \$803,802. The County also contributed to the substance abuse program and air pollution contract in the amount of \$326,115.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

totaling \$611,796. The County also received a contribution from CCEMS of \$250,000 for the new ambulance building being constructed.

RSSD – The County’s Municipal Services fund performed road construction and maintenance services for *RSSD*, for which *RSSD* paid a total of \$183,000.

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 \$1,876,000.

REQUIRED SUPPLEMENTARY INFORMATION

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2015

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Property	\$11,421,833	\$ 11,399,826	\$ 12,148,686	\$ 748,860
Sales and use	<u>4,550,290</u>	<u>4,550,290</u>	<u>4,669,306</u>	<u>119,016</u>
	15,972,123	15,950,116	16,817,992	867,876
Other revenues:				
Intergovernmental revenues	573,719	665,761	548,309	(117,452)
Charges for services	4,437,810	4,573,910	4,674,605	100,695
Licenses and permits	22,000	22,000	27,980	5,980
Fines and forfeitures	126,000	126,000	110,321	(15,679)
Interest and investment income	230,000	230,000	131,604	(98,396)
Rental income	212,150	212,150	200,651	(11,499)
Public contributions	60,000	60,000	62,988	2,988
Miscellaneous revenues	<u>88,000</u>	<u>153,657</u>	<u>201,071</u>	<u>47,414</u>
Total revenues	<u>21,721,802</u>	<u>21,993,594</u>	<u>22,775,521</u>	<u>781,927</u>
EXPENDITURES				
General government:				
Council	114,579	116,899	115,241	1,658
Water development	293,635	420,919	305,159	115,760
Public legal assistance	387,766	402,766	414,550	(11,784)
Executive	120,540	154,520	140,833	13,687
Finance	306,172	378,376	344,918	33,458
Human resources	185,133	199,479	194,338	5,141
Geographic information systems	76,944	96,994	85,690	11,304
Information technology	214,290	206,974	127,491	79,483
Auditor	-	34,278	31,608	2,670
Clerk	222,291	178,809	175,212	3,597
Recorder	164,654	190,109	166,051	24,058
Attorney	1,236,835	1,275,094	1,209,645	65,449
Victim services	308,194	308,194	315,838	(7,644)
Elections	150,758	160,199	146,341	13,858
Economic development	35,000	35,000	35,000	-
USU Ag extension services	151,190	151,190	145,985	5,205
Agricultural promotion	57,480	62,230	48,908	13,322
Miscellaneous and general	872,209	664,140	637,768	26,372
Contributions to other units	<u>555,000</u>	<u>506,070</u>	<u>1,122,271</u>	<u>(616,201)</u>
	5,452,670	5,542,240	5,762,847	(220,607)

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2015

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public safety:				
Sheriff patrol	3,520,107	3,889,209	3,705,529	183,680
Support services	1,754,328	1,945,766	1,866,917	78,849
Search and rescue	65,800	177,416	284,290	(106,874)
Mounted posse	26,600	26,600	21,140	5,460
Fire safety	513,760	619,554	481,956	137,598
County jail	7,394,671	7,464,480	6,964,840	499,640
Animal control	84,725	94,206	93,462	744
Emergency management	<u>236,492</u>	<u>234,402</u>	<u>190,831</u>	<u>43,571</u>
	13,596,483	14,451,633	13,608,965	842,668
Health and welfare:				
Mental health services	292,627	339,015	339,015	-
Welfare services	<u>67,850</u>	<u>67,850</u>	<u>65,000</u>	<u>2,850</u>
	360,477	406,865	404,015	2,850
Culture and recreation:				
Fairgrounds	381,292	691,915	533,526	158,389
TV translator station	14,000	30,000	12,457	17,543
Library services	141,802	147,632	136,768	10,864
Fair and rodeo	250,826	252,826	237,739	15,087
Demolition derbies	<u>14,800</u>	<u>14,800</u>	<u>18,831</u>	<u>(4,031)</u>
	802,720	1,137,173	939,321	197,852
Total expenditures	<u>20,212,350</u>	<u>21,537,911</u>	<u>20,715,148</u>	<u>822,763</u>
Revenues over expenditures	<u>1,509,452</u>	<u>455,683</u>	<u>2,060,373</u>	<u>1,604,690</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Municipal services fund	450,000	450,000	450,000	-
CDRA fund	48,514	48,514	48,514	-
RAPZ tax fund	<u>-</u>	<u>122,852</u>	<u>122,852</u>	<u>-</u>
Total transfers in	498,514	621,366	621,366	-
Transfers out:				
Municipal services fund	(612,035)	(612,035)	(612,035)	-
CDRA fund	(52,187)	-	-	-
Council on aging fund	(195,000)	(195,000)	(195,000)	-
Debt service fund	<u>(1,183,505)</u>	<u>(1,183,505)</u>	<u>(1,183,505)</u>	<u>-</u>
Total transfers out	<u>(2,042,727)</u>	<u>(1,990,540)</u>	<u>(1,990,540)</u>	<u>-</u>
Total other financing uses	<u>(1,544,213)</u>	<u>(1,369,174)</u>	<u>(1,369,174)</u>	<u>-</u>
Net change in fund balances	(34,761)	(913,491)	691,199	1,604,690
Fund balances - January 1	<u>5,996,035</u>	<u>5,996,035</u>	<u>5,996,035</u>	<u>-</u>
Fund balances - December 31	<u>\$ 5,961,274</u>	<u>\$ 5,082,544</u>	<u>\$ 6,687,234</u>	<u>\$ 1,604,690</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
ASSESSING AND COLLECTING FUND
YEAR ENDED DECEMBER 31, 2015

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 2,866,792	\$ 2,866,792	\$ 3,046,090	\$ 179,298
Other revenues:				
Charges for services	390,000	390,000	433,237	43,237
Miscellaneous revenues	<u>3,500</u>	<u>3,500</u>	<u>1,434</u>	<u>(2,066)</u>
Total revenues	<u>3,260,292</u>	<u>3,260,292</u>	<u>3,480,761</u>	<u>220,469</u>
EXPENDITURES				
General government:				
Council	12,731	12,731	12,805	(74)
Executive	51,660	52,080	60,358	(8,278)
Finance	150,801	47,017	38,324	8,693
Human resources	32,670	34,521	34,283	238
Geographic information systems	179,535	200,535	199,943	592
Information technology	842,127	854,477	722,447	132,030
Auditor	-	121,532	112,066	9,466
Treasurer	278,849	287,049	261,894	25,155
Recorder	109,770	109,770	110,701	(931)
Attorney	122,324	122,324	119,461	2,863
Assessor	1,667,788	1,799,363	1,508,144	291,219
Miscellaneous and general	125,544	129,351	114,728	14,623
Contributions to other units	<u>-</u>	<u>-</u>	<u>92,954</u>	<u>(92,954)</u>
Total expenditures	<u>3,573,799</u>	<u>3,770,750</u>	<u>3,388,108</u>	<u>382,642</u>
Revenues over (under) expenditures	<u>(313,507)</u>	<u>(510,458)</u>	<u>92,653</u>	<u>603,111</u>
Net change in fund balances	(313,507)	(510,458)	92,653	603,111
Fund balances - January 1	<u>4,867,780</u>	<u>4,867,780</u>	<u>4,867,780</u>	<u>-</u>
Fund balances - December 31	<u>\$ 4,554,273</u>	<u>\$ 4,357,322</u>	<u>\$ 4,960,433</u>	<u>\$ 603,111</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL SERVICES FUND
YEAR ENDED DECEMBER 31, 2015

