

CACHE COUNTY COUNCIL

DAVID L. ERICKSON, *CHAIR*

BARBARA Y. TIDWELL, *VICE CHAIR*

KATHRYN A BEUS

SANDI GOODLANDER

NOLAN P. GUNNELL

MARK R. HURD

KARL B. WARD



199 NORTH MAIN STREET
LOGAN, UT 84321

435-755-1840

www.cachecounty.org

PUBLIC NOTICE is hereby given that the County Council of Cache County, Utah will hold a **REGULAR COUNCIL MEETING** at **5:00 p.m.** in the Cache County Historic Courthouse Council Chambers, 199 North Main Street, Logan, Utah 84321, **TUESDAY, FEBRUARY 27, 2024**

Council meetings are live streamed on the Cache County YouTube channel at:

<https://www.youtube.com/channel/UCa4xvEI8bnIEz3B9zw2teaA>

AGENDA

COUNCIL MEETING

- 5:00 p.m.**
1. **CALL TO ORDER**
 2. **OPENING** – Councilmember Kathryn Beus
 3. **REVIEW AND APPROVAL OF AGENDA**
 4. **REVIEW AND APPROVAL OF MINUTES** (February 13, 2024)
 5. **REPORT OF COUNTY EXECUTIVE**
 - a. **Appointments:**
 - b. **Other Items:**
 6. **ITEMS OF SPECIAL INTEREST**
 - a. Bear River Mental Health Audited Financial Statements – Rob Johnson, Bear River Mental Health
 - b. Update on the Status of Remaining ARPA Funds – Alma Burgess, Cache County Finance Division
 - c. Approval of the Transfer of ARPA Funds in Recorder’s Office – Alma Burgess, Cache County Finance Division
 - d. Reassignment of ARPA Funds in Fairgrounds Budget – Bart Esplin, Fairgrounds Manager
 7. **DEPARTMENT OR COMMITTEE REPORTS**
 8. **BOARD OF EQUALIZATION**
 - a. Exclusive Use Exemptions
 1. Religious
 2. Education
 3. Charitable
- 5:30 p.m.**
(Estimated)
9. **PUBLIC HEARINGS**
 - a. **Set Public Hearing for March 26, 2024 – Ordinance 2024-03 – An Ordinance to vacate the county road right-of-way located south of Millville City along 500 East, south of 3800 South and north of 4200 South. Including the right-of-ways between the Blacksmith Fork River and 600 East.**
 10. **PENDING ACTION**
 11. **INITIAL PROPOSALS FOR CONSIDERATION OF ACTION**
 - a. **Resolution 2024-03 A Resolution Amending the Personnel Policy and Procedure Manual to Establish a Policy for On-Call Time in the County**

12. **OTHER BUSINESS**

a. **UAC Building Utah Conference**

April 10-11, 2024

b. **UAC Management Conference**

April 30 – May 1, 2024 in St. George
Barbara, Karl, Dave(?), Mark, Kathryn

c. January 2024 Recategorization Report

d. January 2024 Expense Report

e. Discuss any updates from the legislative session

13. **COUNCIL MEMBER REPORTS**

14. **ADJOURN**



David L. Erickson, Chair

CACHE COUNTY COUNCIL

February 13, 2024 at 3:30 p.m. - Cache County Chamber at 199 North Main, Logan, Utah.

In accordance with the requirements of Utah Code Annotated Section 52-4-203, the County Clerk records in the minutes the names of all persons who appear and speak at a County Council meeting and the substance "in brief" of their comments. Such statements may include opinions or purported facts. The County does not verify the accuracy or truth of any statement but includes it as part of the record pursuant to State law.

MEMBERS PRESENT: Chair David Erickson, Vice-Chair Barbara Tidwell, Councilmember Karl Ward, Councilmember Sandi Goodlander, Councilmember Nolan Gunnell, Councilmember Mark Hurd, Councilmember Kathryn Beus.

MEMEBERS EXCUSED:

STAFF PRESENT: David Benson, Michelle Stanger, Robert Edwards, Dirk Anderson, Taylor Sorenson, Micah Safsten

OTHER ATTENDENCE:

Council Meeting

1. **Call to Order 3:30p.m.** – Council Chair David Erickson [0:19](#)

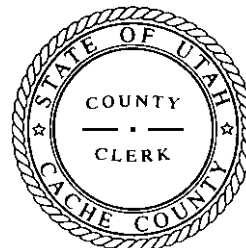
2. **Report Concerning Cache County Elections – Office of the Utah Lieutenant Governor** [1:26](#)

Ryan Cowley discussed the investigation done by the Utah Lieutenant Governor’s office on the Cache County Elections. [1:54](#) Ryan Cowley discussed 3 major concerns that the investigation uncovered. [3:23](#) Ryan Cowley said to read the full report to see all the recommendations made by the Lieutenant Governor’s office. [5:22](#) Ryan Cowley discussed what sparked the ongoing county investigation and election employees being put on administrative leave. [6:01](#) Ryan Cowley explained the importance of the Logic and Accuracy test associated with elections. [7:30](#) Ryan Cowley discussed the errors found on some of the ballots. [8:49](#) Ryan Cowley discussed the concerns found concerning chain of custody with ballots. [10:00](#) Ryan Cowley discussed the recommendation of utilizing the tools in Vista. [11:24](#) Ryan Cowley discussed recommendations to improve elections processing in the future. [13:05](#) Ryan Cowley read a letter from Lieutenant Governor Henderson to the Cache County Clerk. [15:52](#) Councilmember Nolan Gunnell asked if there was standardized state guidelines concerning recommendation 5.1 concerning instructions to voters on marking the ballot. [18:15](#) Councilmember Kathryn Beus asked if there will be extra guidance from the Lieutenant Governor’s office for the upcoming election. [20:49](#) Councilmember Barbara Tidwell asked how the elections staff could receive the training on Vista. [22:14](#) Councilmember Barbara Tidwell asked if the supplies for the election came from Vista or somewhere else. [23:13](#) Ryan Cowley discussed available federal and state funding available for elections equipment. [23:28](#) Councilmember Barbara Tidwell asked how the county would apply for federal funds. [24:22](#) Councilmember Sandi Goodlander suggested that there be a QR code and website that could be put on the ballot to lead voters to the state’s guidelines on how to mark the ballot. [25:03](#)

3. **Cache County’s Clerk’s response to the Lieutenant Governor’s Report – David Benson, Cache County Clerk** [27:10](#)

David Benson read a letter that he prepared for the Lieutenant Governor. [27:35](#) David Benson presented some of the work the elections staff has done to improve based on the recommendations from the Lietenant Governor’s office. [30:43](#) Councilmember Nolan Gunnell asked what four recommendations still need to be completed. [32:34](#) Councilmember Nolan Gunnell asked if there would be adequate staffing for the next election. [33:06](#) Councilmember Barbara Tidwell asked what records would be kept to ensure elections staff is properly trained. [34:48](#) Councilmember Barbara Tidwell asked if David Benson would be requesting to hire more staff at the budget opening. [36:01](#) Councilmember Barbara Tidwell asked how new staff would be trained. [36:14](#) Council expressed gratitude for the Lieutenant Governor’s office and County Clerk’s office. They hoped to see stability in staffing within the Clerk’s office. [36:36](#)

Adjourn:



CACHE COUNTY COUNCIL

February 13, 2024 at 5:00 p.m. - Cache County Chamber at 199 North Main, Logan, Utah.

