

CACHE COUNTY
FINANCIAL STATEMENTS

December 31, 2002

CACHE COUNTY
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Independent Auditors' Report		1
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	1	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	2	7
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - (Non-GAAP Basis) All Governmental Fund Types	3	9
Notes to Financial Statements		11
	<u>Statement/ Schedule</u>	<u>Page</u>
Combining and Individual Funds' Financial Statements:		
General Fund:		
Comparative Balance Sheets	A-1	35
Statement of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis)	A-2	36
Analysis of Expenditures	A-3	41
Special Revenue Funds:		
Combining Balance Sheet	B-1	43
Combining Statement of Revenues, Expen- ditures and Changes in Fund Balances	B-2	45
Bear River District Health Fund:		
Comparative Balance Sheets	B-3	47
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)	B-4	48

CACHE COUNTY
TABLE OF CONTENTS

	<u>Statement/ Schedule</u>	<u>Page</u>
Municipal Services Fund:		
Comparative Balance Sheets	B-5	49
Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual (Non-GAAP Basis)	B-6	50
Health Fund:		
Comparative Balance Sheets	B-7	53
Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual (Non-GAAP Basis)	B-8	54
Travel Council Fund:		
Comparative Balance Sheets	B-9	55
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)	B-10	56
Council on Aging Fund:		
Comparative Balance Sheets	B-11	57
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)	B-12	58
Mental Health Fund:		
Comparative Balance Sheets	B-13	61
Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual (Non-GAAP Basis)	B-14	62
Recreation Fund:		
Comparative Balance Sheets	B-15	63
Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual (Non-GAAP Basis)	B-16	64
Planning and Development Fund:		
Comparative Balance Sheets	B-17	65

CACHE COUNTY
TABLE OF CONTENTS

	<u>Statement/ Schedule</u>	<u>Page</u>
Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual (Non-GAAP Basis)	B-18	66
Library Fund: Balance Sheets	B-19	67
Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual (Non-GAAP Basis)	B-20	68
Children's Justice Center: Balance Sheets	B-21	69
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)	B-22	70
Fiduciary Funds: Combining Balance Sheet	C-1	71
Treasurer's Tax Fund (Agency Fund): Schedule of Taxes Charged, Collected and Disbursed - Current and Prior Years	C-2	73
General Fixed Assets Account Group: Schedule of Changes in General Fixed Assets	D-1	77
Component Units: Combining Balance Sheet	E-1	79
Combining Statement of Revenues, Expend- itures and Changes in Fund Balances	E-2	81

CACHE COUNTY
TABLE OF CONTENTS

	<u>Page</u>
Single Audit Reports:	
Schedule of Expenditures of Federal Awards	85
Notes to Schedule of Expenditures of Federal Awards	90
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	93
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	95
Schedule of Findings and Questioned Costs	97
Summary Schedule of Prior Year Audit Findings	98
Corrective Action Plan	99
State Compliance Reports:	
Report on Compliance with State Legal Compliance Requirements	101



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INDEPENDENT AUDITORS' REPORT

To the Cache County Council
Logan, UT

We have audited the accompanying general purpose financial statements of Cache County, Utah, as of and for the year ended December 31, 2002, as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Cache County, Utah, as of December 31, 2002, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 15, 2003, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Cache County, Utah. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements of Cache County, Utah. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



JONES SIMKINS LLP
May 15, 2003

CACHE COUNTY
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 2002

<u>Assets and other debits</u>	<u>Government Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
Assets:				
Cash and cash equivalents	\$ -	1,866,907	-	-
Equity in investment pool	-	4,654,129	2,894,610	32,448
Receivables (net of allowances for uncollectibles):				
Taxes	3,415,485	526,687	-	-
Accounts	21,696	96,954	75	-
Accrued interest	117,907	-	-	-
Interfund receivable - investment pool	-	1,306,133	-	-
Due from other governments	715,291	1,275,601	1,046,735	-
Due from the primary government	-	-	-	-
Restricted assets:				
Cash and investments with trustees	-	-	8,802,037	2,677
Due from other funds	165,000	-	-	-
Inventory of supplies, at cost	327	59,000	-	-
Prepaid expenses	3,013	-	-	-
Land	-	-	-	-
Buildings and improvements	-	-	-	-
Machinery and equipment	-	-	-	-
Other debits:				
Amount available in debt service fund	-	-	-	-
Resources to be provided in future years for retirement of long-term obligations	-	-	-	-
Total assets and other debits	\$ 4,438,719	9,785,411	12,743,457	35,125

The accompanying notes are an integral part
of these financial statements.

Exhibit 1

Fiduciary Fund Type Agency	Account Groups		Totals	Component Units	Totals
	General Fixed Assets	General Long-term Obligations	Primary Government Memo. Only		Reporting Entity Memo. Only
17,108,654	-	-	18,975,561	70,781	19,046,342
107,801	-	-	7,688,988	833,754	8,522,742
661,676	-	-	4,603,848	6,405	4,610,253
38,608	-	-	157,333	-	157,333
-	-	-	117,907	-	117,907
-	-	-	1,306,133	-	1,306,133
-	-	-	3,037,627	130,366	3,167,993
-	-	-	-	57,066	57,066
-	-	-	8,804,714	202,086	9,006,800
-	-	-	165,000	-	165,000
-	-	-	59,327	-	59,327
-	-	-	3,013	-	3,013
-	2,648,598	-	2,648,598	860,389	3,508,987
-	16,958,745	-	16,958,745	13,262,926	30,221,671
-	11,395,393	-	11,395,393	-	11,395,393
-	-	35,125	35,125	-	35,125
-	-	15,083,387	15,083,387	1,878,000	16,961,387
<u>17,916,739</u>	<u>31,002,736</u>	<u>15,118,512</u>	<u>91,040,699</u>	<u>17,301,773</u>	<u>108,342,472</u>

CACHE COUNTY
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 2002

<u>Liabilities, fund balances</u> <u>and other credits</u>	Government Fund Types			
	General	Special Revenue	Capital Projects	Debt Service
Liabilities:				
Interfund payable - investment pool	\$ 1,296,902	9,231	-	-
Accounts payable	439,438	-	623,838	-
Vacation payable	37,000	70,000	-	-
Accrued liabilities	245,833	622,354	-	-
Due to other taxing units	-	-	-	-
Due to other funds	-	165,000	-	-
Due to component unit	-	14,382	-	-
Due to employees	-	-	-	-
Deferred revenue	303,000	5,250	-	-
Over-collections payable	-	-	-	-
Other collections payable	-	-	-	-
Bonds payable	-	-	-	-
Lease - purchase agreements	-	-	-	-
Total liabilities	2,322,173	886,217	623,838	-
Fund balances and other credits:				
Investment in general fixed assets	-	-	-	-
Fund balances:				
Reserved - encumbrances	282,415	545,375	224,604	-
Reserved for inventory	-	59,000	-	-
Reserved - other	43,320	4,221,944	8,577,433	-
Unreserved:				
Designated for contingencies	-	494,598	-	-
Designated for capital expenditures	-	277,000	33,267	-
Designated for debt service	-	-	-	35,125
Undesignated	1,790,811	3,301,277	3,284,315	-
Total fund balances and other credits	2,116,546	8,899,194	12,119,619	35,125
Total liabilities, fund balances and other credits	\$ 4,438,719	9,785,411	12,743,457	35,125

The accompanying notes are an integral part
of these financial statements.

Exhibit 1
(Continued)

Fiduciary Fund Type Agency	Account Groups		Totals	Component Units	Totals
	General	General	Primary		Reporting
	Fixed Assets	Long-term Obligations	Government Memo. Only		Entity Memo. Only
-	-	-	1,306,133	-	1,306,133
-	-	-	1,063,276	108,689	1,171,965
-	-	604,240	711,240	-	711,240
-	-	-	868,187	-	868,187
17,250,934	-	-	17,250,934	-	17,250,934
-	-	-	165,000	-	165,000
-	-	-	14,382	-	14,382
2,643	-	-	2,643	-	2,643
-	-	-	308,250	35,880	344,130
395,960	-	-	395,960	-	395,960
267,202	-	-	267,202	-	267,202
-	-	13,835,000	13,835,000	1,878,000	15,713,000
-	-	679,272	679,272	-	679,272
17,916,739	-	15,118,512	36,867,479	2,022,569	38,890,048
-	31,002,736	-	31,002,736	14,123,315	45,126,051
-	-	-	1,052,394	80,701	1,133,095
-	-	-	59,000	-	59,000
-	-	-	12,842,697	244,770	13,087,467
-	-	-	494,598	-	494,598
-	-	-	310,267	-	310,267
-	-	-	35,125	-	35,125
-	-	-	8,376,403	830,418	9,206,821
-	31,002,736	-	54,173,220	15,279,204	69,452,424
17,916,739	31,002,736	15,118,512	91,040,699	17,301,773	108,342,472