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Sales and use	\$ 785,815	\$ 785,815	\$ 812,844	\$ 27,029
Other revenues:				
Intergovernmental	2,057,433	2,145,433	2,187,394	41,961
Charges for services	305,500	859,500	1,034,496	174,996
Licenses and permits	329,000	329,000	531,174	202,174
Interest income	14,000	14,000	9,985	(4,015)
Miscellaneous revenues	<u>1,000</u>	<u>243,450</u>	<u>303,468</u>	<u>60,018</u>
Total revenues	<u>3,492,748</u>	<u>4,377,198</u>	<u>4,879,361</u>	<u>502,163</u>
EXPENDITURES				
General government:				
Zoning administration	380,703	442,297	369,677	72,620
Building inspection	379,106	435,406	422,734	12,672
Sanitation and waste collection	40,000	40,000	29,157	10,843
Miscellaneous expenditures	<u>49,351</u>	<u>30,551</u>	<u>19,988</u>	<u>10,563</u>
	849,160	948,254	841,556	106,698
Public safety:				
Sheriff patrol	391,123	391,123	412,005	(20,882)
Fire safety	176,050	177,050	205,771	(28,721)
Animal control	<u>28,242</u>	<u>42,242</u>	<u>31,155</u>	<u>11,087</u>
	595,415	610,415	648,931	(38,516)
Streets and public improvements:				
Road projects	2,203,469	3,677,636	3,410,775	266,861
Weed eradication	262,958	318,858	313,699	5,159
Storm water management	<u>75,729</u>	<u>112,441</u>	<u>61,880</u>	<u>50,561</u>
	2,542,156	4,108,935	3,786,354	322,581
Culture and recreation:				
Parks and trails	5,000	230,676	9,674	221,002
Eccles Ice Center support	<u>15,200</u>	<u>15,200</u>	<u>12,383</u>	<u>2,817</u>
	<u>20,200</u>	<u>245,876</u>	<u>22,057</u>	<u>223,819</u>
Total expenditures	<u>4,006,931</u>	<u>5,913,480</u>	<u>5,298,898</u>	<u>614,582</u>
Revenues under expenditures	<u>(514,183)</u>	<u>(1,536,282)</u>	<u>(419,537)</u>	<u>1,116,745</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL SERVICES FUND
YEAR ENDED DECEMBER 31, 2015

	<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	612,035	612,035	-
RAPZ tax fund	-	70,676	70,676	-
Capital projects fund	-	242,937	242,937	-
Total transfers in	612,035	925,648	925,648	-
Transfers out:				
General fund	(450,000)	(450,000)	(450,000)	-
Capital projects fund	-	(28,565)	(28,565)	-
Total transfers out	(450,000)	(478,565)	(478,565)	-
Total other financing sources	162,035	447,083	447,083	-
Net change in fund balances	(352,148)	(1,089,199)	27,546	1,116,745
Fund balances - January 1	4,290,987	4,290,987	4,290,987	-
Fund balances - December 31	<u>\$ 3,938,839</u>	<u>\$ 3,201,788</u>	<u>\$ 4,318,533</u>	<u>\$ 1,116,745</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
MENTAL HEALTH FUND
YEAR ENDED DECEMBER 31, 2015

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Other revenues:				
Intergovernmental	\$ 3,132,833	\$ 3,132,833	\$ 2,848,387	\$ (284,446)
Total revenues	<u>3,132,833</u>	<u>3,132,833</u>	<u>2,848,387</u>	<u>(284,446)</u>
EXPENDITURES				
Health and welfare:				
Mental health services	<u>3,132,833</u>	<u>3,132,833</u>	<u>2,848,387</u>	<u>284,446</u>
Total expenditures	<u>3,132,833</u>	<u>3,132,833</u>	<u>2,848,387</u>	<u>284,446</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>

CACHE COUNTY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PRIMARY GOVERNMENT
DECEMBER 31, 2014

	<u>Non- Contributory System</u>	<u>Contributory System</u>	<u>Public Safety system</u>	<u>Firefighters System</u>	<u>Tier 2 Public Employees System</u>	<u>Tier 2 Public Safety and Firefighter</u>
Proportion of the net pension liability (asset)	0.5416136%	0.1861052%	2.9582971%	0.7023555%	0.0995314%	2.0888465%
Proportionate share of the net pension liability (asset)	\$ 2,351,813	53,681	3,720,304	(40,079)	(3,016)	(30,901)
Covered employee payroll	\$ 4,900,321	99,506	4,373,979	184,544	488,406	862,851
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	48.0%	53.9%	85.1%	-21.7%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	94.0%	90.5%	103.5%	103.5%	120.5%

CACHE COUNTY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COMPONENT UNITS
DECEMBER 31, 2014

	Airport Authority Non- Contributory System	BRHD Non- Contributory System	BRHD Tier 2 Public Employees System
Proportion of the net pension liability (asset)	0.0066698%	0.4216243%	0.1154978%
Proportionate share of the net pension liability (asset)	\$ 28,962	1,830,792	(3,500)
Covered employee payroll	\$ 58,406	3,548,868	566,083
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	49.6%	51.6%	-0.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	90.2%	103.5%

CACHE COUNTY
SCHEDULE OF CONTRIBUTIONS
PRIMARY GOVERNMENT
DECEMBER 31, 2015

	<u>Non- Contributory System</u>	<u>Contributory System</u>	<u>Public Safety System</u>	<u>Firefighters System</u>	<u>Tier 2 Public Employees System</u>	<u>Tier 2 Public Safety and Firefighter</u>
Contractually required contribution	\$ 911,529	-	1,562,350	7,395	56,818	108,549
Contractually required contribution in relation to required contribution	<u>911,529</u>	<u>-</u>	<u>1,562,350</u>	<u>7,395</u>	<u>56,818</u>	<u>108,549</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered employee payroll	\$ 4,926,247	-	4,373,454	189,347	683,501	1,007,662
Contribution as a percentage of covered-employee payroll*	18.50%	0.00%	35.72%	3.91%	8.31%	10.77%

*Contributions as a percentage of covered employee payroll maybe different than the board certified rate due to rounding and other administrative issues.