In accordance with the requirements of Utah Code Annotated Section 52-4-203, the County Clerk records in the minutes the names of all persons who appear and speak at a County Council meeting and the substance "in brief" of their comments. Such statements may include opinions or purported facts. The County does not verify the accuracy or truth of any statement but includes it as part of the record pursuant to State law.

MEMBERS PRESENT: Chair David Erickson, Vice-Chair Barbara Tidwell, Councilmember Karl Ward, Councilmember Sandi Goodlander, Councilmember Nolan Gunnell, Councilmember Mark Hurd, Councilmember Kathryn Beus.

MEMEBERS EXCUSED:

STAFF PRESENT: Maggie Thatcher, Scott Bodily, Bartt Nelson, Brett Robinson, Lola Bott, Nathan Argyle, Michelle Stanger, Dianna Schaeffer, Amy Adams, Terryl Warner, Micah Safsten

OTHER ATTENDANCE: Eric Eliason

Council Meeting

1. **Call to Order 5:00p.m.** – Council Chair David Erickson [0:04](#)
2. **Opening Remarks and Pledge of Allegiance** – Councilmember Nolan Gunnell [0:31](#)
3. **Review and Approval of Agenda APPROVED [2:17](#)**

Action: Motion made by Councilmember Kathryn Beus to approve the amended agenda; seconded by Councilmember Nolan Gunnell. [2:24](#)

Motion passes.

Aye: 7 David Erickson, Barbara Tidwell, Kathryn Beus, Nolan Gunnell, Sandi Goodlander, Karl Ward, Mark Hurd
Nay: 0
4. **Review and Approval of Minutes APPROVED [2:35](#)**

Councilmember Karl Ward mentioned that he found the minutes confusing; concerning the tense it was written in. He noted that it did not affect the validity of the minutes. [2:41](#)

Action: Motion made by Councilmember Karl Ward to approve the minutes as is; seconded by Councilmember Sandi Goodlander. [4:25](#)

Motion passes.

Aye: 7 David Erickson, Barbara Tidwell, Kathryn Beus, Nolan Gunnell, Sandi Goodlander, Karl Ward, Mark Hurd
Nay: 0
5. **Report of the County Executive [4:43](#)**
 - A. Dirk Anderson said the Executive’s office had hoped to present some appointments but missed the deadline. The appointments will be presented at the next meeting. [4:47](#)
6. **Items of Special Interest [5:08](#)**
 - A. COSAC Update – Chris Sands, COSAC chair [5:52](#)

Chris Sands started to explain the application process for the county purchase of development rights program. [6:19](#)
Chris Sands shared a slide that explained the application process more. He also explained it would be a two stage process. [7:16](#) Councilmember Kathryn Beus asked if Chris Sands could go thru the application with the council and explain it. [9:59](#) Chris Sands explained that there are two different aspects to the program: Open Space Funding & Trail

Easement Acquisition. There is a different application for both. He then went through the Open space funding application explaining each section. [10:08](#) Chair David Erickson asked about the scoring aspect of the application, specifically concerning public access to the lands. [12:58](#) Chris Sands responded stating they have taken into consideration that some landowners would not be interested in public access. [14:10](#) Councilmember Karl Ward agreed stating that a property owner who wants to preserve their land as farmland would not want public access. [14:34](#) Council chair David Erickson asked if valley gateways/vistas would have the same scoring as trail ways. [14:47](#) Councilmember David Erickson then asked once a landowner enters into open space easement, what the duration would be. [15:13](#) Councilmember Nolan Gunnell asked if the easement protected landowners from future expansion. [15:44](#) Stephan Nelson added that there was a zoning standard within state law that Cache County could apply to these properties for additional protection. [16:29](#) COSAC member Eric Eliason stated that Bear River Land Trust will buy an insurance policy in the chance that the easement is challenged; the insurance policy will pay the legal fees. [17:05](#) Chris Sands discussed the scoresheet procedures that goes along with the application. [17:40](#) Chris Sands explained the Trails application process. [20:36](#) Councilmember David Erickson asked if governments would send their applications in behalf of landowners. [21:22](#) Councilmember Barbara Tidwell asked if the landowner acknowledgement was a legal form. [21:55](#) Stephan Nelson answered that the COSAC committee had the acknowledgement form to guarantee all parties involved were in agreement. [22:03](#) Councilmember Karl Ward asked what kind of trails could be applied for. [22:17](#) Councilmember Mark Hurd asked if the landowner could set restrictions on the type of trail. [22:44](#) Councilmember Kathryn Beus verified that these funds would not be used in building of the trail. [23:02](#) Chris Sands continued to explain the trails application. [23:53](#) Councilmember Nolan Gunnell asked if there was a list of groups for the landowner to join with their application. [26:44](#) Councilmember Karl Ward asked if an appraisal would be required to determine property value. [28:19](#) Councilmember Nolan Gunnell asked how appraisal would work with an open space. Council and audience members discussed appraisals. [29:57](#) Councilmember Sandi Goodlander verified that the funds were being used to pay the difference between developing the land and keeping it as open space. [32:02](#) Councilmember Kathryn Beus asked when the anticipated opening date of applications was going to be. [33:07](#) Councilmember Barbara Tidwell asked if the council wanted to change the trails application to require an appraisal. [34:46](#)

Action: Motion made by Councilmember Barbara Tidwell to approve the applications for the county purchase of development rights program with the changes that were discussed; seconded by Councilmember Kathryn Beus. [4:25](#)

Motion passes.

Aye: 7 David Erickson, Barbara Tidwell, Kathryn Beus, Nolan Gunnell, Sandi Goodlander, Karl Ward, Mark Hurd

Nay: 0

B. Presentation of PILT Funds – Blair Stringham, Utah Division of Wildlife Resources [36:19](#)

Blair Stringham presented the PILT funds, which is payment in lieu of taxes for the lands the division owns in the county. [36:34](#) Councilmember Karl Ward asked for the amount of the check amount and for how many acres it was for. [37:24](#)

9. Public Hearings

A. Public Hearing – Resolution 2024-01 – Opening the 2024 Cache County Budget [38:25](#)

Discussion: Maggie Thatcher discussed finance office’s budget amendment request for an increase to add employees to fully staff the office. [39:04](#) Council chair David Erickson asked if the number of employees was being increased before current employees leave. [39:40](#) Maggie Thatcher discussed finance office’s budget amendment request for an increase for an office remodel. [40:18](#) Councilmember Karl Ward asked if the whole office remodel could be done for \$12,000. [40:47](#) Council chair David Erickson asked if remodeling had already started. [41:04](#) Councilmember Nolan Gunnell asked if the increase in number of employees included the reshuffling between the finance and treasurer’s offices. [41:38](#) Maggie Thatcher discussed finance office’s budget amendment request for consulting services with Phil Noble. [42:15](#) Councilmember Sandi Goodlander asked if \$5000 was going to be enough. [42:31](#) Maggie Thatcher discussed executive office’s budget amendment requests. [42:45](#) Maggie Thatcher discussed the Sheriff Department’s budget amendment requests [43:20](#) Council chair David Erickson asked if the pager pay increase was mandated from the state. [44:00](#) Maggie

Thatcher discussed the fairground department's budget amendment requests. [44:50](#) Maggie Thatcher discussed the fire department's budget amendment request [45:07](#) Maggie Thatcher discussed the Clerk office's budget amendment request [45:34](#) Maggie Thatcher discussed the Election department's budget amendment requests [45:57](#) Chad Jenson asked about carry over POs from 2023 [46:39](#)

Action: Motion made by Councilmember Mark Hurd to close the public hearing; seconded by Councilmember Barbara Tidwell. [47:01](#)

Motion passes.