CACHE COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 2002

	Governmental Fund Types			
	General	Special Revenue	Capital Projects	Debt Service
Revenues:				
Taxes	\$ 8,726,560	2,002,684	-	-
Intergovernmental	1,132,322	8,371,916	1,046,735	-
Charges for services	2,101,069	1,831,502	-	-
Licenses and permits	14,460	268,145	-	-
Fines and forfeitures	163,386	-	-	-
Miscellaneous	771,313	198,673	114,660	2,050
Total revenues	12,909,110	12,672,920	1,161,395	2,050
Expenditures:				
General government	4,467,752	400,572	-	-
Public safety	6,767,006	838,878	-	-
Highways and streets	718,942	1,194,788	-	-
Health	154,037	8,209,847	-	-
Welfare	37,091	-	-	-
Culture and recreation	452,800	881,277	-	-
Capital projects	-	-	5,435,066	-
Debt service:				
Principal	-	-	-	322,474
Interest and fiscal charges	-	-	-	391,194
Total expenditures	12,597,628	11,525,363	5,435,066	713,668
Excess (deficiency) of revenues over expenditures	311,482	1,147,558	(4,273,671)	(711,618)
Other financing sources (uses):				
Contributions	14,528	-	-	-
Operating transfer to component unit	(67,354)	(92,853)	-	-
Bond proceeds	-	-	13,971,330	-
Transfers in (out):				
Special revenue funds	2,763	(2,763)	-	-
Capital projects fund	-	(81,530)	81,530	-
Debt service fund	(245,566)	-	(341,064)	586,630
Total other financing sources (uses)	(295,629)	(177,146)	13,711,796	586,630
Excess (deficiency) of revenues and other sources over expenditures and other uses	15,853	970,412	9,438,125	(124,988)
Fund balance - January 1	2,100,693	7,928,782	2,681,494	160,113
Fund balance - December 31	\$ 2,116,546	8,899,194	12,119,619	35,125

The accompanying notes are an integral part
of these financial statements.

Exhibit 2

Totals Primary Government Memo. Only	Component Units	Totals Reporting Entity Memo. Only
10,729,244	169,028	10,898,272
10,550,973	1,375,820	11,926,793
3,932,571	79,735	4,012,306
282,605	-	282,605
163,386	-	163,386
1,086,696	4,757	1,091,453
<u>26,745,475</u>	<u>1,629,340</u>	<u>28,374,815</u>
4,868,324	109,553	4,977,877
7,605,884	-	7,605,884
1,913,730	-	1,913,730
8,363,884	-	8,363,884
37,091	-	37,091
1,334,077	7,284	1,341,361
5,435,066	1,429,295	6,864,361
-	-	-
322,474	139,000	461,474
391,194	102,725	493,919
<u>30,271,724</u>	<u>1,787,857</u>	<u>32,059,581</u>
(3,526,249)	(158,517)	(3,684,766)
14,528	-	14,528
(160,207)	160,207	-
13,971,330	-	13,971,330
-	-	-
-	-	-
-	-	-
<u>13,825,651</u>	<u>160,207</u>	<u>13,985,858</u>
10,299,402	1,690	10,301,092
12,871,082	1,154,199	14,025,281
<u>23,170,484</u>	<u>1,155,889</u>	<u>24,326,373</u>

CACHE COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BASIS)
ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 2002

	General Fund			Special Revenue Fund Types		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:						
Taxes	\$ 8,653,228	8,726,560	73,332	1,943,227	2,002,684	59,457
Intergovernmental	1,419,052	1,132,322	(286,730)	8,343,054	8,256,003	(87,051)
Charges for services	2,097,165	2,101,069	3,904	1,515,090	1,831,502	316,412
Licenses and permits	15,000	14,460	(540)	252,230	268,145	15,915
Fines and forfeitures	150,000	163,386	13,386	-	-	-
Miscellaneous	787,966	771,313	(16,653)	157,103	198,673	41,570
Total revenues	13,122,411	12,909,110	(213,301)	12,210,704	12,557,007	346,303
Expenditures:						
General government	4,856,501	4,431,041	425,460	521,575	397,521	124,054
Public safety	6,765,181	6,634,943	130,238	879,410	837,492	41,918
Highways and streets	715,661	693,495	22,166	1,552,616	1,225,990	326,626
Health	154,037	154,037	-	8,236,211	8,075,601	160,610
Welfare	39,500	37,091	2,409	-	-	-
Culture and recreation	432,945	431,316	1,629	879,602	870,292	9,310
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	12,963,825	12,381,923	581,902	12,069,414	11,406,896	662,518
Excess (deficiency) of revenues over expenditures	158,586	527,187	368,601	141,290	1,150,111	1,008,821
Other financing sources (uses):						
Contributions	1,000	14,528	13,528	-	-	-
Operating transfer to component unit	(67,354)	(67,354)	-	(92,853)	(92,853)	-
Transfers in (out):						
Special revenue funds	2,803	2,763	(40)	(2,763)	(2,763)	-
Capital projects fund	-	-	-	(81,530)	(81,530)	-
Debt service fund	(245,567)	(245,566)	1	-	-	-
Total other financing sources (uses)	(309,118)	(295,629)	13,489	(177,146)	(177,146)	-
Excess (deficiency) of revenues & other sources over expenditures & other uses	\$ (150,532)	231,558	382,090	(35,856)	972,965	1,008,821
Adjust to GAAP:						
Encumbrances and inventory (net change)		(215,705)			(2,553)	
Transfer from capital projects fund		-			-	
Interest earnings		-			-	
Interest payment on 2002 revenue bonds		-			-	
Excess of revenues and other sources over expenditures and other uses (GAAP basis)		15,853			970,412	
Fund balance - January 1		2,100,693			7,928,782	
Fund balance - December 31		2,116,546			8,899,194	

The accompanying notes are an integral part
of these financial statements.

Exhibit 3

Debt Service Fund		
Budget	Actual	Variance Favorable (Unfavorable)
-	-	-
-	-	-
-	-	-
-	-	-
473	1,023	550
473	1,023	550
-	-	-
-	-	-
-	-	-
-	-	-
322,475	322,474	1
52,504	49,103	3,401
374,979	371,577	3,402
(374,506)	(370,554)	3,952
-	-	-
-	-	-
-	-	-
-	-	-
245,566	245,566	-
245,566	245,566	-
(128,940)	(124,988)	3,952
	-	
	341,064	
	1,027	
	(342,091)	
	(124,988)	
	160,113	
	35,125	

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 1 - Summary of Significant Accounting Policies

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 persons 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 enactment of the County Council which in turn may be overridden by the affirmative vote of five council persons. The Executive is elected to a four-year term by all voters of the County.

As required by generally accepted accounting principles, 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. Component units are legally separate entities that meet any one of the following three criteria.

1. The primary government appoints the voting majority of the board of the potential component unit and is able to impose its will on the component unit and/or is in a relationship of financial benefit or burden.
2. The potential component unit is fiscally dependent upon the primary government.
3. The financial statements would be misleading if the data from the potential component unit were not included.

Based on the foregoing criteria, the financial statements of the following organizations are included in the reporting entity either as blended component units (within the funds of the County) or as discretely presented component units (outside the funds of County in a separate column).

Blended component units:

Component units are blended when the board of the component unit is substantively the same as the primary government or the component unit almost exclusively serves the primary government.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

Bear River District Health Department - The Utah State Auditor's office has determined that, because of the relationship of a Health District to its homebase County, it should be reported as a component unit of the homebase County to ensure that the primary government's financial statements are not misleading. For financial reporting purposes, the District has been reported as if it were part of the County's operations because it is not a legally separate entity. The financial statements of the Health Department are reported in the Special Revenue Fund Type, General Fixed Asset Account Group and General Long-Term Obligation Account Group columns of the general purpose financial statements.

Cache County Municipal Building Authority - The Cache County Municipal Building Authority is a non-profit corporation established to administer the sale of bonds and related construction and remodeling projects of the County. The Governing Board of the Building Authority is comprised of the County Council. The long-term assets and liabilities of the Building Authority have been reported in the General Fixed Assets and General Long-term Obligation Account Groups respectively. Investment and debt service activity is accounted for in the Debt Service Fund. Construction activity is accounted for in the Capital Projects Fund.

Cache County Mental Health Authority - The Cache County Mental Health Authority was established as required by the State of Utah to receive certain state and federal moneys passed through the State Social Services Department. The Mental Health Authority contracts with Bear River Mental Health Services, Inc. to provide the appropriate health services with these funds. The Governing Board of the Mental Health Authority is comprised of the County Council and exercises oversight responsibility for the funds passed through to Bear River Mental Health Services, Inc. The Mental Health Authority has been set up as a Special Revenue Fund.

Cache County Special Service District #1 - Cache County Special Service District #1 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. The District has contracted with the City of Logan to provide garbage collection services for citizens of the County and it pays uncollected fees to Logan City. Operations of the District are accounted for in the Municipal Services Special Revenue Fund.

Cache County Fire Protection District - The Cache County Fire Protection District 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 in the District and has appointed two council members and the County Executive to the board. Distributions are made to local governments to provide fire protection services. The County also purchases and provides fire fighting equipment for the District. The revenues and expenses of the Fire Protection District are reported in the Municipal Services Special Revenue Fund.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

Community Foundation - The Community Foundation is a non-profit corporation established to receive contributions to benefit certain community projects. The officers of the corporation are members of the County Council, County Auditor and County Executive. The Community Foundation is reported as an Agency Fund of the County.

Discretely presented component units:

Component units that are presented discretely are presented in a separate column to emphasize that they are legally separate from the County and have a board of directors separate from the County Council.

Cache County Drainage Districts No. 3,4,5,6 - The Cache County Drainage Districts have been organized as separate corporate bodies under Utah law. The board of directors are appointed by the Council, but no council members serve on the board. The purpose of the districts are to serve the members of the district not the primary government.