CACHE COUNTY
SCHEDULE OF CONTRIBUTIONS
COMPONENT UNITS
DECEMBER 31, 2015

	Airport Authority Non- Contributory System	BRHD Non- Contributory System	BRHD Tier 2 Public Employees System
Contractually required contribution	\$ 11,043	719,561	77,907
Contractually required contribution in relation to required contribution	<u>11,043</u>	<u>719,561</u>	<u>77,907</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Covered employee payroll	\$ 59,571	3,574,872	937,262
Contribution as a percentage of covered-employee payroll*	18.54%	20.13%	8.31%

*Contributions as a percentage of covered employee payroll maybe different than the board certified rate due to rounding and other administrative issues.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2015

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.

NOTE 4 – SCHEDULE OF CONTRIBUTIONS

Generally accepted accounting standards require the presentation of 10 years of this required supplementary information. Transition provisions in the initial adoption of the accounting standard indicate that information should be presented for as many years as are available. The County determined that is in not practicable to provide information prior to 2014.

SUPPLEMENTARY INFORMATION

CACHE COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2015

Special Revenue

	<u>CDRA</u>	<u>Health</u>	<u>Visitor's Bureau</u>	<u>Council on Aging</u>	<u>Restaurant Tax</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	\$ 251,088	\$ 240,514	\$ 225	\$ 90	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ 492,017
Equity in investment pool	-	1,138,513	835,544	272,080	1,629,210	-	1,717,677	378,252	1,500,257	7,471,533
Taxes receivable	-	52,000	74,455	-	237,043	-	271,602	-	-	635,100
Due from other governments	-	-	36,547	59,553	-	80,474	-	250,500	-	427,074
Other assets	-	-	7,591	-	-	-	-	-	-	7,591
Total assets	<u>\$ 251,088</u>	<u>\$ 1,431,027</u>	<u>\$ 954,362</u>	<u>\$ 331,723</u>	<u>\$ 1,866,253</u>	<u>\$ 80,574</u>	<u>\$ 1,989,279</u>	<u>\$ 628,752</u>	<u>\$ 1,500,257</u>	<u>\$ 9,033,315</u>
LIABILITIES										
Interfund payable - investment pool	\$ 52,806	\$ -	\$ -	\$ -	\$ -	\$ 73,866	\$ -	\$ -	\$ -	\$ 126,672
Accounts payable and accrued liabilities	188,238	-	19,838	11,649	72,741	1,938	43,009	38,706	-	376,119
Total liabilities	<u>241,044</u>	<u>-</u>	<u>19,838</u>	<u>11,649</u>	<u>72,741</u>	<u>75,804</u>	<u>43,009</u>	<u>38,706</u>	<u>-</u>	<u>502,791</u>
DEFERRED INFLOWS OF RESOURCES										
Delinquent property taxes	-	52,000	-	-	-	-	-	-	-	52,000
Total deferred inflows of resources	<u>-</u>	<u>52,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,000</u>
FUND BALANCE										
Nonspendable	-	-	7,591	-	-	-	-	-	-	7,591
Restricted for:										
Air pollution control	-	256,531	-	-	-	-	-	-	-	256,531
Ambulance services	-	-	-	-	-	-	-	590,046	-	590,046
Health services	-	1,122,496	-	-	-	-	-	-	-	1,122,496
Parks and recreation	-	-	926,933	-	1,793,512	-	1,946,270	-	-	4,666,715
Other purposes	10,044	-	-	-	-	4,770	-	-	-	14,814
Assigned to:										
Debt service	-	-	-	-	-	-	-	-	1,500,257	1,500,257
Health and welfare	-	-	-	320,074	-	-	-	-	-	320,074
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>10,044</u>	<u>1,379,027</u>	<u>934,524</u>	<u>320,074</u>	<u>1,793,512</u>	<u>4,770</u>	<u>1,946,270</u>	<u>590,046</u>	<u>1,500,257</u>	<u>8,478,524</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 251,088</u>	<u>\$ 1,431,027</u>	<u>\$ 954,362</u>	<u>\$ 331,723</u>	<u>\$ 1,866,253</u>	<u>\$ 80,574</u>	<u>\$ 1,989,279</u>	<u>\$ 628,752</u>	<u>\$ 1,500,257</u>	<u>\$ 9,033,315</u>

CACHE COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015

Special Revenue

	<u>CDRA</u>	<u>Health</u>	<u>Visitor's Bureau</u>	<u>Council on Aging</u>	<u>Restaurant Tax</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	\$ 46,647	\$ 930,608	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 977,255
Sales and use	-	-	542,303	-	1,368,433	-	1,387,275	-	-	3,298,011
	<u>46,647</u>	<u>930,608</u>	<u>542,303</u>	<u>-</u>	<u>1,368,433</u>	<u>-</u>	<u>1,387,275</u>	<u>-</u>	<u>-</u>	<u>4,275,266</u>
Other revenues:										
Intergovernmental	204,441	-	21,372	303,428	-	167,072	-	861,796	-	1,558,109
Charges for services	-	266,481	36,380	89,565	-	-	-	-	-	392,426
Public contributions	-	-	16,725	17,176	-	-	-	-	-	33,901
Miscellaneous revenues	-	-	-	4,536	-	-	-	44,240	-	48,776
Total revenues	<u>251,088</u>	<u>1,197,089</u>	<u>616,780</u>	<u>414,705</u>	<u>1,368,433</u>	<u>167,072</u>	<u>1,387,275</u>	<u>906,036</u>	<u>-</u>	<u>6,308,478</u>
EXPENDITURES										
General government	188,238	44,191	-	-	-	-	-	-	-	232,429
Public safety	-	-	-	-	-	166,363	-	633,546	-	799,909
Health and welfare	-	1,129,917	-	610,429	-	-	-	-	-	1,740,346
Culture and recreation	-	-	645,273	-	948,315	-	1,173,245	-	-	2,766,833
Debt service principal	-	-	-	-	-	-	-	-	994,079	994,079
Debt service interest	-	-	-	-	-	-	-	-	307,569	307,569
Total expenditures	<u>188,238</u>	<u>1,174,108</u>	<u>645,273</u>	<u>610,429</u>	<u>948,315</u>	<u>166,363</u>	<u>1,173,245</u>	<u>633,546</u>	<u>1,301,648</u>	<u>6,841,165</u>
Revenues over (under) expenditures	62,850	22,981	(28,493)	(195,724)	420,118	709	214,030	272,490	(1,301,648)	(532,687)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	100,000	195,000	-	-	-	-	1,183,505	1,478,505
Transfers out	(48,514)	-	-	-	(100,000)	-	(223,528)	-	-	(372,042)
Total other financing sources (uses)	<u>(48,514)</u>	<u>-</u>	<u>100,000</u>	<u>195,000</u>	<u>(100,000)</u>	<u>-</u>	<u>(223,528)</u>	<u>-</u>	<u>1,183,505</u>	<u>1,106,463</u>
Net change in fund balances	14,336	22,981	71,507	(724)	320,118	709	(9,498)	272,490	(118,143)	573,776
Fund balances - January 1	(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
Fund balances - December 31	<u>\$ 10,044</u>	<u>\$ 1,379,027</u>	<u>\$ 934,524</u>	<u>\$ 320,074</u>	<u>\$ 1,793,512</u>	<u>\$ 4,770</u>	<u>\$ 1,946,270</u>	<u>\$ 590,046</u>	<u>\$ 1,500,257</u>	<u>\$ 8,478,524</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
CDRA FUND
YEAR ENDED DECEMBER 31, 2015