Aye: 7 David Erickson, Barbara Tidwell, Kathryn Beus, Nolan Gunnell, Sandi Goodlander, Karl Ward, Mark Hurd

Nay: 0

Discussion after Public hearing: Councilmember Karl Ward noted that the Sheriff department's budget decreases almost offsets the budget increase requests from other departments. [47:12](#) Councilmember Sandi Goodlander discussed adding an amendment to the communication section of the executive's budget [47:52](#) Councilmember Sandi Goodlander brought up the appropriation committee's meeting with the executive office concerning budget increase requests. [49:04](#) Dirk Anderson stated the most important request was for an increase in the travel line. He also greatly appreciated all the help they have received from the appropriations committee with their budget. [49:52](#) Councilmember Barbara Tidwell asked what the city manager association was. [52:42](#) Councilmember Barbara Tidwell asked Dirk Anderson if the travel budget included travel to NACO [54:11](#)

6. Continuation of Items of Special Interest [55:00](#)

C. Approval of Jones Simkins as External Auditor of 2023 County Financial Statements

Discussion: Micah Safsten presented the engagement letter from Jones Simkins to conduct the 2023 Cache County External Audit. Audit should be completed by end of June. [55:18](#) Councilmember Karl Ward noted a date error. [56:36](#)

Action: Motion made by Councilmember Kathryn Beus to approve the Jones Simkins contract; seconded by Councilmember Barbara Tidwell. [57:16](#)

Motion passes.

Aye: 7 David Erickson, Barbara Tidwell, Kathryn Beus, Nolan Gunnell, Sandi Goodlander, Karl Ward, Mark Hurd

Nay: 0

7. Department or Committee Reports [57:33](#)

A. Report on the Children's Justice Center – Scott Bodily

Scott Bodily reported 2023 statistics from the Children's Justice Center. [57:46](#) Scott Bodily stated their goals for 2024 [58:47](#) Scott Bodily said that he met with Landmark Construction to remove a glass wall and replacing it with an insulated sheetrock wall within the building [59:21](#) Scott Bodily reported that there is new legislature that requires that mental health services be provided to CJC interviewers. [1:00:22](#) Councilmember Karl Ward asked about funding for the changes. [1:01:21](#) Chad Jenson said the legislature had granted \$5 million for mental health services for Public Safety workers. [1:01:52](#) Councilmember Sandi Goodlander asked if the CJC already had funding for their construction projects. [1:02:54](#) Scott Bodily answered that the CJC planned for the construction within their 2024 budget. [1:02:58](#) Councilmember Nolan Gunnell asked what the guidelines were going to be for mandatory counseling for interviewers. [1:04:22](#)

8. Tax Relief [1:06:28](#)

Dianna Schaeffer discussed a settlement for a tax payer where his tax statements were being sent to the previous owner in Hawaii. [1:06:38](#) Councilmember Sandi Goodlander verified the amount of the settlement. [1:09:08](#) Councilmember Kathryn Beus asked how the tax payer found out about the late taxes. [1:10:20](#) Council Chair David Erickson asked if looking back the county knew how this mistake happened to ensure it won't happen again. [1:10:53](#) Councilmember Sandi Goodlander verified the amount the tax payer would pay. [1:11:23](#) Dianna Schaeffer discussed the tax relief report for 2023. [1:12:07](#) Councilmember Karl Ward asked how many parcels the county taxed each year. [1:13:27](#) Brett Robinson discussed two unique personal property mobile home abatements [1:14:44](#) Councilmember Sandi Goodlander asked Dianna Schaeffer to explain veterans' exemptions and when a veteran could claim exempt status. [1:17:06](#) Councilmember Kathryn Beus asked what a circuit breaker abatement was. [1:17:58](#) Councilmember Nolan Gunnell asked about special veterans' cases, i.e. Agent Orange. [1:18:39](#) Councilmember Karl Ward commented that the county's abatements were only 1.85% of the total number of parcels taxed. [1:19:29](#) Dianna Schaeffer noted that circuit breaker abatements are reimbursed by the state. [1:19:57](#) Councilmember Sandi Goodlander asked if properties that are tax exempt (i.e. low income housing) were in the tax relief report. [1:20:17](#) Dianna Schaeffer and council discussed tax exempt properties concerning their charitable contribution when they are getting reimbursed by section 8. More discussion will happen at the next meeting. [1:20:58](#)

Action: Motion made by Councilmember Karl Ward to approve the abatement fee of \$3591.28; seconded by Councilmember Barbara Tidwell. [1:10:02](#)

Motion passes.

Aye: 7 David Erickson, Barbara Tidwell, Kathryn Beus, Nolan Gunnell, Sandi Goodlander, Karl Ward, Mark Hurd

Nay: 0

Action: Motion made by Councilmember Sandi Goodlander to amend the 2023 tax relief as stated; seconded by Councilmember Nolan Gunnell. [1:17:06](#)

Motion passes.

Aye: 7 David Erickson, Barbara Tidwell, Kathryn Beus, Nolan Gunnell, Sandi Goodlander, Karl Ward, Mark Hurd

Nay: 0

Action: Motion made by Councilmember Nolan Gunnell to accept the 2023 tax relief report; seconded by Councilmember Karl Ward. [1:22:46](#)

Motion passes.

Aye: 7 David Erickson, Barbara Tidwell, Kathryn Beus, Nolan Gunnell, Sandi Goodlander, Karl Ward, Mark Hurd

Nay: 0

10. Pending Action

11. Initial Proposals for Consideration of Action

A. *Resolution 2024-01* Opening the 2024 Cache County Budget [1:23:04](#)

Discussion: Councilmember Karl Ward asked change the travel budget for the executive's office, per their previous request. [1:23:22](#) Council Chair David Erickson said he thought the executive's budget should stay as is. [1:23:28](#) Councilmember Sandi Goodlander asked if she needed to make a motion for the cell phone amendment. [1:23:59](#) Councilmember Nolan Gunnell said that he was glad to see more help being requested with elections after the prior workshop. [1:24:39](#) Council chair David Erickson expressed his gratitude for all the hard work the apparitions committee did with the budget. [1:24:49](#)

Action: Motion made by Councilmember Nolan Gunnell to suspend the rules and approve Resolution 2024-01; seconded by Councilmember Barbara Tidwell. [1:25:39](#)

Motion passes.

Aye: 7 David Erickson, Barbara Tidwell, Kathryn Beus, Nolan Gunnell, Sandi Goodlander, Karl Ward, Mark Hurd

Nay: 0

B. Resolution 2024-02 Establishing a Policy by which Cache County’s Representative on the Bear River Mental Health Board of Trustees is Selected [1:26:17](#)

Discussion: Micah Safsten explained Resolution 2024-02 and the bylaws of the Bear River Mental Health. [1:26:43](#)

Action: Motion made by Councilmember Barbara Tidwell to waive the rules and approve Resolution 2024-02; seconded by Councilmember Sandi Goodlander. [1:28:56](#)

Motion passes.