Cache County Roads Special District - The Cache County Roads Special District has been organized as a separate corporate body under Utah law. The board of directors are appointed by the County Council and the district receives mineral lease funds from the State of Utah which are dedicated for the improvement of roads within the district.

Cache Airport Authority - The Airport Authority has been organized as a separate corporate body under Utah law. The Board of Directors are appointed equally by the County Council and City of Logan's Council.

North Park Interlocal Cooperative (NPIC) - The 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, Hyde Park City, the City of North Logan, and Logan City. The 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. The primary funding of the NPIC is from an allocation of restaurant tax collections from Cache County and dedicated sales tax collections from the other members and other cities within the county limits. The County has entered into covenants to account for the dedicated sales tax collections. The NPIC could be included in the financial statements of another member. However, the County has elected to include the NPIC as a component unit.

The Roads Special Service District, Cache Airport Authority, and the NPIC have their books and records maintained by the County. The Drainage Districts maintain their own books and records and can be contacted individually for information.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

Inter-local Agreements:

Cache County has fiduciary responsibility for the following inter-local agreements and their activities are accounted for as Special Revenue Funds.

Travel Council - The Council has been formed by an agreement between Cache County and Rich County to promote tourist activity.

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

The City of Logan has fiduciary responsibility for the following inter-local agreements and they are reported as Special Revenue Funds in the City of Logan's financial statements. Cache County makes contributions to these Special Revenue Funds from their General Fund.

Parks & Recreation - Willow Park, the zoo, the sports complex and the fairgrounds are operated under an agreement between the County and the City of Logan.

Ambulance Fund - The County and the City of Logan provided joint ambulance services to citizens of the County. During the year, the County provided official notice to the City of Logan that the agreement would be terminated. The County and the municipalities within the County are negotiating a new interlocal agreement to deal with emergency medical services. Logan City continues to provide ambulance service to the County.

Communications Center - The Communication Center is operated under an agreement between Logan City, Cache County and various other cities of the County to provide dispatch services.

Related Organizations:

The County formed these organizations under Utah law but the County has no fiduciary responsibility after their creation. Funds are passed through the Treasurer's Trust Fund to these entities.

Wellsville-Mendon Conservation District
Cache County Mosquito Abatement District #1
Benson Water Improvement District

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

Excluded organizations:

The following organizations have been determined to not be component units of Cache County and are excluded from the accompanying financial statements:

Cache County School District - The School District is not included because it is an autonomous government entity.

Cache, Box Elder and Rich County Substance Abuse Authority - The Substance Abuse Authority was established to provide substance abuse treatment services. The Substance Abuse Authority operates as a joint venture with no one County designated as having primary fiduciary responsibility. The Bear River District Health Department provides the treatment services and receives moneys directly from the state for the services provided.

Soil Conservation Districts - The soil conservation districts in the County are political subdivisions of the State and therefore have been excluded from the financial statements.

Cemetery Maintenance Districts - Cemetery Maintenance Districts in the County have elected boards of directors and they are not fiscally dependent on the County for their operation.

Bear River Association of Governments (BRAG) - BRAG is not included because it is an autonomous area government entity.

Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into five generic fund types as follows:

Governmental Funds:

General Fund - 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.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds:

Agency Funds - Agency Funds are used to account for assets held by the County as an agent for other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of Accounting

The Accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and agency funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All governmental fund types and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes as available if the County Treasurer collects them, within 30 days after year-end. A two-month availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, interest revenue and charges for services. Sales taxes collected and held by the state at year end on behalf of the County also are recognized as revenue.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant moneys are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

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 ensuing fiscal year beginning January 1.

The budgets for the County's funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that year end encumbrances are included in, and beginning of year encumbrances are excluded from current year expenditures and certain transactions related to a bond issue were excluded. The budget for the Bear River District Health Fund, a Special Revenue Fund, is adopted on a basis consistent with GAAP except that WIC food vouchers disbursed by the state and immunization serum received from the federal government are not budgeted as revenues or expenditures. Budgeted amounts in the financial statements are as amended by the respective governing board during 2002. All annual appropriations lapse at year end. Project-length financial plans are adopted for Capital Project Funds, hence these funds are excluded from the combining budget and actual statement of revenues, expenditures and changes in fund balance.

Encumbrances

Outstanding purchase orders at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Encumbrances are treated as expenditures for budgetary purposes.

Investments

Investments are stated at fair value.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "due from/due to other funds". All trade and property tax receivables are shown net of any allowance for uncollectible amounts. Property taxes are due by November 30th of each year, after which the applicable property is subject to lien and penalties and interest are assessed.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

Inventory

Inventory is valued at the lower of cost (first-in, first-out method) or market. Inventory in the General Fund consists of expendable supplies held for consumption. Inventory in the Bear River District Health Fund consists of immunization serum donated by the federal government and is valued based on information provided by the federal government.

Fixed Assets and Long-term Obligations

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term obligation account group, not in the governmental funds. Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current obligations. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund obligations. They are instead reported as obligations in the General Long-Term Obligations Account Group. The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

Total Columns on Combined Statement

Total columns on the Combined Statements are captioned by "Memo. Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - Legal Compliance - Budgets

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 Auditor prepares a tentative budget for the next budget year.
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 department 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.

Property Tax Calendar

Lien Date	January 1, 2002
Levy Date (State target date)	June 22, 2002
Property Valuation Disclosure Notice (target date)	July 22, 2002
Tax Bills Mailed	November 1, 2002
Taxes Due and Payable	Prior to November 30, 2002

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 3 - Cash, Cash Equivalents and Investments

The County considers all investments with an original maturity of less than 3 months 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.

The Money Management Act also defines the types of securities allowed as appropriated temporary investments for the County and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

Primary Government

At December 31, 2002, the County's cash and cash equivalents, investment pool and cash and investments with trustees included the following:

Cash and cash equivalents:	
Petty cash	\$ 1,705
Demand deposit accounts	6,532,594
Repurchase agreements	1,988,792
Investments in State Treasurer's Investment Pool	<u>10,452,470</u>
Total cash	\$ <u>18,975,561</u>
Investment pool (net of due to investment pool):	
Petty cash	\$ 2,010
Demand deposit account	20,000
Repurchase agreements	1,212,978
Investments in State Treasurer's Investment Pool	<u>6,454,000</u>
Total investment pool	\$ <u>7,688,988</u>
Cash and investments with trustees:	
U.S. Treasury Fund	\$ <u>8,804,714</u>
Total cash and investments	\$ <u>35,469,263</u>

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 3 - Cash, Cash Equivalents and Investments (continued)

At December 31, 2002, the carrying amount per the books of the County's demand deposits was \$6,552,594 and the bank balance was \$2,513,969. Of the bank balance, \$142,004 was covered by federal depository insurance (FDIC). Deposits are not collateralized nor are they required to be by state statute.

The County maintains investments in the Public Treasurer's Investment Fund (PTIF), which is an investment pool managed by the State Treasurer's Office and is available to all local governmental entities. The PTIF invests in a variety of short and long-term investments without restricting the liquidity of the County's investments.

Certain assets of the Municipal Building Authority (accounted for in the debt service fund) are restricted by provisions of the revenue bond resolutions. The resolutions also describe how these restricted assets may be deposited and invested. Restricted cash may only be deposited in state or national banks meeting certain minimum net worth requirements or invested in securities representing direct obligations of or obligations guaranteed by the United States government, agencies of the United States government, any state within the territorial United States of America; or repurchase agreements or interest bearing time deposits with state or national banks meeting certain minimum net worth requirements; or certain other investments.

The County's cash, cash equivalents and investments are categorized below to give an indication of the risk assumed by the County at December 31, 2002.

Category 1 - includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name.

Category 2 - includes uninsured and unregistered investment for which the securities are held by the agent or agent's trust department in the County's name.

Category 3 - includes uninsured and unregistered investments for which the securities are held by the agent or agent's trust department, but not in the County's name.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 3 - Cash, Cash Equivalents and Investments (continued)

Cash and investments at December 31, 2002 consisted of the following:

	<u>Category</u>			<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Repurchase agreements	\$ -	-	3,201,770	3,201,770	3,201,770
U.S. Government Sec.	-	<u>8,804,713</u>	<u>-</u>	8,804,713	8,804,713
		<u>8,804,713</u>	<u>3,201,770</u>		
Investments in State Treasurer's Investment Pool				<u>16,906,471</u>	<u>16,906,471</u>
Total				28,912,954	28,912,954
Cash				<u>6,556,309</u>	<u>6,556,309</u>
Total cash and investments				\$ <u>35,469,263</u>	<u>35,469,263</u>

Component Units

At December 31, 2002, the cash and cash equivalents, investment pool and cash and investments with trustees of the County's discretely presented component units included the following:

Demand deposits	\$ 70,781
Equity in investment pool:	
Investments in State Treasurer's Investment Pool	833,754
U.S. Treasuries Mutual Fund held by Trustee	<u>202,086</u>
Total	\$ <u>1,106,621</u>

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 4 - Interfund Receivables and Payables

At December 31, 2002, the interfund receivable and payable balances of the investment pool were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ -	1,296,902
Special Revenue Funds:		
Municipal Services Fund	1,306,133	-
Children's Justice Center	-	<u>9,231</u>
Total	\$ <u>1,306,133</u>	<u>1,306,133</u>

At December 31, 2002, the interfund receivable and payable balances were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 165,000	-
Special Revenue Funds:		
Council On Aging	-	<u>165,000</u>
Total	\$ <u>165,000</u>	<u>165,000</u>

Note 5 - General Fixed Assets

Primary Government

A summary of changes in general fixed assets is as follows:

	<u>Balance 1/1/02</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/02</u>
Land	\$ 1,900,866	747,732	-	2,648,598
Buildings and improvements	13,362,857	3,595,888	-	16,958,745
Machinery and equipment	<u>10,629,957</u>	<u>949,325</u>	<u>(183,889)</u>	<u>11,395,393</u>
Totals	\$ <u>25,893,680</u>	<u>5,292,945</u>	<u>(183,889)</u>	<u>31,002,736</u>

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 5 - General Fixed Assets (continued)

Component Units

A summary of changes in general fixed assets of component units is as follows:

	<u>Balance</u> <u>1/1/02</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/02</u>
Land	\$ 860,389	-	-	860,389
Buildings and improvements	<u>11,900,086</u>	<u>1,362,840</u>	<u>-</u>	<u>13,262,926</u>
Total	<u>\$ 12,760,475</u>	<u>1,362,840</u>	<u>-</u>	<u>14,123,315</u>

During the year, buildings and other improvements were constructed which are owned by the Airport Authority and the North Park Interlocal Cooperative.