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ 46,647	\$ 46,647
Other revenues:				
Intergovernmental	<u>160,674</u>	<u>212,861</u>	<u>204,441</u>	<u>(8,420)</u>
Total revenues	<u>160,674</u>	<u>212,861</u>	<u>251,088</u>	<u>38,227</u>
EXPENDITURES				
General government:				
Cache County Redevelopment Agency	<u>180,287</u>	<u>160,055</u>	<u>188,238</u>	<u>(28,183)</u>
Total expenditures	<u>180,287</u>	<u>160,055</u>	<u>188,238</u>	<u>(28,183)</u>
Revenues over (under) expenditures	<u>(19,613)</u>	<u>52,806</u>	<u>62,850</u>	<u>10,044</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General fund	<u>52,187</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total transfers in	<u>52,187</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers out:				
General fund	<u>(48,514)</u>	<u>(48,514)</u>	<u>(48,514)</u>	<u>-</u>
Total transfers out	<u>(48,514)</u>	<u>(48,514)</u>	<u>(48,514)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,673</u>	<u>(48,514)</u>	<u>(48,514)</u>	<u>-</u>
Net change in fund balances	<u>(15,940)</u>	<u>4,292</u>	<u>14,336</u>	<u>10,044</u>
Fund balances - January 1	<u>(4,292)</u>	<u>(4,292)</u>	<u>(4,292)</u>	<u>-</u>
Fund balances - December 31	<u>\$ (20,232)</u>	<u>\$ -</u>	<u>\$ 10,044</u>	<u>\$ 10,044</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
HEALTH FUND
YEAR ENDED DECEMBER 31, 2015

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Property	\$ 871,671	\$ 871,671	\$ 930,608	\$ 58,937
Other revenues:				
Charges for services	<u>255,000</u>	<u>255,000</u>	<u>266,481</u>	<u>11,481</u>
Total revenues	<u>1,126,671</u>	<u>1,126,671</u>	<u>1,197,089</u>	<u>70,418</u>
EXPENDITURES				
General government:				
Contributions to other units	<u>-</u>	<u>-</u>	<u>44,191</u>	<u>(44,191)</u>
	-	-	44,191	(44,191)
Health and welfare:				
Air pollution control	255,000	255,000	255,000	-
Bear River Health Department	<u>869,076</u>	<u>874,917</u>	<u>874,917</u>	<u>-</u>
	<u>1,124,076</u>	<u>1,129,917</u>	<u>1,129,917</u>	<u>-</u>
Total expenditures	<u>1,124,076</u>	<u>1,129,917</u>	<u>1,174,108</u>	<u>(44,191)</u>
Revenues over (under) expenditures	<u>2,595</u>	<u>(3,246)</u>	<u>22,981</u>	<u>26,227</u>
Net change in fund balances	2,595	(3,246)	22,981	26,227
Fund balances - January 1	<u>1,356,046</u>	<u>1,356,046</u>	<u>1,356,046</u>	<u>-</u>
Fund balances - December 31	<u>\$ 1,358,641</u>	<u>\$ 1,352,800</u>	<u>\$ 1,379,027</u>	<u>\$ 26,227</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
VISITOR'S BUREAU FUND
YEAR ENDED DECEMBER 31, 2015

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Sales and use	\$ 450,000	\$ 458,745	\$ 542,303	\$ 83,558
Other revenues:				
Intergovernmental	28,437	28,437	21,372	(7,065)
Charges for services	22,000	22,000	36,380	14,380
Public contributions	5,800	5,800	16,725	10,925
Total revenues	<u>506,237</u>	<u>514,982</u>	<u>616,780</u>	<u>101,798</u>
EXPENDITURES				
Culture and recreation:				
Cache Valley Visitor's Bureau	<u>506,237</u>	<u>729,612</u>	<u>645,273</u>	<u>84,339</u>
Total expenditures	<u>506,237</u>	<u>729,612</u>	<u>645,273</u>	<u>84,339</u>
Revenues under expenditures	<u>-</u>	<u>(214,630)</u>	<u>(28,493)</u>	<u>186,137</u>
OTHER FINANCING SOURCES				
Transfers in:				
Restaurant tax 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	-	(114,630)	71,507	186,137
Fund balances - January 1	<u>863,017</u>	<u>863,017</u>	<u>863,017</u>	<u>-</u>
Fund balances - December 31	<u>\$ 863,017</u>	<u>\$ 748,387</u>	<u>\$ 934,524</u>	<u>\$ 186,137</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
COUNCIL ON AGING FUND
YEAR ENDED DECEMBER 31, 2015

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Other revenues:				
Intergovernmental	\$ 335,587	\$ 335,587	\$ 303,428	\$ (32,159)
Charges for services	98,800	98,800	89,565	(9,235)
Public contributions	17,000	17,000	17,176	176
Miscellaneous revenues	4,100	4,100	4,536	436
Total revenues	<u>455,487</u>	<u>455,487</u>	<u>414,705</u>	<u>(40,782)</u>
EXPENDITURES				
Health and welfare:				
Nutrition	361,823	368,113	333,627	34,486
Senior center	149,799	149,799	121,553	28,246
Retired service volunteer program	57,250	57,250	49,552	7,698
Access	113,130	113,130	105,697	7,433
Total expenditures	<u>682,002</u>	<u>688,292</u>	<u>610,429</u>	<u>77,863</u>
Revenues under expenditures	<u>(226,515)</u>	<u>(232,805)</u>	<u>(195,724)</u>	<u>37,081</u>
OTHER FINANCING SOURCES				
Transfers in:				
General fund	195,000	195,000	195,000	-
Total other financing sources	<u>195,000</u>	<u>195,000</u>	<u>195,000</u>	<u>-</u>
Net change in fund balances	(31,515)	(37,805)	(724)	37,081
Fund balances - January 1	<u>320,798</u>	<u>320,798</u>	<u>320,798</u>	<u>-</u>
Fund balances - December 31	<u>\$ 289,283</u>	<u>\$ 282,993</u>	<u>\$ 320,074</u>	<u>\$ 37,081</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
RESTAURANT TAX FUND
YEAR ENDED DECEMBER 31, 2015