Aye: 7 David Erickson, Barbara Tidwell, Kathryn Beus, Nolan Gunnell, Sandi Goodlander, Karl Ward, Mark Hurd

Nay: 0

Action: Motion made by Councilmember Barbara Tidwell made a motion to nominate Councilmember Nolan Gunnell to the Bear River Mental Health Board of Trustees; seconded by Councilmember Sandi Goodlander. [1:29:32](#)

Motion passes.

Aye: 7 David Erickson, Barbara Tidwell, Kathryn Beus, Nolan Gunnell, Sandi Goodlander, Karl Ward, Mark Hurd

Nay: 0

C. Ordinance 2024-02 An Ordinance Updating Council Districts to Include Certain Uninhabited Precincts [1:30:07](#)

Discussion: Councilmember Kathryn Beus asked what would happen if the council didn’t update the districts. [1:31:07](#)

Action: Motion made by Councilmember Sandi Goodlander to waive the rules and approve Ordinance 2024-02; seconded by Councilmember Barbara Tidwell. [1:32:04](#)

Motion passes.

Aye: 7 David Erickson, Barbara Tidwell, Kathryn Beus, Nolan Gunnell, Sandi Goodlander, Karl Ward, Mark Hurd

Nay: 0

12. Other Business

A. UAC Building Utah Conference

April 10-11, 2024

Councilmember Barbara Tidwell can no longer attend and Councilmember Sandi Goodlander did not want to attend alone. Council discussed if a member of the council needed to attend or if the county would be otherwise represented. [1:32:38](#)

B. UAC Management Conference

April 30 – May 1, 2024 in St. George

Barbara, Karl, Dave (?), Mark (?), Kathryn

The council thought the conference was in St. George but it will actually be in Utah County. [1:34:26](#)

13. Councilmember Reports [1:35:33](#)

David Erickson – He thinks the Legislature action that they are doing is going well. He was also unable to attend the Fair board meeting that morning due to other obligations. [1:38:30](#)

Sandi Goodlander – She had a good meeting with the fair board committee where they discussed RAPZ that they want to present to the council. Appropriations committee had its first meeting, it went well. She is excited to be a part of it. She went to Salt Lake multiple times last week for the Legislative session and really enjoyed that opportunity. She also wanted to put in a plug for a much needed new senior center. [1:37:25](#)

Karl Ward – He also attended the OMP meeting and is excited for Barbara to be the chair. [1:38:20](#)

Barbara Tidwell – She was nominated to be the chair of the OMP committee and thought they had a great discussion at their meeting. Working towards her personal goal, Micah trained her with Caselle. Concerning the legislature, the Human social services call was canceled and has not been rescheduled. [1:36:19](#)

Kathryn Beus – nothing [1:36:17](#)

Nolan Gunnell – nothing [1:36:11](#)

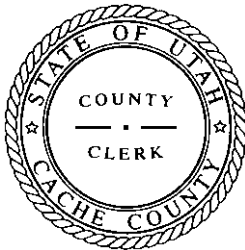
Mark Hurd – He had a good OMP meeting the previous day but unfortunately missed the fair board meeting due to a work meeting. [1:35:37](#)

14. Executive Session – Utah Code 52-4-205(1)(c)—Strategy session to discuss pending or reasonably imminent litigation

Adjourn: 7:30 PM

APPROVAL: David Erickson, Chair
Cache County Council

ATTEST: David Benson, Clerk
Cache County Council





FINANCIAL STATEMENTS
with
INDEPENDENT AUDITORS' REPORT
Years Ended June 30, 2023 and 2022

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INTRODUCTORY SECTION



December 29, 2023

Office of the State Auditor
Utah State Capitol Complex
Senate Office Building, Suite E310
P.O. Box 142310
Salt Lake City, UT 84114

The financial statement report of Bear River Mental Health Services, Inc. (Center), a not-for-profit organization, for the fiscal years ended June 30, 2023 and 2022, is submitted herewith. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Center. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Center. All disclosures necessary to enable the reader to gain an understanding of the Center's financial activities have been included.

The financial report is presented in three sections: introductory, financial, and supplemental. The introductory section includes this transmittal letter, organizational chart, and a list of principal officials. The financial section includes the auditor's report and the June 30, 2023 and 2022, financial statements. The supplemental section consists of a comparative detail statement of activities and the auditor's reports in accordance with government auditing standards.

The Center contracts with the State of Utah, which dictates that programs be considered for compliance with the requirements governing types of services. Management of the Center is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Center are protected from loss, theft or misuse; and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and county financial assistance, the Center also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to a periodic evaluation by management. As demonstrated by the statements and schedules included in the financial section of this report, the Center continues to meet its responsibility for sound financial management.

The preparation of the financial statements and supplemental information was made possible by the dedicated services of the Bear River staff, who assisted with the audit process. Additionally, the excellent work accomplished by the staff from the firm of Carver Florek & James, CPA's made this an extremely useful review and summary for management purposes.

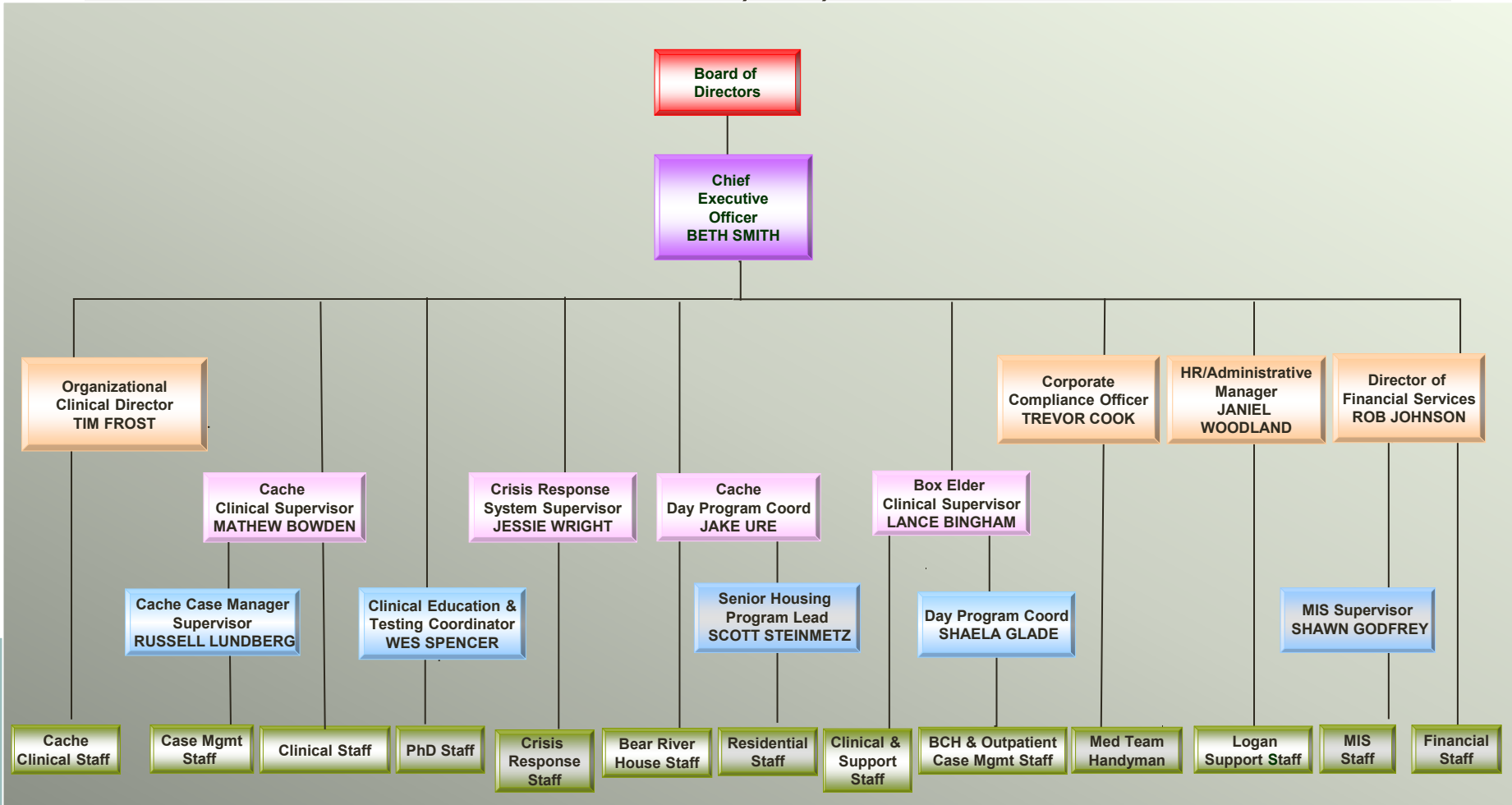
Due credit also should be given to the governing board of the Center for their interest and support in planning and conducting the operations in a responsible and progressive manner.