Note 6 - Long Term Obligations

Primary Government

The following is a summary of long-term obligation transactions of the primary government for the year ended December 31, 2002:

Long-term obligations at January 1, 2002	\$ 1,561,621
Increase in obligations for compensated absences	63,466
Payments on lease purchase agreements	(186,575)
Increase in revenue bonds	13,835,000
Payments on revenue bonds	<u>(155,000)</u>
Long-term obligations at December 31, 2002	\$ <u>15,118,512</u>

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 6 - Long Term Obligations (continued)

Lease-purchase agreements may be canceled at any time and the equipment returned; however, the likelihood of this occurring is considered remote. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of future minimum lease payments as of the date of inception. Leased machinery and equipment has been recorded for \$1,086,341 in the general fixed asset group of accounts.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 2002:

Fiscal year <u>Ending December 31</u>	General Long-term <u>Debt</u>
2003	\$ 220,225
2004	210,051
2005	165,647
2006	<u>165,646</u>
Total minimum lease payments	761,569
Less - amount representing interest	<u>(82,297)</u>
Present value of future minimum lease payments	\$ <u>679,272</u>

Long-term obligations at December 31, 2002 are summarized as follows:

On June 11, 2002, Cache County issued \$13,835,000 of Sales Tax Revenue Bonds, due in annual installments ranging from \$460,000 to \$900,000 until December 15, 2019, plus interest ranging from 3.50 percent to 5.00 percent. Final balloon payment of \$2,970,000 due December 15, 2022, with interest at 5%.	\$ <u>13,835,000</u>
Total revenue bonds	\$ <u>13,835,000</u>

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 6 - Long Term Obligations (continued)

Lease-purchase agreements:

Due to Zions First National Bank for the purchase of a fire truck, payable in annual installments of \$10,109, including interest at 6%, final payment due in 2006.	\$ 36,825
Due to Zions First National Bank for the purchase of four fire trucks, payable in annual installments of \$155,537, including interest at 5.05%, final payment due in 2006.	550,886
Due to New Court Communications for purchase of a phone system, payable in annual installments of \$44,405, including interest at 5.82%, final payment due in 2004.	81,615
Due to Key Corp Leasing for purchase of video equipment for police cars, payable in semi-annual installments of \$20,440 including interest at 5.5%. final payment due May, 2003.	<u>9,946</u>
Total lease purchase agreements	<u>679,272</u>
Obligations for compensated absences are for unpaid vacation pay. The County is liable for up to 22 days of unpaid vacation per employee.	<u>604,240</u>
Total long-term obligations	\$ <u>15,118,512</u>

Proceeds from the revenue bonds issued in 2002 were used in the acquisition, construction, equipping, and furnishing of the new County Administration Building and Public Safety Complex as well as the renovations to the County's Historic Courthouse. The bond covenants require a sinking fund to provide for the \$2,970,000 balloon payment. The sinking fund requirement is effective December 15, 2020 to December 15, 2022 with payments ranging from \$940,000 to \$1,040,000.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 6 - Long Term Obligations (continued)

Maturities of long-term obligations for the next five years are as follows:

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ 1,315,033	646,007	669,026
2004	1,303,758	660,155	643,603
2005	1,257,730	640,316	617,414
2006	1,255,578	662,794	592,784
2007	1,092,258	525,000	567,258
Thereafter	16,373,200	11,380,000	4,993,200
Compensated absences	<u>604,240</u>	<u>604,240</u>	<u>-</u>
	<u>\$ 23,201,797</u>	<u>15,118,512</u>	<u>8,083,285</u>

Component Units

The following is a summary of long-term obligation transactions of component units for the year ended December 31, 2002:

Long-term obligations at January 1, 2002	\$ 2,017,000
Payments on revenue bonds	<u>(139,000)</u>
Long-term obligations at December 31, 2002	\$ <u>1,878,000</u>

Long-term obligations of the NPIC at December 31, 2002 are summarized as follows:

On February 13, 2001, the North Park Interlocal Cooperative issued \$2,017,000 of Building Lease Revenue Bonds, due in annual installments ranging from \$85,030 to \$485,000, plus interest ranging from 4.75 percent to 5.20 percent, matures in 2014.	\$ <u>1,878,000</u>
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The Bonds were issued to finance a portion of the costs associated with the acquisition and construction of the Eccles Ice Arena, a community recreation facility. The bond includes a call option exercisable at the option of NPIC on December 15, 2005. The bonds also include a clause that "resets" the interest rate on December 15, 2005 and December 15, 2010. The \$485,000 payment due on December 15, 2014 includes mandatory sinking fund installments ranging from \$77,000 to \$242,000 plus interest at the "reset" interest rate.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 6 - Long Term Obligations (continued)

Maturities of the bond obligation for the next five years are as follows:

	<u>Principal</u>
2003	\$ 146,000
2004	153,000
2005	160,000
2006	169,000
2007	177,000
Thereafter	<u>1,073,000</u>
	<u>\$ 1,878,000</u>

Note 7 - Reserved Fund Balances

The amounts reported on the combined balance sheet as reserved fund balances are comprised of the following:

General Fund:	
Reserved for encumbrances	\$ 282,415
Reserved for liquor law enforcement	<u>43,320</u>
Total General Fund	\$ <u>325,735</u>
Special Revenue Funds:	
Bear River District Health Fund:	
Reserved for inventory	\$ 59,000
Municipal Services Fund:	
Reserved for class B road funds	4,221,944
Reserved for encumbrances:	
Municipal Services	40,835
Travel Council	5,370
Recreation	<u>499,170</u>
Total Special Revenue Funds	\$ <u>4,826,319</u>
Capital Projects Fund:	
Reserved bond proceeds	\$ <u>8,577,433</u>

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 8 - Budgeted Fund Balance

Each fund had a balanced budget. The deficiency of revenues to expenditures in the budget columns on Exhibit 3 represents carryover unreserved fund balances appropriated by the County Council.

Note 9 - Pension Plans

Defined Benefit Plans

Cache County contributes to the following cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems): 1) Utah Public Employees Contributory Retirement, 2) Utah Public Employees Noncontributory Retirement, 3) Utah Public Safety Retirement, and 4) Utah Firefighters Retirement. Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes. The following briefly summarizes types of employees covered, benefit provisions, eligibility requirements and vesting for the systems participated in by Cache County.

- 1) Public Employees Contributory and Noncontributory - all County employees hired to a position expected to last 9 months and that work 20 or more hours per week are eligible to participate. Employees attaining age 60 to 65 with 4-20 years of credit service, or any age with 20 or more years of credited service are entitled to monthly benefits based on age, years of service credit and final average monthly salary. Matching contributions made by the County are not vested in the employee's name. All other contributions are fully vested at the time of contribution.
- 2) Public Safety Employees - all employees employed in the recognized public safety departments of the County who work 40 or more hours a week and are regularly assigned to hazardous duty are eligible to participate. Employees attaining age 60 to 65 with 4-10 years of credited service or any age with 20 or more years of credited service are entitled to monthly benefits based on years of credited service and final average monthly salary. Matching contributions made by the County are not vested in the employee's name. All other contributions are fully vested at the time of contribution.
- 3) Fire fighters - all employees employed in the recognized fire department of the County who work 40 or more hours a week and are regularly assigned to hazardous duty are eligible to participate. Employees attaining age 60 to 65 with 4 to 10 years of credited service or any age with 20 or more years of credited service are entitled to monthly benefits based on years of credited service and final average monthly salary. Matching contributions made by the County are not vested in the employee's name. All other contributions are fully vested at the time of contribution.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 9 - Pension Plans (continued)

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor.

The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Government Noncontributory Retirement System, Public Safety Retirement System and Firefighters Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102-2099 or by calling 1-800-365-8772.