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Sales and use	<u>\$ 1,328,693</u>	<u>\$ 1,328,693</u>	<u>\$ 1,368,433</u>	<u>\$ 39,740</u>
Total revenues	<u>1,328,693</u>	<u>1,328,693</u>	<u>1,368,433</u>	<u>39,740</u>
EXPENDITURES				
Culture and recreation:				
Recreation and tourism promotion	<u>1,328,693</u>	<u>1,941,844</u>	<u>948,315</u>	<u>993,529</u>
Total expenditures	<u>1,328,693</u>	<u>1,941,844</u>	<u>948,315</u>	<u>993,529</u>
Revenues over (under) expenditures	<u>-</u>	<u>(613,151)</u>	<u>420,118</u>	<u>1,033,269</u>
OTHER FINANCING USES				
Transfers out:				
Visitor's bureau fund	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(713,151)</u>	<u>320,118</u>	<u>1,033,269</u>
Fund balances - January 1	<u>1,473,394</u>	<u>1,473,394</u>	<u>1,473,394</u>	<u>-</u>
Fund balances - December 31	<u>\$ 1,473,394</u>	<u>\$ 760,243</u>	<u>\$ 1,793,512</u>	<u>\$ 1,033,269</u>

**CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
CHILDREN'S JUSTICE CENTER FUND
YEAR ENDED DECEMBER 31, 2015**

	<u>Budget Amounts</u>			<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Other revenues:				
Intergovernmental	\$ 176,335	\$ 176,335	\$ 167,072	\$ (9,263)
Total revenues	<u>176,335</u>	<u>176,335</u>	<u>167,072</u>	<u>(9,263)</u>
EXPENDITURES				
Public safety:				
Children's services	176,335	176,335	166,363	9,972
Total expenditures	<u>176,335</u>	<u>176,335</u>	<u>166,363</u>	<u>9,972</u>
Revenues over expenditures	<u>-</u>	<u>-</u>	<u>709</u>	<u>709</u>
Net change in fund balances	-	-	709	709
Fund balances - January 1	<u>4,061</u>	<u>4,061</u>	<u>4,061</u>	<u>-</u>
Fund balances - December 31	<u>\$ 4,061</u>	<u>\$ 4,061</u>	<u>\$ 4,770</u>	<u>\$ 709</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
RAPZ TAX FUND
YEAR ENDED DECEMBER 31, 2015

	<u>Budget Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Sales and use	\$ 1,323,455	\$ 1,323,455	\$ 1,387,275	\$ 63,820
Total revenues	<u>1,323,455</u>	<u>1,323,455</u>	<u>1,387,275</u>	<u>63,820</u>
EXPENDITURES				
Culture and recreation:				
Programs and projects	1,303,603	1,881,810	1,173,245	708,565
Total expenditures	<u>1,303,603</u>	<u>1,881,810</u>	<u>1,173,245</u>	<u>708,565</u>
Revenues over (under) expenditures	<u>19,852</u>	<u>(558,355)</u>	<u>214,030</u>	<u>772,385</u>
OTHER FINANCING USES				
Transfers out:				
General fund	(19,852)	(122,852)	(122,852)	-
Municipal services fund	-	(70,676)	(70,676)	-
Capital projects fund	-	(30,000)	(30,000)	-
Total other financing uses	<u>(19,852)</u>	<u>(223,528)</u>	<u>(223,528)</u>	<u>-</u>
Net change in fund balances	-	(781,883)	(9,498)	772,385
Fund balances - January 1	1,955,768	1,955,768	1,955,768	-
Fund balances - December 31	<u>\$ 1,955,768</u>	<u>\$ 1,173,885</u>	<u>\$ 1,946,270</u>	<u>\$ 772,385</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
AMBULANCE FUND
YEAR ENDED DECEMBER 31, 2015

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenues:				
Intergovernmental	\$ 605,000	\$ 605,000	\$ 861,796	\$ 256,796
Miscellaneous income	-	-	44,240	44,240
Total revenues	<u>605,000</u>	<u>605,000</u>	<u>906,036</u>	<u>301,036</u>
EXPENDITURES				
Public safety:				
Ambulance services	<u>605,000</u>	<u>855,000</u>	<u>633,546</u>	<u>221,454</u>
Total expenditures	<u>605,000</u>	<u>855,000</u>	<u>633,546</u>	<u>221,454</u>
Revenues over (under) expenditures	<u>-</u>	<u>(250,000)</u>	<u>272,490</u>	<u>522,490</u>
Net change in fund balances	-	(250,000)	272,490	522,490
Fund balances - January 1	<u>317,556</u>	<u>317,556</u>	<u>317,556</u>	<u>-</u>
Fund balances - December 31	<u>\$ 317,556</u>	<u>\$ 67,556</u>	<u>\$ 590,046</u>	<u>\$ 522,490</u>

CACHE COUNTY
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2015

	<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	994,080	994,080	994,079	1
Interest	<u>308,170</u>	<u>308,170</u>	<u>307,569</u>	<u>601</u>
Total expenditures	<u>1,302,250</u>	<u>1,302,250</u>	<u>1,301,648</u>	<u>602</u>
Revenues under expenditures	<u>(1,302,250)</u>	<u>(1,302,250)</u>	<u>(1,301,648)</u>	<u>602</u>
OTHER FINANCING SOURCES				
Transfers in:				
General fund	<u>1,188,505</u>	<u>1,183,505</u>	<u>1,183,505</u>	<u>-</u>
Total other financing sources	<u>1,188,505</u>	<u>1,183,505</u>	<u>1,183,505</u>	<u>-</u>
Net change in fund balances	(113,745)	(118,745)	(118,143)	602
Fund balances - January 1	<u>1,618,400</u>	<u>1,618,400</u>	<u>1,618,400</u>	<u>-</u>
Fund balances - December 31	<u>\$ 1,504,655</u>	<u>\$ 1,499,655</u>	<u>\$ 1,500,257</u>	<u>\$ 602</u>

CACHE COUNTY
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
AGENCY FUNDS
AS OF DECEMBER 31, 2015

	<u>Fee Trust Fund</u>	<u>Health Department 125 Plan</u>	<u>Treasurer's Tax Fund</u>	<u>Total Agency Funds</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 10,676	\$ 20,822,279	\$ 20,832,955
Equity in investment pool	310,973	-	-	310,973
Taxes receivable	-	-	1,322,763	1,322,763
Total assets	<u>\$ 310,973</u>	<u>\$ 10,676</u>	<u>\$ 22,145,042</u>	<u>\$ 22,466,691</u>
LIABILITIES				
Due to other taxing units	\$ -	\$ -	\$ 21,397,269	\$ 21,397,269
Due to employees	-	10,676	-	10,676
Refunds payable	-	-	747,773	747,773
Other payables	310,973	-	-	310,973
Total liabilities	<u>\$ 310,973</u>	<u>\$ 10,676</u>	<u>\$ 22,145,042</u>	<u>\$ 22,466,691</u>