Respectfully,

BETH SMITH

Beth A. Smith
President/CEO

BEAR RIVER MENTAL HEALTH ORGANIZATIONAL CHART AS OF 6/30/2023



EXECUTIVE COMMITTEE:

President/CEO..... Beth A. Smith
Director of Financial Services..... Robert B. Johnson
Clinical Director..... Timothy Frost
Corporate Compliance Officer..... Trevor L. Cook
HR/Administrative Manager..... Janiel Woodland
Clinical Supervisor..... Jacob Ure

BOARD OF DIRECTORS:

Chair..... Gail Godfrey
Vice Chair..... Jeffrey Scott
Member..... Steve Vincent
Member..... William Cox
Member..... David Zook
Member..... Kirk Allen
Member..... Kris Monson
Member..... Steven L. Stowers
Member..... Lee Perry
Member..... Reed Ernstrom
Member..... Jarred Glover

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Bear River Mental Health Services, Inc.
Logan, Utah

Opinion

We have audited the financial statements of Bear River Mental Health Services, Inc. (a nonprofit Center), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bear River Mental Health Services, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023 on our consideration of the Center’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 solely 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 the effectiveness of 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 Center’s internal control over financial reporting and compliance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information included in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Carver Florek & James, CPAs

Layton, Utah
December 29, 2023

BEAR RIVER MENTAL HEALTH SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 13,196,194	\$ 11,291,449
Accounts receivable	3,377,696	2,516,605
Prepaid expenses	643,997	967,938
Total current assets	17,217,887	14,775,992
Property and equipment, net	1,762,103	1,806,062
Investments	20,000	20,000
Total assets	\$ 18,999,990	\$ 16,602,054
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 735,405	\$ 626,921
Accrued expenses	1,423,185	1,223,722
Unexpended county funds	62,591	80,458
Other current liabilities	33,561	16,353
Total current liabilities	2,254,742	1,947,454
Mortgage payable	309,935	309,935
Total liabilities	2,564,677	2,257,389
Net assets - without donor restrictions		
Operating appropriation	5,423,235	5,014,842
Net investment in fixed assets	1,452,168	1,496,127
Undesignated	9,559,910	7,833,696
Total net assets	16,435,313	14,344,665
Total liabilities and net assets	\$ 18,999,990	\$ 16,602,054

See accompanying notes and independent auditors' report

BEAR RIVER MENTAL HEALTH SERVICES, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2023 and 2022

	2023	2022
SUPPORT AND REVENUES		
Government support:		
Federal	\$ 401,998	\$ 443,451
State	3,550,928	3,500,845
County	503,989	470,933
Total governmental support	4,456,915	4,415,229
Revenues:		
Medicaid, net	13,340,129	13,804,932
Service fees	211,239	241,060
Investment income	483,763	64,933
Client living fees	67,140	65,250
Miscellaneous	27,135	31,104
Total revenues	14,129,406	14,207,279
Total support and revenues	18,586,321	18,622,508
EXPENSES		
Outpatient	10,245,359	9,469,945
Intensive services	4,605,997	4,255,667
Management and general	1,644,317	1,528,010
Total expenses	16,495,673	15,253,622
NON-OPERATING REVENUES		
Gain on sale of assets	-	-
INCREASE (DECREASE) IN NET ASSETS - WITHOUT DONOR RESTRICTIONS	2,090,648	3,368,886
NET ASSETS - WITHOUT DONOR RESTRICTIONS BEGINNING OF YEAR	14,344,665	10,975,779
NET ASSETS - WITHOUT DONOR RESTRICTIONS END OF YEAR	\$ 16,435,313	\$ 14,344,665

See accompanying notes and independent auditors' report

BEAR RIVER MENTAL HEALTH SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	<i>Program Services</i>		Management and General	Company Total
	Outpatient	Intensive Services		
Personnel	\$ 9,325,712	\$ 1,524,235	\$ 1,445,915	\$ 12,295,862
Travel/auto	58,728	51,231	8,407	118,366
Office maintenance	25,060	4,278	18,990	48,328
Occupancy	266,502	180,280	57,805	504,587
Professional	238,912	2,637,932	34,589	2,911,433
Staff support	59,894	18,863	50,027	128,784
Data processing	125,403	21,812	9,244	156,459
Program activities	22,534	121,328	-	143,862
Depreciation	122,589	46,038	10,359	178,986
Other	25	-	8,981	9,006
Total expenses	\$ 10,245,359	\$ 4,605,997	\$ 1,644,317	\$ 16,495,673
	62.11%	27.92%	9.97%	

See accompanying notes and independent auditors' report

BEAR RIVER MENTAL HEALTH SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

	<i>Program Services</i>		Management and General	Company Total
	Outpatient	Intensive Services		
Personnel	\$ 8,405,271	\$ 1,403,454	\$ 1,270,996	\$ 11,079,721
Travel/auto	69,684	38,139	4,315	112,138
Office maintenance	15,467	5,297	8,483	29,247
Occupancy	375,278	183,876	128,837	687,991
Professional	184,125	2,433,168	32,145	2,649,438
Staff support	67,663	15,932	46,061	129,656
Data processing	212,958	25,801	19,303	258,062
Program activities	17,772	116,033	-	133,805
Depreciation	121,261	33,942	10,358	165,561
Other	466	25	7,512	8,003
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	\$ 9,469,945	\$ 4,255,667	\$ 1,528,010	\$ 15,253,622
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	62.08%	27.90%	10.01%	