Plan members in the Local Governmental Contributory Retirement System are required to contribute 6.0% of their annual covered salary (paid by the County) and the County was required to contribute 4.19% for six months and 4.68% for six months of their annual covered salary. In the Local Governmental Noncontributory Retirement System, the County was required to contribute 8.2% for six months and 8.69% for six months of the eligible employees' annual covered salary. In the Public Safety Retirement System, contributory division members were required to contribute 12.29% of their annual covered salary (paid by the County) and the County was required to contribute 2.41% for six months and 2.17% for six months of their annual covered salary and 14.08% for six months and 13.89% for six months of the annual covered salary of noncontributory division members. In the Firefighters Retirements System plan members were required to contribute 6.77% for six months and 7.82% for six months of their annual covered salary (paid by the County). The contribution rates are the actuarial determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The County's contributions to the Systems for the years ended December 31, 2002, 2001, and 2000 were as follows:

A. Local Governmental System - Contributory

	<u>2002</u>	<u>2001</u>	<u>2000</u>
Employer paid for employee contributions	\$ 11,007	12,521	11,718
Employer contributions	8,138	10,870	12,723

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 9 - Pension Plans (continued)

B. Local Governmental System - Noncontributory

	<u>2002</u>	<u>2001</u>	<u>2000</u>
Employer contributions	\$ 498,098	521,681	568,513

C. Public Safety - Contributory

	<u>2002</u>	<u>2001</u>	<u>2000</u>
Employer paid for employee contributions	\$ 9,666	9,139	9,034
Employer contributions	1,801	3,082	4,663

D. Public Safety - Noncontributory

	<u>2002</u>	<u>2001</u>	<u>2000</u>
Employer contributions	\$ 335,226	369,034	410,845

E. Firefighter's System

	<u>2002</u>	<u>2001</u>	<u>2000</u>
Employer paid for employee contributions	\$ 8,820	9,029	13,710

All contributions by Cache County were paid by the due dates or within 30 days thereafter and were equal to the required contributions for each year. The Utah State Retirement Board of the Utah Retirement Systems provides the County with the necessary retirement disclosures for their report.

Defined Contribution Plan

The County maintains a qualified cash or deferred compensation plan under section 401(k) of the Internal Revenue Code that is administered by the Utah Retirement Systems. Under the plan, eligible employees may elect to defer a portion of their salary, subject to Internal Revenue Service limits. Contributions of \$720,657, \$687,010 and \$648,575 were made to the 401(k) plan during the years ended December 31, 2002, 2001, and 2000, respectively. Of this amount \$350,814, \$332,355 and \$320,333 was contributed by employees and \$369,843, \$354,655 and \$328,242 was contributed by the County on behalf of employees respectively.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 10 - Deferred Compensation Plan

The County and the Bear River District Health Department offer employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all employees and is administered by the Utah Retirement Systems. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The assets of the plan are not subject to the claims of the general creditors of the County and are held by the Utah Retirement Systems as trustee of the plan. The County's and the Health Department's involvement is limited to withhold the amounts elected by employees and remitting those amounts

Note 11 - Public Entity Risk Pool

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

As of December 31, 2002, there were no outstanding unpaid claims. Also, the County had no claim settlements over the past three years that exceeded its insurance coverage.

Note 12 - Commitments

The County has agreed to pay \$92,853 per year to the NPIC from the restaurant tax collections in the Recreation Fund. The commitment ends in December 2013. In addition, the County has agreed to pay \$46,427 on December 15, 2014 to the NPIC from restaurant tax collections.

The County has agreed to pay \$90,000 per year to Wellsville City to assist in paying the Wellsville City Utah Cultural Facility Revenue Bonds, Series 1999 (American West Heritage Foundation). The commitment goes through August 1, 2008 and is subject to annual appropriation.

The County has entered into an agreement to lease land to the NPIC for \$1 per year for forty years.

As of December 31, 2002, the County was in the process of constructing a new administration building and a new jail. The County had approximately \$10,000,000 in outstanding construction contracts.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

Note 13 – Subsequent Events

Subsequent to year-end, the County issued \$3,340,000 in Sales Tax Revenue Bonds. The bonds are being issued to finance the construction and equipping of the Public Safety Complex currently under construction.

Note 14 - Excess of Expenditures Over Appropriations

State law requires that no officer or employee shall make any expenditures or encumbrances in excess of the total appropriation for any department or governmental fund. The following departments exceeded the budget appropriation: County Council, Public Defender, Law Library, County Executive, County Clerk, Insurance, Central Mail and Copy, Elections, and Weed Eradication. The Mental Health Fund also exceeded its budget appropriation.

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CACHE COUNTY
GENERAL FUND
COMPARATIVE BALANCE SHEETS
December 31, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Receivables:		
Taxes	\$ 3,415,485	3,287,089
Accounts	21,696	8,926
Accrued interest	117,907	207,305
Due from other governments	715,291	375,716
Due from other funds	165,000	165,000
Prepaid expenses	3,013	4,166
Inventory of supplies, at cost	327	1,597
	<hr/>	<hr/>
Total assets	\$ 4,438,719	4,049,799
	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities and Fund Balance</u>		
Liabilities		
Interfund payable - investment pool	\$ 1,296,902	888,509
Accounts payable	439,438	455,151
Accrued liabilities	245,833	301,226
Vacation payable	37,000	37,000
Due to other funds	-	14,220
Deferred revenue	303,000	253,000
	<hr/>	<hr/>
Total liabilities	2,322,173	1,949,106
	<hr/>	<hr/>
Fund Balance:		
Reserved - encumbrances	282,415	498,120
Reserved - other	43,320	53,585
Unreserved:		
Undesignated	1,790,811	1,548,988
	<hr/>	<hr/>
Total fund balance	2,116,546	2,100,693
	<hr/>	<hr/>
Total liabilities and fund balance	\$ 4,438,719	4,049,799
	<hr/> <hr/>	<hr/> <hr/>

CACHE COUNTY
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON - GAAP BASIS)
Year Ended December 31, 2002
(With Comparative Totals for the Year Ended December 31, 2001)

	2002		Variance- Favorable (Unfavorable)	2001
	Budget	Actual		
Revenues:				
Taxes:				
General property	\$ 4,719,048	4,762,325	43,277	4,587,010
Sales tax	2,856,550	2,848,188	(8,362)	2,765,780
Fees in lieu of taxes	901,520	886,203	(15,317)	860,853
Delinquent prior years	108,000	153,888	45,888	137,198
Penalties and interest	68,110	75,956	7,846	50,423
Total taxes	<u>8,653,228</u>	<u>8,726,560</u>	<u>73,332</u>	<u>8,401,264</u>
Intergovernmental revenues:				
Federal grants	1,235,821	981,356	(254,465)	736,905
State grants	122,694	111,163	(11,531)	62,141
State shared revenue	53,037	32,303	(20,734)	49,588
Local shared revenue	7,500	7,500	-	-
Total intergovernmental revenues	<u>1,419,052</u>	<u>1,132,322</u>	<u>(286,730)</u>	<u>848,634</u>
Charges for services:				
General government	541,443	583,607	42,164	492,683
Public safety	1,342,169	1,298,836	(43,333)	1,230,773
Streets and public improvements	37,753	42,631	4,878	58,582
Other current services	175,800	175,995	195	148,221
Total charges for services	<u>2,097,165</u>	<u>2,101,069</u>	<u>3,904</u>	<u>1,930,259</u>
Licenses and permits:				
Marriage licenses	15,000	14,460	(540)	14,370
Total licenses and permits	<u>15,000</u>	<u>14,460</u>	<u>(540)</u>	<u>14,370</u>
Fines and forfeitures:				
Circuit court fines	150,000	163,386	13,386	136,527
Total fines & forfeitures	<u>150,000</u>	<u>163,386</u>	<u>13,386</u>	<u>136,527</u>

(continued)

CACHE COUNTY
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON - GAAP BASIS)
Year Ended December 31, 2002
(With Comparative Totals for the Year Ended December 31, 2001)

	2002		Variance- Favorable (Unfavorable)	2001
	Budget	Actual		
Miscellaneous revenues:				
Interest	225,500	235,039	9,539	457,776
Rents and concessions	330,060	299,395	(30,665)	309,333
Sale of materials & supplies	1,000	275	(725)	35,410
County fair fees	40,000	38,910	(1,090)	37,667
Rodeo fees	32,000	27,331	(4,669)	29,213
Sundry	159,406	170,363	10,957	203,679
Total miscellaneous revenues	787,966	771,313	(16,653)	1,073,078
Total revenues	13,122,411	12,909,110	(213,301)	12,404,132
Expenditures:				
General government:				
Council	56,561	58,271	(1,710)	58,751
Water policy	60,000	54,662	5,338	60,079
Sanity hearings	9,000	8,562	438	8,630
Public defender	173,000	178,416	(5,416)	237,623
Law library	12,000	12,435	(435)	11,326
County executive	179,985	186,526	(6,541)	179,176
Data processing	191,190	179,775	11,415	182,540
Auditor	245,810	236,571	9,239	232,377
Clerk	109,297	110,529	(1,232)	104,990
Treasurer	180,836	179,140	1,696	178,477
Recorder	221,461	204,288	17,173	216,955
Attorney	644,847	628,224	16,623	636,187
Assessor	1,020,190	887,360	132,830	791,297
Surveyor	194,434	190,218	4,216	154,435
Victim services	232,335	177,013	55,322	130,866
Non-departmental	96,622	94,473	2,149	104,707
Insurance	164,330	165,003	(673)	170,947
Ambulance services	50,000	50,000	-	100,000
Central mail and copy	9,000	9,229	(229)	9,396
Building and grounds	168,609	146,874	21,735	152,518
Elections	125,683	126,233	(550)	61,068
Advertising & promotion	9,000	6,315	2,685	10,875
Resource & industrial dev.	35,050	35,000	50	35,000