COMPONENT UNITS

CACHE COUNTY
COMBINING STATEMENT OF NET POSITION
NORTH PARK INTERLOCAL COOPERATIVE
AS OF DECEMBER 31, 2015

	North Park Interlocal Cooperative	Bridgerland Community Ice Arena	Total
ASSETS			
Cash and cash equivalents	\$ 134	\$ 346,313	\$ 346,447
Accounts receivable, net	-	4,071	4,071
Pledges receivable, net	-	662	662
Restricted cash and investments	-	-	-
Investments	-	620,684	620,684
Inventory	-	5,400	5,400
Other assets	-	7,917	7,917
Noncurrent pledges receivable, net	-	-	-
Capital assets:			
Buildings, improvements and equipment	4,516,695	432,181	4,948,876
Accumulated depreciation	<u>(1,427,040)</u>	<u>(321,650)</u>	<u>(1,748,690)</u>
Total assets	<u>3,089,789</u>	<u>1,095,578</u>	<u>4,185,367</u>
LIABILITIES			
Accounts payable and accrued liabilities	<u>-</u>	<u>25,888</u>	<u>25,888</u>
Total liabilities	<u>-</u>	<u>25,888</u>	<u>25,888</u>
NET POSITION			
Net investment in capital assets	3,089,655	110,531	3,200,186
Restricted for:			
Capital projects	-	85,432	85,432
Debt service	-	-	-
Other purposes	-	467,518	467,518
Unrestricted	<u>134</u>	<u>406,209</u>	<u>406,343</u>
Total net position	<u>\$ 3,089,789</u>	<u>\$ 1,069,690</u>	<u>\$ 4,159,479</u>

CACHE COUNTY
COMBINING STATEMENT OF ACTIVITIES
NORTH PARK INTERLOCAL COOPERATIVE
YEAR ENDED DECEMBER 31, 2015

	<u>North Park Interlocal Cooperative</u>	<u>Bridgerland Community Ice Arena</u>	<u>Total</u>
Expenses	\$ 114,960	\$ 746,949	\$ 861,909
Program revenues			
Charges for services	-	491,807	491,807
Operating grants and contributions	<u>-</u>	<u>349,481</u>	<u>349,481</u>
Total program revenues	<u>-</u>	<u>841,288</u>	<u>841,288</u>
Net revenues (expenses)	<u>(114,960)</u>	<u>94,339</u>	<u>(20,621)</u>
General revenues			
Interest income	<u>1</u>	<u>18,807</u>	<u>18,808</u>
Total general revenues	<u>1</u>	<u>18,807</u>	<u>18,808</u>
Change in net assets	(114,959)	113,146	(1,813)
Net position - beginning	<u>3,204,748</u>	<u>956,544</u>	<u>4,161,292</u>
Net position - ending	<u>\$ 3,089,789</u>	<u>\$ 1,069,690</u>	<u>\$ 4,159,479</u>

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CACHE COUNTY
SINGLE AUDIT REPORTS

CACHE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

<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>			
Forest Service Schools and Roads Cluster			
Secure Rural Schools-Title I	10.666	FY2015	161,699
Secure Rural Schools-Title III	10.666	FY2015	26,631
Total Forest Service Schools and Roads Cluster			188,330
<i>Passed through Utah Weed Supervisors Association</i>			
2015 EDRR Knapweed Project	10.025	201501	5,000
<i>Passed through Utah Department of Health</i>			
Special Supplemental Food Program for Women, Infants and Children:			
Food Checks 2015	10.557	152700153	1,908,668
Food Checks 2016	10.557	152700153	613,464
Administrative Costs 2015	10.557	152700153	290,856
Administrative Costs 2016	10.557	152700153	872,569
Total USDA			3,878,887
U.S. Environmental Protection Agency (EPA)			
<i>Passed through Utah Division of Environmental Quality</i>			
Drinking Water State Revolving Fund Cluster			
DEQ Drinking Water 2015	66.468	150025	20,234
DEQ Drinking Water 2016	66.468	152256	17,654
Total Drinking Water State Revolving Fund Cluster			37,888
DEQ Environmental Services 2015	66.605	150025	3,000
DEQ Environmental Services 2016	66.605	152256	3,000
Total EPA			43,888

CACHE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Grant No.</u>	<u>Expenditures</u>
U.S. Department of Health & Human Services (HHS)			
<i>Passed through Bear River Association of Governments</i>			
Aging Cluster			
Special Programs for Aging, Title III, Part B	93.044	FY 15-16	39,480
Special Programs for Aging, Title III, Part C1	93.045	FY 14-15	20,570
Special Programs for Aging, Title III, Part C1	93.045	FY 15-16	17,139
Special Programs for Aging, Title IIIC-1 CIC	93.053	FY 15-16	11,323
Special Programs for Aging, HDM Title III, Part C2	93.045	FY 14-15	36,616
Special Programs for Aging, HDM Title III, Part C2	93.045	FY 15-16	2,071
Special Programs for Aging, Title IIIC-2 CIH	93.053	FY 15-16	14,725
Special Programs for Aging, IIID PHP	93.043	FY 14-15	525
Special Programs for Aging, IIID PHP	93.043	FY 15-16	698
Total Aging Cluster			143,147
Health Insurance Counseling	93.779	FY 14-15	494
Health Insurance Counseling	93.779	FY 15-16	796
MIPPA	93.071	FY 15-16	320
Title XX - Social Services Block Grant	93.667	FY14-15	4,600
<i>Passed through Utah Department of Health and Human Services</i>			
General Federal Block MHF	93.958	130023-Amd#5(14-15)	48,623
General Federal Block MHF	93.958	160238-Amd#3(15-16)	50,738
Federal Block Children MHX	93.958	130023-Amd#5(14-15)	12,250
Federal Block Children MHX	93.958	160238-Amd#3(15-16)	15,000
General Federal Block FRF	93.958	140208-Amd#1(14-15)	1,198
General Federal Block FRF	93.958	140208-Amd#2(15-16)	2,020
CCDF Cluster			
DWS TANF	93.575	130023-Amd#5(14-15)	10,141
DWS TANF	93.575	160238-Amd#3(15-16)	3,499
Total CCDF Cluster			13,640
NACCHO 2015	93.008	MRC 15-0473	3,500
NACCHO 2015	93.008	MRC 15-2333	3,500
NACCHO 2015	93.008	MRC 15-0158	3,500
Ebola Supplemental	93.074	152700466	6,283
PH & Medical Preparedness 2015	93.069	C8-1 150449	182,966
PH & Medical Preparedness 2016	93.069	162700154	182,966