See accompanying notes and independent auditors' report

BEAR RIVER MENTAL HEALTH SERVICES, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets without donor restrictions	\$ 2,090,648	\$ 3,368,886
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	178,986	165,561
Gain from sale of property and equipment	-	-
Changes in operating assets and liabilities:		
Accounts receivable	(861,091)	(1,141,099)
Prepaid expense, deposits, and other assets	323,941	119,533
Accounts payable	108,484	(12,421)
Accrued expenses and interest	198,804	106,489
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,039,772</u>	<u>2,606,949</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(135,027)</u>	<u>(5,890)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(135,027)</u>	<u>(5,890)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,904,745	2,601,059
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>11,291,449</u>	<u>8,690,390</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 13,196,194</u>	<u>\$ 11,291,449</u>

See accompanying notes and independent auditors' report

BEAR RIVER MENTAL HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Bear River Mental Health Services, Inc. (Center) is a not-for-profit organization whose purpose is to provide mental health services to residents of Cache, Rich and Box Elder Counties in the state of Utah. The Center was incorporated as a not-for-profit organization on January 1, 1984. Prior to incorporation, mental health services were performed through a tri-county governmental association. The Center receives funding for its programs from various federal, state and local sources. In addition, the Center receives Medicaid reimbursement for eligible patients on a capitation basis. The Center has facilities in Logan, Brigham City and Tremonton, Utah, with satellite offices in Garden City and Randolph, Utah.

The Center provides comprehensive mental health services to clients including: psychosocial rehabilitation, residential services, inpatient services, individual therapy, group therapy, psychological testing, medication management, etc. These services are provided for individuals who are eligible for Utah State Medicaid, the portion of the population that meets the State of Utah's definition for seriously and persistently mentally ill adults or seriously emotionally disturbed children and adolescents, or those individuals in psychiatric crisis or in need of inpatient hospitalization.

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Center follows Financial Accounting Standards Board (FASB) Accounting Standards Codification 958, "Not-for-Profit Entities," as the basis of presentation of its financial statements. Therefore, the Center reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. However, the Center had no net assets with donor restrictions during the years ended June 30, 2023 and 2022.

Net assets without donor restrictions – Net assets for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for any purpose.

BEAR RIVER MENTAL HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The financial statements include estimates and assumptions made by management that affect the carrying amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Property and Equipment

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment are carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets (3 – 25 years).

Tenant Deposits

The Center collects refundable deposits for certain monthly living accommodations provided to eligible patients. This liability represents amounts received and held as of June 30, 2023 and 2022 and is reported as other current liabilities on the statement of financial position.

Accrued Leave Payable

Unused personal leave that is expected to be liquidated with expendable available resources and paid upon termination has been accrued.

Advertising Expenses

The Center expenses advertising costs as incurred. Advertising costs were \$4,608 and \$3,777 for the years ended June 30, 2023 and 2022, respectively.

Revenues with and without donor restrictions

Revenues earned from services provided under third-party reimbursement and private pay arrangements are recognized on a cash basis due to the uncertainty of the timing and amount of collection. As this treatment has an immaterial effect on the financial statements, and due to the uncertainty of collection which is not susceptible to reasonable estimation by management, the Center's treatment is deemed to conform with generally accepted accounting principles.

Contributions received that are by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

BEAR RIVER MENTAL HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Center's tax-exempt purpose may be subject to taxation as unrelated business income. There was no known unrelated business income during the years ended June 30, 2023 and 2022.

Functional Allocation of Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statement of functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses are tracked using direct identification methodology of charging specific expenses as either program, management and general, or fundraising. The financial statements report certain categories of expense that are attributable to one or more program of supporting functions. Those expenses primarily include administrative, building, non-personnel, health savings account (HSA), liability insurance, data processing, and depreciation. Administrative building non-personnel and data processing expenses are allocated based upon management estimate. HSA and liability insurance expenses are allocated to the program to which the applicable employees primarily work. Depreciation expense associated with shared admin/program buildings are allocated based upon management's estimate of usage.

Cash and Cash Equivalents

Cash and cash equivalents includes all unrestricted monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Accounts Receivable

All of the Center's accounts receivable is the result of normal business and trade. Accounts receivable is stated at the amount management expects to collect. All billings are based upon contracted terms. Management believes all receivables at June 30, 2023 and 2022 are fully collectible. As such, the Center has not established an allowance for doubtful accounts as of June 30, 2023 and 2022.

Subsequent Events

Management has evaluated subsequent events through December 29, 2023, the date on which the financial statements were available for issue.

BEAR RIVER MENTAL HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Center’s financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of June 30, 2023 and 2022:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 13,196,194	\$ 11,291,449
Accounts Receivable	3,377,696	2,516,605
Financial assets, end of year	16,573,890	13,808,054
Less: assets unavailable for general expenditures within one year	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 16,573,890	\$ 13,808,054

3. CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Center’s deposits may not be recovered. The Center follows the Utah Money Management Act, which requires all deposits of entity to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and 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. As of June 30, 2023, the Center’s bank accounts exceeded the FDIC limit of \$250,000 by approximately \$50,000. As of June 30, 2022, none of the Center’s bank accounts exceeded the FDIC limit of \$250,000.

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The Center’s policy for limiting the credit risk of investments is to comply with the Money Management Act.

The Center is authorized to invest in the Utah Public Treasurer’s Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and council requirements. The PTIF is not registered with the SEC as an investment company and deposits are not insured or otherwise guaranteed by the State of Utah.

BEAR RIVER MENTAL HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

3. CASH AND CASH EQUIVALENTS (CONTINUED)

The PTIF operates and reports to participants on an amortized costs basis. The income, gains and losses, net of administration fees, are allocated based upon the participants' average daily balances.

The Center had investments with the PTIF of \$13,190,438 and \$11,253,338 as of June 30, 2023 and 2022, respectively. The entire balance had a maturity of less than one year and is reported as cash and cash equivalents on the statements of financial position. The PTIF has not been rated.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Center manages its exposure to declines in fair value by investment; mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investment may not exceed the period of availability of the fund to be invested.

4. INVESTMENTS

Mental Health Risk Retention Group

In 1984, the Center joined an association to provide liability insurance coverage. The association required that stock be purchased in a corporation by all mental health centers participating in the insurance plan. On January 12, 1988, 40 shares of class "C" common stock were issued to the Center in consideration of \$20,000 paid as a deposit. The market value of this investment is not available due to the nature of the corporation.

5. PREPAID MEDICAID MATCH

Medicaid requires that the state's portion of the Medicaid match be prepaid before Medicaid funds may be received by the Center. The match is estimated on a quarterly basis. Occasionally, the estimated match isn't sufficient to cover the actual match amount. The balances in the prepaid Medicaid match account as of June 30, 2023 and 2022 were \$550,217 and \$882,202, respectively.

BEAR RIVER MENTAL HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2023 and 2022:

	2023	2022
Land	\$ 457,429	\$ 457,429
Buildings and improvements	5,623,600	5,623,600
Furniture and equipment	855,309	761,680
	6,936,338	6,842,709
Accumulated depreciation	(5,174,235)	(5,036,647)
	\$ 1,762,103	\$ 1,806,062

7. RETIREMENT PLANS

By means of its substantial contract with Cache, Box Elder and Rich Counties, eligible employees of the Center can participate in the Local Governmental Noncontributory Retirement System (Noncontributory System), a cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems (Systems).