(continued)

CACHE COUNTY
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON - GAAP BASIS)
Year Ended December 31, 2002
(With Comparative Totals for the Year Ended December 31, 2001)

	2002		Variance- Favorable (Unfavorable)	2001
	Budget	Actual		
Agricultural extension services	167,725	165,225	2,500	149,597
Agricultural promotion	52,250	46,975	5,275	50,762
Other	122,044	104,085	17,959	129,361
Contributions to other units	325,242	189,639	135,603	416,181
Total general government	4,856,501	4,431,041	425,460	4,574,121
Public safety:				
Sheriff	2,176,518	2,135,253	41,265	1,666,583
Fire	322,559	309,540	13,019	1,023,609
County jail	2,835,720	2,803,502	32,218	2,454,599
Emergency management	163,345	159,462	3,883	170,572
Liquor law enforcement	74,297	65,228	9,069	49,703
Civil process department	1,192,742	1,161,958	30,784	1,115,560
Total public safety	6,765,181	6,634,943	130,238	6,480,626
Highways and streets:				
Highways - general	604,891	582,326	22,565	605,076
Weed eradication	110,770	111,169	(399)	117,195
Total highways and streets	715,661	693,495	22,166	722,271
Health:				
Health services	154,037	154,037	-	154,037
Total health	154,037	154,037	-	154,037
Welfare:				
Welfare	39,500	37,091	2,409	35,000
Total welfare	39,500	37,091	2,409	35,000
Culture and recreation:				
Parks	198,517	198,516	1	258,403
Recreation	14,292	13,315	977	44,572
Library	118,061	118,061	-	116,365

(continued)

CACHE COUNTY
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON - GAAP BASIS)
Year Ended December 31, 2002
(With Comparative Totals for the Year Ended December 31, 2001)

	2002		Variance- Favorable (Unfavorable)	2001
	Budget	Actual		
Fairs	50,299	49,653	646	47,335
Rodeo	51,776	51,771	5	65,000
Total culture and recreation	432,945	431,316	1,629	531,675
Total expenditures	12,963,825	12,381,923	581,902	12,497,730
Excess (deficiency) of revenues over expenditures	158,586	527,187	368,601	(93,598)
Other financing sources (uses):				
Lease proceeds	-	-	-	717,464
Contributions	1,000	14,528	13,528	(1,580)
Operating transfer to component unit	(67,354)	(67,354)	-	(69,354)
Transfers in (out):				
Municipal services fund	173,233	173,193	(40)	100,953
Debt service fund	(245,567)	(245,566)	1	(1,021,284)
Bear River District Health fund	(56,878)	(56,878)	-	(56,878)
Library fund	(3,600)	(3,600)	-	(3,600)
Council on aging fund	(46,229)	(46,229)	-	(46,229)
County planner fund	(63,723)	(63,723)	-	(41,957)
Total other financing sources (uses)	(309,118)	(295,629)	13,489	(422,465)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(150,532)	231,558	382,090	(516,063)
Adjust to GAAP - encumbrances (net change) and loan to other funds		(215,705)		156,766
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)		15,853		(359,297)
Fund balance - January 1		2,100,693		2,459,990
Fund balance - December 31	\$	2,116,546		2,100,693

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CACHE COUNTY
GENERAL FUND
ANALYSIS OF EXPENDITURES
Year Ended December 31, 2002

	<u>Total</u>	<u>Salary Wages and Benefits</u>	<u>Material, Supplies and Services</u>	<u>Other Charges</u>	<u>Capital Outlay</u>
General Government:					
Council	\$ 58,271	51,728	5,347	1,196	-
Water policy	44,165	16,794	1,445	25,926	-
Sanity hearing	8,562	-	8,562	-	-
Public defender	227,543	-	218,436	9,107	-
Law library	12,435	-	12,435	-	-
County executive	186,526	179,609	6,255	662	-
Data processing	184,774	137,101	42,673	-	5,000
Auditor	237,923	201,284	36,639	-	-
Clerk	112,242	99,172	10,747	1,123	1,200
Treasurer	176,081	156,128	11,641	8,312	-
Recorder	213,959	184,408	21,106	-	8,445
Attorney	627,720	541,759	85,961	-	-
Assessor	869,332	757,697	79,652	31,983	-
Surveyor	186,052	143,155	23,589	-	19,308
Victim services	177,012	149,484	27,528	-	-
Non-departmental	150,973	-	-	150,973	-
Insurance	165,003	-	-	165,003	-
Central mail and copy	9,229	-	9,229	-	-
Building and grounds	146,874	61,676	78,106	7,092	-
Elections	131,633	45,991	85,642	-	-
Advertising and promotion	6,316	-	6,316	-	-
Resources and industrial development	35,000	-	35,000	-	-
Agricultural extension service	145,518	31,357	59,331	54,830	-
Agricultural promotion	44,975	-	44,975	-	-
Other	119,995	-	-	119,995	-
Contributions to other units	189,639	-	-	189,639	-
Total general government	4,467,752	2,757,343	910,615	765,841	33,953

(continued)

CACHE COUNTY
GENERAL FUND
ANALYSIS OF EXPENDITURES
Year Ended December 31, 2002

	<u>Total</u>	<u>Salary Wages and Benefits</u>	<u>Material, Supplies and Services</u>	<u>Other Charges</u>	<u>Capital Outlay</u>
Public safety:					
Sheriff	2,153,554	1,464,250	225,792	6,736	456,776
Fire	353,534	165,614	110,481	19,623	57,816
County jail	2,856,306	1,672,446	433,899	670,060	79,901
Emergency management	165,092	120,398	24,181	14,883	5,630
Liquor law enforcement	65,228	24,701	21,647	-	18,880
Civil process department	1,173,292	1,043,805	99,922	3,422	26,143
Total public safety	<u>6,767,006</u>	<u>4,491,214</u>	<u>915,922</u>	<u>714,724</u>	<u>645,146</u>
Highways and streets:					
Highways - General	607,772	361,334	198,828	-	47,610
Weed eradication	111,170	74,247	36,923	-	-
Total highway and streets	<u>718,942</u>	<u>435,581</u>	<u>235,751</u>	<u>-</u>	<u>47,610</u>
Health:					
Health services	154,037	-	-	154,037	-
Welfare:					
Welfare	37,091	-	-	37,091	-
Culture and recreation:					
Parks	203,516	-	203,516	-	-
Recreation	17,776	-	17,776	-	-
Library	129,585	-	129,585	-	-
Fairs	50,153	-	50,153	-	-
Rodeo	51,770	654	51,116	-	-
Total culture and recreation	<u>452,800</u>	<u>654</u>	<u>452,146</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 12,597,628</u>	<u>7,684,792</u>	<u>2,514,434</u>	<u>1,671,693</u>	<u>726,709</u>

CACHE COUNTY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

December 31, 2002

(With Comparative Totals for December 31, 2001)

<u>Assets</u>	Bear River District Health	Municipal Services	Health	Travel Council	Council on Aging
Cash and cash equivalents	\$ 1,866,402	40	-	275	40
Equity in investment pool	-	3,143,449	25,419	219,418	255,169
Interfund receivable - investment pool	-	1,306,133	-	-	-
Receivables:					
Taxes	-	97,458	283,041	31,285	-
Accounts	16,317	-	-	-	80,637
Due from other governments	550,295	299,623	-	-	-
Due from other funds	-	-	-	-	-
Inventory	59,000	-	-	-	-
Total assets	\$ 2,492,014	4,846,703	308,460	250,978	335,846
 <u>Liabilities and Fund Balance</u>					
Liabilities:					
Interfund payable - investment pool	\$ -	-	-	-	-
Accrued liabilities	111,732	69,984	-	7,591	18,923
Vacation payable	70,000	-	-	-	-
Due to other funds	-	-	-	-	165,000
Due to component unit	-	14,382	-	-	-
Deferred revenue	-	-	-	-	5,250
Total liabilities	181,732	84,366	-	7,591	189,173
Fund balances:					
Reserved - encumbrances	-	40,835	-	5,370	-
Reserved for inventory	59,000	-	-	-	-
Reserved - Class B	-	4,221,944	-	-	-
Unreserved:					
Designated for contingencies	494,598	-	-	-	-
Designated for capital expenditures	277,000	-	-	-	-
Undesignated	1,479,684	499,558	308,460	238,017	146,673
Total fund balances	2,310,282	4,762,337	308,460	243,387	146,673
Total liabilities and fund balances	\$ 2,492,014	4,846,703	308,460	250,978	335,846