CACHE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Grant No.</u>	<u>Expenditures</u>
PREP 2015	93.092	152700154	40,380
PREP 2016	93.092	152700154	40,380
Cancer Control 2015	93.094	C9-I 142480	10,996
Cancer Control 2016	93.094	152700577	9,372
FDA Standards 2015	93.103	5U18FD004665-01	17,225
FDA Standards 2016	93.103	5U18FD004665-01	17,225
TB Control 2015	93.116	152700340	5,187
Immunization 2015	93.268	162700582	84,038
Immunization 2015	93.268	152700190	64,709
Cancer Control 2015 (Comp)	93.283	C9-III 142480	1,685
Radon PSE 2016	93.283	152700565	1,685
Tobacco Control 2015	93.283	C10-I 142437	21,893
Tobacco Control 2016	93.305	162700062	21,893
Healthcare Associated Infections 2015	93.521	150959	6,548
Healthcare Associated Infections 2016	93.521	150959	6,548
Meningococcal H Flu 2015	93.521	152700202	1,250
Refugee Health TB 2015	93.566	152700271	45,000
STD Disease Intervention Services	93.977	152700274	4,923
EPICC 1422 2015	93.757	152700350	166,018
EPICC 1422 2016	93.757	152700350	166,018
EPICC 1305 (CDC 4299) 2016	93.757	162700160	428
Medicaid Cluster			
Case Management 2015	93.778	CI-III 150618	18,418
Case Management 2016	93.778	162700527	18,418
CHEC 2015	93.778	CI-II 150618	20,286
CHEC 2016	93.778	162700283	20,436
Healthy Kids Healthy Families 2015	93.778	CI-V 150618	21,942
Healthy Kids Healthy Families 2016	93.778	162700001	21,942
Total Medicaid Cluster			121,442
State Medical Reserve Corp. 2015	93.889	C8-II 150449	1,241
State Medical Reserve Corp. 2016	93.889	162700154	1,241
Regional Healthcare Preparedness 2015	93.889	C8-III	89,012
Regional Medical Surge & Prep Coalition 2016	93.889	162700154	89,012
Ebola Monitoring 2015	93.889	C8-VII 150449	3,217

CACHE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Grant No.</u>	<u>Expenditures</u>
Cancer Control 2015	93.919	C9-II 142480	7,846
Cancer Control 2016	93.919	152700562	7,369
HIV Prevention Counseling & Testing 2015	93.940	152700285	5,000
Arthritis 2015	93.945	142433 C3-IV	8,000
Arthritis 2016	93.945	162700551	1,831
EPICC CDC 1305 2015	93.945	142433 C3-I	12,373
EPICC 1305 (CDC 4297 & 4247) 2016	93.945	162700160	6,557
Substance Abuse - SAPT Block Grant 2015	93.959	122435	258,504
Substance Abuse - SAPT Block Grant 2016	93.959	160048	599,990
Substance Abuse - Drug Court 2015	16.585	142223	71,330
Substance Abuse - Partners for Success 2015	93.243	122435	24,001
Substance Abuse - Partners for Success 2016	93.243	160048	24,001
EPICC PBG 2015	93.991	142433 C3-I	21,913
EPICC 1305 (PHS BLOCK 4290) 2016	93.991	162700160	26,547
VIPP PBG 2015	93.991	142433 C3-II	6,789
VIPP MCH 2015	93.994	142433 C3-II	20,206
Injury Prevention MCH 2016	93.994	162700312	20,206
MCH Block Grant 2015	93.994	152700014	47,099
MCH Block Grant 2016	93.994	162700357	47,099
Prenatal To Five Home Visitation MCH 2015	93.994	152700012	7,200
Prenatal To Five Home Visitation MCH 2016	93.994	162700357	7,200
MIEC Home Visitation Grant 2015	93.505	152700297	199,009
MIEC Home Visitation Grant 2016	93.505	152700297	199,009
PHHS Block Boost-Suicide and Older Adult Falls 2015	93.758	152700246	32,888
PHHS Block Boost-Suicide and Older Adult Falls 2016	93.758	162700417	32,888
Injury Prevention PBG 2016	93.758	162700312	6,789
Injury Prevention Older Adult Falls 2016	93.761	162700422	3,500
<i>Passed through State of Utah Office of Lieutenant Governor</i>			
Polling Place Accessibility	93.617	2015	7,181
Total HHS			3,426,432

CACHE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

<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 Interior (DOI)			
<i>Direct Program</i>			
Water Conservancy District Plan	15.530	R14AP00149	25,000
<i>Passed through the State Division of Wildlife Resources</i>			
Fish and Wildlife Cluster			
Pittman-Robertson Program	15.611	FY2015	9,053
Total Fish and Wildlife Cluster			9,053
Total DOI			34,053
U.S. Department of Justice (DOJ)			
<i>Passed through State Office of the Attorney General</i>			
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0711	51,615
Victim Assistance Services Grant	16.575	14-VOCA-04	5,281
Victim Assistance Services Grant	16.575	14-VOCA-05	2,935
Victim Assistance Services Grant	16.575	14-VOCA-06	52,165
Victim Assistance Services Grant	16.575	15-VOCA-04	5,626
Victim Assistance Services Grant	16.575	15-VOCA-05	3,956
Victim Assistance Services Grant	16.575	15-VOCA-06	52,162
Violence Against Women Grant - Prosecutions	16.588	14-VAWA-05	18,591
Violence Against Women Grant - Prosecutions	16.588	14-VAWA-06	52,853
Total DOJ			245,184
U.S. Department of Transportation (DOT)			
<i>Direct Program</i>			
Install Runway Lighting (HIRL)	20.106	DOT-FA14NM-1053	26,107
<i>Passed through State Department of Transportation</i>			
Highway Planning and Construction Cluster:			
CMPO Emissions 2015	20.205	128730	123,664
CMPO Emissions 2016	20.205	128730	123,664
CMAQ Air Quality Education & Outreach 2015	20.205	158698	58,994
Total Highway Planning and Construction Cluster			306,322

CACHE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

<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 Utah Highway Safety Office</i>			
Highway Safety Cluster			
Highway Safety - Rural Seat Belt 2015	20.600	MOA	5,625
Highway Safety - Rural Seat Belt 2016	20.600	MOA	5,625
Bear River Safe Community 2015	20.600	MOA	5,250
Highway Safety - Child Passenger Safety 2015	20.616	MOA	2,625
Highway Safety - Child Passenger Safety 2016	20.616	MOA	2,625
Total Highway Safety Cluster			21,750
Total DOT			354,179
The Corporation for National and Community Service (CNCS)			
<i>Direct Program</i>			
Retired Service Volunteer Program	94.002	14SR159696	17,921
Retired Service Volunteer Program	94.002	14SR176899	20,697
Total CNCS			38,618
U.S. Department of Homeland Security (DHS)			
<i>Passed through State Department of Public Safety</i>			
2013 HLS Grant - State HLS Program Grant Allocation	97.067	DES-2013-SHSP-001	17,761
2014 HLS Grant - State HLS Program Grant Allocation	97.067	DES-2014-SHSP-001	2,564
Emergency Management Performance Grant	97.042	2015 EMPG	38,352
Total DHS			58,677
GRAND TOTAL			\$ 8,079,918

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2015

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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

Uniform Guidance 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. The County has not elected to use the 10% de minimis indirect cost rate.