The Systems are comprised of two pension trust funds and several retirement savings plans. The legacy pension fund is referred to as "Tier 1". The second pension fund entitled "Tier 2 Public Employees System Contributory Retirement System" (Tier 2) became effective July 1, 2011. All participating employees beginning on or after July 1, 2011 who had no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The 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 Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. Utah Retirement Systems (URS) is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

The Center was required to contribute a percentage of covered salaries to the respective systems: 17.97 percent to the, Tier 1 Noncontributory Retirement System, and 16.19 percent to the Tier 2 Contributory Hybrid Retirement System. The contribution rates are actuarially determined rates and are approved by the Board as authorized by Utah Code Title 49.

BEAR RIVER MENTAL HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

7. RETIREMENT PLANS (CONTINUED)

The Center's contributions to the Tier 1 Noncontributory Retirement System for years ended June 30, 2023, 2022 and 2021 were \$527,302, \$491,904 and \$432,373, respectively. The Center's contributions to the Tier 2 Contributory Hybrid Retirement System for years ended June 30, 2023, 2022 and 2021 were \$581,526, \$573,225 and \$432,929, respectively. The contributions were equal to the required contributions for each year.

The Center provides supplemental pension benefits for all of its fulltime employees through a defined contribution plan, Section 401(k). Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate in the plan from the date of employment. Employee contributions are optional within prescribed limits; The Board of Directors authorizes the Center to contribute 2 percent of the Tier 1 and Tier 2 employees' retirement salary. The Center's 2 percent contribution is fully vested upon deposit into the plan. The Center made contributions totaling \$281,789, \$249,217 and \$204,647 for years ended June 30 2023, 2022 and 2021. Employees made \$162,295, \$144,404 and \$90,916 in optional contributions for the same periods.

The Center also offers its employees deferred compensation plans created in accordance with Internal Revenue Service Code. The plans, available to all employees eligible for benefits, permit them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon that date. Employee contributions to the Section 457 plan totaled \$48,934, \$41,987 and \$20,060 and the Roth IRA plan totaled \$40,635, \$33,720 and \$24,890 for the years ended June 30, 2023, 2022 and 2021. The Center did not make any contribution to either plan.

Pension Assets and Liabilities

The actuarially determined share of the URS unfunded pension liability and pre-funded assets ascribed to the Center at December 31, 2022 and 2021 is a net pension liability of \$686,826 and a net pension asset of \$64,799, respectively, for the Tier 2 Public Employees System, and a net pension liability of \$176,367 and a net pension asset of \$2,063,961, respectively, for the Noncontributory System.

8. MORTGAGE PAYABLE

The Center purchased a building in Brigham City, Utah, to use in their mental health services. This purchase was made with loan proceeds available from the Department of Housing and Urban Development (HUD) through the State of Utah Housing Trust Fund at zero percent interest. Repayment of the loan is to be made when the project is sold, transferred to another entity or changes use. The amount due at June 30, 2023 and 2022, was \$309,935, which was for the purchase and renovation of the building.

BEAR RIVER MENTAL HEALTH SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

9. CAFETERIA PLAN

The Center has set up a cafeteria plan to enable employees to have amounts excluded from their income under Section 125(a) and other applicable sections of the Internal Revenue Service Code of 1986, as amended. The plan is to provide contributions from the employees to cover benefits paid. The plan is administered by an independent agency with assets maintained in separate bank accounts.

10. DESIGNATED NET ASSETS

The Board of Directors has appropriated an amount to be set aside for normal operations of the Center. The operating appropriation has been calculated at 120 days of expenditures for year end June 30, 2023. Net investment in fixed assets represents the net book value of capital assets held at year end, net of related debt.

11. OPERATING LEASES

Rent expense for years ended June 30, 2023 and 2022 was \$2,400.

12. CONCENTRATIONS OF RISK

The Center received approximately 72% and 71% of its revenue from Medicaid and approximately 19% and 19% of its revenue from the State of Utah during the years ended June 30, 2023 and 2022, respectively. As of June 30, 2023 and 2022, approximately 12% and 24% of the Center's receivables were from Medicaid and approximately 74% and 67% of the Center's receivables were from the State of Utah, respectively. A change in the level or amount of support could significantly affect the operations of the Center.

13. POTENTIAL MEDICAID MLR SETTLEMENTS

The Center's contract with Medicaid stipulates if the expansion Medical Loss Ratio (MLR) is under 85%, the Center will repay Medicaid until the MLR equals 85%. If the MLR is over 91%, Medicaid would pay the Center until this ratio equals 91%.

For the year ended June 30, 2023, the MLR report is not due to the State of Utah until March 31, 2024, which will then be reviewed by the State of Utah. As such, the Center is unable to estimate any potential settlement amount.

SUPPLEMENTAL SECTION

BEAR RIVER MENTAL HEALTH SERVICES, INC.
SCHEDULE 1: DETAILED STATEMENTS OF ACTIVITIES
Years Ended June 30, 2023 and 2022

	<i>Memorandum Only</i> 2023	<i>Memorandum Only</i> 2022
SUPPORT AND REVENUES		
Government support:		
Federal:		
Block Grant	\$ 106,798	\$ 103,739
Telehealth-EIM	75,000	91,032
Federal MCOT	21,428	-
Block Grant set aside for children	24,000	27,000
Rapid Follow-Up	43,895	33,352
Front Line Retention	-	106,468
US Supported Employment	119,415	75,000
Family recourse facilitator	11,462	6,860
COVID	-	-
	401,998	443,451
State:		
State operating grant	2,021,669	1,869,669
State children's grant	200,000	215,000
State Medicaid replacement	61,879	61,854
Stabilization and mobile response	-	518,847
Justice assistance grant	130,226	141,357
Early intervention	190,305	159,361
State MCOT	879,444	468,571
Pre-admission screening/resident review	16,822	17,304
Justice reinvestment initiative	46,088	48,785
Community outplacement grant	4,495	97
Total state	3,550,928	3,500,845
County:		
County match	503,989	470,933
Total governmental support	4,456,915	4,415,229
Revenues:		
Medicaid, net:		
Medicaid disability determination	328	560
Medicaid capitation	15,934,538	15,884,416
Medicaid FFS	138,744	271,317
Medicaid/Medicare crossovers	15,522	21,635
ARPA HCBS Enhancement	477,125	530,109
Medicaid match contra revenue	(3,106,174)	(2,787,798)
Medicaid admin fee	(119,954)	(115,307)
Total Medicaid, net	13,340,129	13,804,932

See accompanying notes and independent auditors' report

BEAR RIVER MENTAL HEALTH SERVICES, INC.
SCHEDULE 1: DETAILED STATEMENTS OF ACTIVITIES
Years Ended June 30, 2023 and 2022

	<i>Memorandum Only</i> 2023	<i>Memorandum Only</i> 2022
Service fees:		
Personal payments	5,676	347
Insurance	24,094	19,925
Medicare	45,780	74,069
Mental health court	15,568	35,860
Schools	56,712	58,532
Consult fees	59,206	48,740
Rainbow club/New discovery	4,203	3,587
Total service fees	211,239	241,060
Investment income	483,763	64,933
Client living fees:		
24-hour supervised living fees	16,411	17,702
Semi-independent living fees	50,729	47,548
Total client living fees	67,140	65,250
Miscellaneous:		
Integration Grant	15,000	13,500
Miscellaneous	3,301	716
Donations	1,896	10,000
Day treatment lunch program	6,938	6,888
Total miscellaneous	27,135	31,104
Total revenues	14,129,406	14,207,279
Total support and revenues	18,586,321	18,622,508