Mental Health	Recreation	Planning and Development	Library	Children's Justice Center	Totals	
					2002	2001
-	-	25	25	100	1,866,907	1,060,444
-	939,540	43,694	27,440	-	4,654,129	5,524,926
-	-	-	-	-	1,306,133	392,719
-	114,903	-	-	-	526,687	522,343
-	-	-	-	-	96,954	64,167
398,809	-	13,397	-	13,477	1,275,601	906,841
-	-	-	-	-	-	155,428
-	-	-	-	-	59,000	76,000
<u>398,809</u>	<u>1,054,443</u>	<u>57,116</u>	<u>27,465</u>	<u>13,577</u>	<u>9,785,411</u>	<u>8,702,868</u>
-	-	-	-	9,231	9,231	42,850
398,809	-	14,733	86	496	622,354	383,102
-	-	-	-	-	70,000	20,000
-	-	-	-	-	165,000	305,000
-	-	-	-	-	14,382	-
-	-	-	-	-	5,250	23,134
<u>398,809</u>	<u>-</u>	<u>14,733</u>	<u>86</u>	<u>9,727</u>	<u>886,217</u>	<u>774,086</u>
-	499,170	-	-	-	545,375	530,928
-	-	-	-	-	59,000	76,000
-	-	-	-	-	4,221,944	4,209,555
-	-	-	-	-	494,598	494,598
-	-	-	-	-	277,000	277,000
-	555,273	42,383	27,379	3,850	3,301,277	2,340,701
-	1,054,443	42,383	27,379	3,850	8,899,194	7,928,782
<u>398,809</u>	<u>1,054,443</u>	<u>57,116</u>	<u>27,465</u>	<u>13,577</u>	<u>9,785,411</u>	<u>8,702,868</u>

CACHE COUNTY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2002
(With Comparative Totals for the Year Ended December 31, 2001)

	Bear River District Health	Municipal Services	Health	Travel Council	Council on Aging
Revenues:					
Taxes	\$ -	512,754	614,531	245,235	-
Intergovernmental	4,562,184	1,532,585	-	72,000	324,164
Charges for services	1,547,191	90,473	-	-	118,687
Licenses and permits	-	268,145	-	-	-
Miscellaneous	59,617	66,503	-	19,961	35,276
Total revenues	<u>6,168,992</u>	<u>2,470,460</u>	<u>614,531</u>	<u>337,196</u>	<u>478,127</u>
Expenditures:					
General government	-	168,817	-	-	-
Public safety	-	752,448	-	-	-
Highways and streets	-	1,194,788	-	-	-
Health	6,051,528	-	-	-	494,424
Culture and recreation	-	-	-	345,318	-
Total expenditures	<u>6,051,528</u>	<u>2,116,053</u>	<u>-</u>	<u>345,318</u>	<u>494,424</u>
Excess (deficiency) of revenues over expenditures	<u>117,464</u>	<u>354,407</u>	<u>614,531</u>	<u>(8,122)</u>	<u>(16,297)</u>
Other financing sources (uses):					
Transfer to component unit	-	-	-	-	-
Transfer from (to) general fund	56,878	(173,193)	-	-	46,229
Transfer to capital projects fund	-	(81,530)	-	-	-
Transfer from health fund	578,545	-	(578,545)	-	-
Total other financing sources (uses)	<u>635,423</u>	<u>(254,723)</u>	<u>(578,545)</u>	<u>-</u>	<u>46,229</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>752,887</u>	<u>99,684</u>	<u>35,986</u>	<u>(8,122)</u>	<u>29,932</u>
Fund balance - January 1	<u>1,557,395</u>	<u>4,662,653</u>	<u>272,474</u>	<u>251,509</u>	<u>116,741</u>
Fund balance - December 31	<u>\$ 2,310,282</u>	<u>4,762,337</u>	<u>308,460</u>	<u>243,387</u>	<u>146,673</u>

Mental Health	Recreation	Planning and Development	Library	Children's Justice Center	Totals	
					2002	2001
-	630,164	-	-	-	2,002,684	1,899,681
1,663,895	-	117,867	14,121	85,100	8,371,916	7,704,222
-	-	74,985	166	-	1,831,502	1,500,556
-	-	-	-	-	268,145	191,423
-	17,316	-	-	-	198,673	261,153
<u>1,663,895</u>	<u>647,480</u>	<u>192,852</u>	<u>14,287</u>	<u>85,100</u>	<u>12,672,920</u>	<u>11,557,035</u>
-	-	231,755	-	-	400,572	391,780
-	-	-	-	86,430	838,878	866,184
-	-	-	-	-	1,194,788	1,015,722
1,663,895	-	-	-	-	8,209,847	8,047,250
-	514,699	-	21,260	-	881,277	838,032
<u>1,663,895</u>	<u>514,699</u>	<u>231,755</u>	<u>21,260</u>	<u>86,430</u>	<u>11,525,363</u>	<u>11,158,968</u>
-	132,781	(38,903)	(6,973)	(1,330)	1,147,558	398,067
-	(92,853)	-	-	-	(92,853)	(255,816)
-	-	63,723	3,600	-	(2,763)	47,711
-	-	-	-	-	(81,530)	-
-	-	-	-	-	-	-
-	(92,853)	63,723	3,600	-	(177,146)	(208,105)
-	39,928	24,820	(3,373)	(1,330)	970,412	189,962
-	1,014,515	17,563	30,752	5,180	7,928,782	7,738,820
<u>-</u>	<u>1,054,443</u>	<u>42,383</u>	<u>27,379</u>	<u>3,850</u>	<u>8,899,194</u>	<u>7,928,782</u>

CACHE COUNTY
BEAR RIVER DISTRICT HEALTH FUND
COMPARATIVE BALANCE SHEETS
December 31, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash and cash equivalents	\$ 1,866,402	1,060,239
Accounts receivable	16,317	12,248
Due from other governments	550,295	410,158
Due from other funds	-	155,428
Inventory	59,000	76,000
	<hr/>	<hr/>
Total assets	\$ <u>2,492,014</u>	<u>1,714,073</u>
 <u>Liabilities and Fund Balance</u> 		
Liabilities:		
Accounts payable	\$ 111,732	116,428
Unearned revenue	-	20,250
Vacation payable	70,000	20,000
	<hr/>	<hr/>
Total liabilities	181,732	156,678
 Fund balance:		
Reserved for inventory	59,000	76,000
Unreserved:		
Designated for contingencies	494,598	494,598
Designated for capital expenditures	277,000	277,000
Undesignated	1,479,684	709,797
	<hr/>	<hr/>
Total fund balance	2,310,282	1,557,395
	<hr/>	<hr/>
Total liabilities and fund balance	\$ <u>2,492,014</u>	<u>1,714,073</u>

CACHE COUNTY
BEAR RIVER DISTRICT HEALTH FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BASIS)
Year Ended December 31, 2002
(With Comparative Totals for Year Ended December 31, 2001)

	2002		Variance- Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:				
Federal and state	\$ 3,796,283	4,053,240	256,957	3,811,938
Box Elder County	367,131	355,131	(12,000)	353,785
Rich County	37,900	37,900	-	37,555
Total intergovernmental	4,201,314	4,446,271	244,957	4,203,278
Charges for services	1,237,050	1,547,191	310,141	1,192,752
Miscellaneous	13,000	59,617	46,617	35,043
Total revenues	5,451,364	6,053,079	601,715	5,431,073
Expenditures:				
Health:				
Salaries	2,863,382	2,778,177	85,205	2,740,249
Fringe benefits	1,204,525	1,151,988	52,537	1,055,474
Travel	75,339	76,627	(1,288)	64,827
Contract expense	1,412,180	1,371,916	40,264	1,367,986
Office expense	385,065	425,219	(40,154)	367,776
Fiscal operations	9,140	-	9,140	6,360
Other	36,908	30,048	6,860	31,469
Capital outlay	100,248	84,640	15,608	276,540
Total expenditures	6,086,787	5,918,615	168,172	5,910,681
Excess (deficiency) of revenues over expenditures	(635,423)	134,464	769,887	(479,608)
Other financing sources:				
Transfer from general fund	56,878	56,878	-	56,878
Transfer from health fund	578,545	578,545	-	560,000
Total other financing sources	635,423	635,423	-	616,878
Excess (deficiency) of revenues and other financing sources over expenditures	-	769,887	769,887	137,270
Adjust to GAAP - federal commodities		(17,000)		(44,000)
Excess of revenues and other financing sources over expenditures (GAAP basis)		752,887		93,270
Fund balance - January 1		1,557,395		1,464,125
Fund balance - December 31	\$	2,310,282		1,557,395

CACHE COUNTY
MUNICIPAL SERVICES FUND
COMPARATIVE BALANCE SHEETS
December 31, 2002 and 2001

<u>Assets</u>		<u>2002</u>	<u>2001</u>
Cash	\$	40	40
Equity in investment pool		3,143,449	3,929,664
Interfund receivable - investment pool		1,306,133	392,719
Accounts receivable		-	146
Due from other governments		299,623	279,892
Taxes receivable		97,458	105,019
 Total assets	 \$	 <u>4,846,703</u>	 <u>4,707,480</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accrued liabilities	\$	69,984	44,827
Due to component unit		14,382	-
 Total liabilities		 <u>84,366</u>	 <u>44,827</u>
Fund balance:			
Reserved-encumbrances		40,835	11,019
Reserved-Class B		4,221,944	4,209,555
Unreserved-undesignated		499,558	442,079
 Total fund balance		 <u>4,762,337</u>	 <u>4,662,653</u>
 Total liabilities and fund balance	 \$	 <u>4,846,703</u>	 <u>4,707,480</u>

CACHE COUNTY
MUNICIPAL SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
Year Ended December 31, 2002
(With Comparative Totals for Year Ended December 31, 2001)