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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2015, 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 27, 2016. 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 15-001 that we consider to be a significant deficiency.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JONES SIMKINS LLC
Logan, Utah
June 27, 2016



Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE

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 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, 2015. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2015.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



JONES SIMKINS LLC

Logan, Utah

June 27, 2016

CACHE COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2015

A. Summary of Audit Findings:

1.	Type of report issued	Unmodified
2.	Internal control over financial reporting: Material weaknesses identified:	No
	Significant deficiencies identified that were not considered to be material weaknesses:	Yes – One
3.	Non-compliance material to financial statements noted:	No
4.	Internal control over major programs: Material weaknesses identified:	No
	Significant deficiencies identified that were not considered to be material weaknesses:	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 the Uniform Guidance:	None
7.	Federal programs tested as major programs	10.666 – Schools and Roads Cluster 10.557 – WIC
8.	Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
9.	Auditee qualified as low risk auditee?	No

CACHE COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2015

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

Finding 2015-001

Condition: Appropriate internal controls related to segregation of duties have not been completely established and documented. For example, the County Treasurer has access to funds in bank accounts, can authorize wire transfers, can perform bank reconciliations, and can post entries to the books and records.

Criteria: Utah code 17-36-45 requires that, “Each county legislative body shall, with the advice and assistance of the County Auditor and the County Treasurer, implement an internal control structure to ensure, on a reasonable basis, that all valid financial transactions of the County are identified and recorded accurately and timely. The objectives of the internal control structure shall be to ensure:

- (a) the proper authorization of transactions and activities;
- (b) the appropriate segregation of:
 - (i) the duty to authorize transactions;
 - (ii) the duty to record transactions; and
 - (iii) the duty to maintain custody of assets;
- (c) the design and use of adequate documents and records to ensure proper recording of events;
- (d) adequate safeguards over access to and use of assets and records; and
- (e) independent checks on performance and proper valuation of recorded amounts.”

Cause: Duties have not been appropriately separated due to the past history of the County employing only a limited number of staff qualified to perform certain accounting procedures, as well as a misunderstanding of the Council’s authority and responsibility over all financial activity of the County regardless of whether the financial activity occurs in a separately elected official’s office.

Effect: The County’s financial reporting internal control structure does not include all of the safeguards recommended by the Utah State Auditor’s Office.

Recommendation: We recommend that the Council work with the County Clerk/Auditor, the County Treasurer, and the County Executive to establish and document internal controls that ensure appropriate segregation of duties. Specifically, authorization, custody of assets, record keeping, and reconciliation should be segregated or these conflicting responsibilities should be mitigated by establishing a secondary review, approval, or reconciliation.

CACHE COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2015

- C. Findings and questioned costs related to federal awards required to be reported in accordance with the Uniform Guidance.

None

CACHE COUNTY
Summary Schedule of Prior Year Audit Findings
Year Ended December 31, 2015

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

CACHE COUNTY

**CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2015**

Cache County respectfully submits the following response for the finding identified in the financial statements audited as of December 31, 2015

Response to finding 15-001

The County Council will work through the Audit Committee with the County Clerk/Auditor, the County Treasurer, and the County Executive to establish and document internal controls that ensure the appropriate segregation of duties. The Audit Committee will also direct internal audits to ensure the proper implementation of and operation of internal controls.

STATE COMPLIANCE REPORTS

CACHE COUNTY

SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2015

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Contract No.</u>	<u>Year of Last Audit</u>	<u>Expenditures</u>
Utah Division of Water Resources			
Operational Winter Cloud Seeding Program	151579		10,900
Operational Winter Cloud Seeding Program	161251		12,311
Utah Attorney General's Office			
Children's Justice Center	110197 - FY2015		86,598
Children's Justice Center	160217 - FY2016		80,474
Internet Crimes Against Children (ICAC)	FY 2015		4,845
Internet Crimes Against Children (ICAC)	FY 2016		3,122
Utah Commission on Criminal & Juvenile Justice			
Liquor Allocation	FY 2015	FY 2013	100,921
Utah Department of Agriculture and Food			
Invasive Species Mitigation Goatsrue (ISM)	150467		49,000
Utah Department of Transportation (UDOT)			
Class B Allotment	FY 2015	FY 2015	718,414
Class B Allotment	FY 2016	FY 2015	688,550
Utah Department of Public Transportation			
Eliminate Alcohol Sales to Youth (E.A.S.Y.)	AR-EZ-2015		395
Eliminate Alcohol Sales to Youth (E.A.S.Y.)	AR-EZ-2016		443
Utah Office of Tourism			
Utah Cooperative Marketing Round 11	FY 2014		20,372
Bear River Association of Governments Aging Services			
State Services	2015-2016		35,394
State Transportation	2015-2016		2,920
State Nutrition C-1	2015-2016		3,037
State Nutrition C-2	2015-2016		3,037
State Home Delivered Meals	2015-2016		20,701
State One-Time Home Delivered Meals	2015-2016		45,026
RSVP	2014-2015		2,753
RSVP	2015-2016		2,584

CACHE COUNTY

SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2015

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Contract No.</u>	<u>Year of Last Audit</u>	<u>Expenditures</u>
Utah Search & Rescue Advisory Board			
Search & Rescue Reimbursement	FY 2015		41,704
Utah Division of Forestry, Fire & State Lands			
Noxious Weed Mgmt/Bear River Project	FY 2015		15,000
Noxious Weed Mgmt/Bear River Project	FY 2016		10,000
Utah Commission on Criminal & Juvenile Justice			
Justice Assistance	14A110		6,509
State Asset Forfeiture	15N48		2,053
Total State Awards			\$ 1,967,063

CACHE COUNTY
SCHEDULE OF EXPENDITURES OF TRANSIENT ROOM TAXES
AND TOURISM, RECREATION, CULTURAL AND CONVENTION FACILITIES TAXES
YEAR ENDED DECEMBER 31, 2015

Transient Room Tax

Establishing and promoting:	
Recreation	\$ -
Tourism	496,210
Film production	1,750
Conventions	-
Acquiring, leasing, constructing, furnishing, or operating:	-
Convention meeting rooms	-
Exhibit halls	-
Visitor information centers	44,343
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>\$ 542,303</u>

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

Financing tourism promotion	\$ 304,926
Development, operation, and maintenance of:	
Airport facilities	-
Convention facilities	-
Cultural facilities	35,150
Recreation facilities	608,239
Tourist facilities	-
Total TRCC Facilities Tax Expenditures	<u>\$ 948,315</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 AND ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON 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's (the County) compliance with the applicable general 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, 2015.

General state compliance requirements were tested for the year ended December 31, 2015 in the following areas:

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- Tax Levy Revenue Recognition
- Restricted Taxes
- Transient Room Tax and Tourism Taxes
- Open and Public Meetings Act
- Nepotism

The County received state funding from the following programs classified as major programs for the year ended December 31, 2015:

Class B Road Funds (Department of Transportation)

Management's Responsibility

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

Auditors' 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 direct and 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.

Opinion on General State Compliance Requirements and Each Major State Program

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 the County or on each of its major state programs for the year ended December 31, 2015.

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 of compliance, 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 on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

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 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 27, 2016