See accompanying notes and independent auditors' report

BEAR RIVER MENTAL HEALTH SERVICES, INC.
SCHEDULE 1: DETAILED STATEMENTS OF ACTIVITIES
Years Ended June 30, 2023 and 2022

	<i>Memorandum Only</i>	<i>Memorandum Only</i>
	2023	2022
EXPENSES		
Salaries	8,125,618	7,215,855
Employee benefits	4,170,244	3,863,866
Total personnel	<u>12,295,862</u>	<u>11,079,721</u>
Travel - in state	45,904	37,289
Travel - out of state	421	-
Gas and oil	28,738	24,864
Maintenance	23,873	18,159
Insurance	19,430	31,826
Total travel/auto	<u>118,366</u>	<u>112,138</u>
Office supplies	32,146	18,367
Postage	4,411	3,525
Printing and publications	11,312	7,285
Maintenance	459	70
Total office maintenance	<u>48,328</u>	<u>29,247</u>
Rent	2,400	2,440
Utilities	163,713	148,179
Telephone	55,178	52,853
Insurance	42,790	37,849
Janitorial	80,197	64,205
Maintenance	160,309	382,465
Total occupancy	<u>504,587</u>	<u>687,991</u>
Contract services	275,718	218,384
Inpatient	2,635,715	2,431,054
Residential beds	-	-
Total professional services	<u>2,911,433</u>	<u>2,649,438</u>
Books and journals	659	1,169
Licenses and memberships	8,964	9,154
Education and training	35,825	44,346
Liability insurance	83,336	74,987
Total staff support	<u>128,784</u>	<u>129,656</u>

See accompanying notes and independent auditors' report

BEAR RIVER MENTAL HEALTH SERVICES, INC.
SCHEDULE 1: DETAILED STATEMENTS OF ACTIVITIES
Years Ended June 30, 2023 and 2022

	<i>Memorandum Only</i> 2023	<i>Memorandum Only</i> 2022
	<hr/>	<hr/>
Data processing services	29,810	22,659
Data processing supplies/equipment	8,840	126,184
Data processing maintenance	117,809	109,219
Total data processing	<hr/> 156,459	<hr/> 258,062
Materials	8,752	5,499
Medical supplies	1,485	4,228
Patient activities	133,625	124,078
Total program activities	<hr/> 143,862	<hr/> 133,805
Advertising	4,608	3,777
Miscellaneous	1,815	2,554
Bank charges	1,448	1,036
Board of directors	1,135	636
Total other expenses	<hr/> 9,006	<hr/> 8,003
Equipment and furnishings	135,027	5,890
Total capital outlay	<hr/> 135,027	<hr/> 5,890
Total expenditures before adjustment	16,451,714	15,093,951
Capital expenditures	(135,027)	(5,890)
Depreciation	178,986	165,561
Total expenses	<hr/> 16,495,673	<hr/> 15,253,622
Non-operating revenue:		
Gain on sale of asset	<hr/> -	<hr/> -
Net income (loss)	<hr/> <hr/> \$ 2,090,648	<hr/> <hr/> \$ 3,368,886

See accompanying notes and independent auditors' report

**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 Board of Directors
Bear River Mental Health Services, Inc.
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 Bear River Mental Health Services, Inc. (a nonprofit Center), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 29, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bear River Mental Health Services, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bear River Mental Health Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center'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.

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

Carter Florek & James, CPAs

Layton, Utah
December 29, 2023



**CACHE COUNTY
RESOLUTION NO. 2024 - 03**

**A RESOLUTION AMENDING THE PERSONNEL POLICY AND PROCEDURE
MANUAL TO ESTABLISH A POLICY FOR ON-CALL TIME IN THE COUNTY**

- A) WHEREAS, Utah Code Ann. § 17-53-2, gives the Cache County Council the authority to “pass all ordinances and rules and make all regulations, not repugnant to law;” and
- B) WHEREAS, Certain county departments must be able to respond to unforeseen events or circumstances in a timely manner, and must have employees who are on-call; and
- C) WHEREAS, a policy establishing the policy of the county with regard to on-call time is necessary to communicate the expectations of Cache County as an employer; and
- D) WHEREAS, the Ordinance and Policy Review Committee approved this policy at its February 12, 2024 meeting with a vote of 3-0;

Now, therefore, the Cache County Council hereby ordains, as follows:

Section 1: The Cache County Personnel Policy and Procedures Manual shall be amended as follows:

Section VII – Personnel Management

U. On-Call Time

The purpose of on-call time is to provide a cost-effective way for departments to respond to unforeseen demand for essential services that may occur outside of normal working hours and/or above normal staffing levels.

1. Time is considered on-call time when the employee has freedom of movement in personal matters as long as the employee is available for a call to duty. The employee must restrict off-duty activities to ensure the appropriate physical and mental capability to begin work at any time during the on-call schedule.
2. An employee may not be in on-call status while using leave or while otherwise unable to respond to a call for duty.
3. On-call status shall be designated by a supervisor in writing or through scheduling.



4. Employees who are asked to carry a cell phone to answer questions, to be contacted, and/or asked to return to work if possible, or for any other purpose besides being assigned on-call time are not considered to be on-call.
5. Each department determines on-call response time. Employees assigned to work on-call and not able to respond in the time designated by the department are subject to disciplinary action.
6. Pay for on-call time is at a rate recommended by the Compensation Committee and approved by the County Council in the adopted budget.
7. The employee shall record the hours spent in on-call status and any actual hours worked on the official time record for the specific date the hours were incurred in order to be paid.
8. On-call times are independent of overtime provisions and are not considered hours worked for calculating overtime.
9. An employee may not record on-call hours and actual hours worked for the same period of time. On-call hours, actual hours worked, and leave hours cannot exceed 24 hours in a day.
10. Exempt employees from the Federal Labor Standards Act are not entitled to receive on-call pay. Exceptions:
 - a. Victim Advocates
 - b. In cases of operational exigency, the Director of Personnel Management may recommend on-call pay for exempt employees to the Council for approval.
11. On-call pay stops when an employee starts traveling to the work site in response to a call and resumes after the work is complete and the employee has traveled away from the work site. The actual time an employee starts traveling to the work site arrives at the worksite and completes the necessary work, and the time the employee completes his/her travel away from the work site must be documented.

RESOLVED BY THE COUNTY COUNCIL OF CACHE COUNTY, UTAH THIS ___ DAY OF _____ 2024.

	In Favor	Against	Abstained	Absent
Kathryn Beus				



David Erickson				
Sandi Goodlander				
Nolan Gunnell				
Mark Hurd				
Barbara Tidwell				
Karl Ward				
Total				

CACHE COUNTY:

ATTEST:

By: _____
David L. Erickson, Chair

By: _____
David Benson, County Clerk / Auditor