	<u>2002</u>		Variance- Favorable (Unfavorable)	2001 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Taxes	\$ 531,700	512,754	(18,946)	475,330
Intergovernmental	1,831,442	1,532,585	(298,857)	1,430,622
Charges for services	88,500	90,473	1,973	95,369
Licenses and permits	252,230	268,145	15,915	191,423
Miscellaneous	90,398	66,503	(23,895)	167,925
Total revenues	<u>2,794,270</u>	<u>2,470,460</u>	<u>(323,810)</u>	<u>2,360,669</u>
Expenditures:				
General government:				
Planning:				
Salary and fringe benefits	127,881	126,660	1,221	120,901
Other departmental expenses	16,031	11,842	4,189	16,954
Capital outlay	-	-	-	1,099
Total planning	<u>143,912</u>	<u>138,502</u>	<u>5,410</u>	<u>138,954</u>
Sanitation/waste collection:				
Other departmental expenses	20,000	22,815	(2,815)	19,206
Miscellaneous:				
Other departmental expenses	43,000	7,500	35,500	7,500
Total general government	<u>206,912</u>	<u>168,817</u>	<u>2,595</u>	<u>165,660</u>
Public safety:				
Sheriff:				
Salary and fringe benefits	385,366	368,316	17,050	352,959
Other departmental expenses	35,832	32,659	3,173	43,304
Capital outlay	18,880	18,880	-	79,796
Total sheriff	<u>440,078</u>	<u>419,855</u>	<u>20,223</u>	<u>476,059</u>
Fire:				
Department allocations	117,728	115,419	2,309	108,816
Total fire	<u>117,728</u>	<u>115,419</u>	<u>2,309</u>	<u>108,816</u>
Building inspection:				
Salary and fringe benefits	192,982	188,323	4,659	177,435
Other departmental expenses	14,228	13,140	1,088	12,373
Capital outlay	-	-	-	-
Total Building inspection	<u>207,210</u>	<u>201,463</u>	<u>5,747</u>	<u>189,808</u>

(continued)

CACHE COUNTY
MUNICIPAL SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
Year Ended December 31, 2002
(With Comparative Totals for Year Ended December 31, 2001)

	2002		Variance- Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
Animal control:				
Salary and fringe benefits	11,150	10,976	174	10,313
Other departmental expenses	3,853	3,349	504	2,413
Total animal control	15,003	14,325	678	12,726
Total public safety	780,019	751,062	28,957	787,409
Highways - Class B:				
Salary and fringe benefits	403,938	387,212	16,726	372,259
Other departmental expenses	953,678	675,124	278,554	394,224
Capital Outlay	195,000	163,654	31,346	217,595
Total Highways - Class B	1,552,616	1,225,990	326,626	984,078
Total expenditures	2,539,547	2,145,869	358,178	1,937,147
Excess of revenues over expenditures	254,723	324,591	69,868	423,522
Other financing uses:				
Transfer to general fund	(173,193)	(173,193)	-	(100,953)
Transfer to capital projects fund	(81,530)	(81,530)	-	-
Total other financing uses	(254,723)	(254,723)	-	(100,953)
Excess of revenues and other financing sources over expenditures and other financing uses	-	69,868	69,868	322,569
Adjust to GAAP - encumbrances		29,816		(47,785)
Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		99,684		274,784
Fund balance - January 1		4,662,653		4,387,869
Fund balance - December 31	\$	4,762,337		4,662,653

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CACHE COUNTY
HEALTH FUND
COMPARATIVE BALANCE SHEETS
December 31, 2002 and 2001

Assets

	<u>2002</u>	<u>2001</u>
Equity in investment pool	\$ 25,419	141,616
Taxes receivable	283,041	270,858
Total assets	\$ <u>308,460</u>	<u>412,474</u>

Liabilities and Fund Balance

Liabilities:

Due to other funds	\$ -	140,000
Total liabilities	<u>-</u>	<u>140,000</u>

Fund balance:

Unreserved - undesignated	<u>308,460</u>	<u>272,474</u>
Total fund balance	<u>308,460</u>	<u>272,474</u>
Total liabilities and fund balance	\$ <u>308,460</u>	<u>412,474</u>

CACHE COUNTY
HEALTH FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2002
(With Comparative Totals for Year Ended December 31, 2001)

	<u>2002</u>		Variance- Favorable (Unfavorable)	2001
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes	\$ 603,545	614,531	10,986	592,785
Total revenues	<u>603,545</u>	<u>614,531</u>	<u>10,986</u>	<u>592,785</u>
Expenditures:				
Health	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>603,545</u>	<u>614,531</u>	<u>10,986</u>	<u>592,785</u>
Other financing uses:				
Transfer to Bear River District Health Fund	<u>(578,545)</u>	<u>(578,545)</u>	-	<u>(560,000)</u>
Total other financing uses	<u>(578,545)</u>	<u>(578,545)</u>	<u>-</u>	<u>(560,000)</u>
Excess of revenues over expenditures and other financing uses	<u>25,000</u>	35,986	<u>10,986</u>	32,785
Fund balance - January 1		<u>272,474</u>		<u>239,689</u>
Fund balance - December 31	\$	<u>308,460</u>		<u>272,474</u>

CACHE COUNTY
TRAVEL COUNCIL FUND
COMPARATIVE BALANCE SHEETS
December 31, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash	\$ 275	200
Equity in investment pool	219,418	228,500
Taxes receivable	31,285	32,397
 Total assets	 \$ <u>250,978</u>	 <u>261,097</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 7,591	9,588
 Total liabilities	 <u>7,591</u>	 <u>9,588</u>
Fund balance:		
Reserved - encumbrances	5,370	6,879
Unreserved - undesignated	238,017	244,630
 Total fund balance	 <u>243,387</u>	 <u>251,509</u>
 Total liabilities and fund balance	 \$ <u>250,978</u>	 <u>261,097</u>

CACHE COUNTY
TRAVEL COUNCIL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2002
(With Comparative Totals for Year Ended December 31, 2001)

	2002		Variance- Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Transient room tax	\$ 233,249	245,235	11,986	235,167
Intergovernmental:				
Federal grants	1,000	-	(1,000)	-
State grants	27,000	27,000	-	23,648
Local grants	45,000	45,000	-	30,000
Total intergovernmental	73,000	72,000	(1,000)	53,648
Miscellaneous	19,696	19,961	265	13,146
Total revenues	325,945	337,196	11,251	301,961
Expenditures:				
Culture and recreation	348,445	343,809	4,636	334,444
Total expenditures	348,445	343,809	4,636	334,444
Excess (deficiency) of revenues over expenditures	(22,500)	(6,613)	15,887	(32,483)
Adjust to GAAP - encumbrances		(1,509)		6,879
Deficiency of revenues over expenditures (GAAP basis)		(8,122)		(25,604)
Fund balance - January 1		251,509		277,113
Fund balance - December 31	\$	243,387		251,509

CACHE COUNTY
COUNCIL ON AGING FUND
COMPARATIVE BALANCE SHEETS
December 31, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash	\$ 40	40
Equity in investment pool	255,169	256,146
Accounts receivable	80,637	51,582
 Total assets	 \$ 335,846	 307,768
 <u>Liabilities and Fund Balance</u> 		
Liabilities:		
Accrued liabilities	\$ 18,923	23,143
Deferred revenue	5,250	2,884
Due to other funds	165,000	165,000
 Total liabilities	 189,173	 191,027
Fund balance:		
Reserved - encumbrances	-	1,333
Unreserved - undesignated	146,673	115,408
 Total fund balance	 146,673	 116,741
 Total liabilities and fund balance	 \$ 335,846	 307,768

CACHE COUNTY
COUNCIL ON AGING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
Year Ended December 31, 2002
(With Comparative Totals for Year Ended December 31, 2001)

	2002		Variance- Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:				
Federal and state grants	\$ 292,612	322,279	29,667	282,791
Local funding	5,174	1,885	(3,289)	4,320
Total intergovernmental	297,786	324,164	26,378	287,111
Charge for services:				
Nutrition donations	105,000	106,080	1,080	107,605
Tours and trips	5,000	2,725	(2,275)	4,284
Access transportation	3,900	4,517	617	4,602
Ceramics and crafts	5,500	5,365	(135)	7,338
Total charges for services	119,400	118,687	(713)	123,829
Miscellaneous:				
United Way donation	12,500	12,500	-	12,600
Other	21,509	22,776	1,267	21,170
Total miscellaneous	34,009	35,276	1,267	33,770
Total revenues	451,195	478,127	26,932	444,710
Expenditures:				
Nutrition:				
Salaries and fringe benefits	166,853	174,596	(7,743)	166,098
Supplies	30,125	29,011	1,114	27,040
Transportation	6,351	6,896	(545)	6,389
Occupancy	14,596	15,040	(444)	16,248
Meals	81,323	81,957	(634)	92,433
Total nutrition	299,248	307,500	(8,252)	308,208

(continued)

CACHE COUNTY
COUNCIL ON AGING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
Year Ended December 31, 2002
(With Comparative Totals for Year Ended December 31, 2001)

	2002		Variance- Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
Center:				
Salaries and fringe benefits	56,654	58,196	(1,542)	55,901
Travel	2,317	2,185	132	1,772
Supplies	19,861	15,204	4,657	15,682
Occupancy	8,500	7,729	771	5,180
Capital outlay	5,425	5,425	-	746
Total center	92,757	88,739	4,018	79,281
Access - Mandated:				
Salaries and fringe benefits	40,048	41,196	(1,148)	39,767
Supplies	4,225	4,131	94	3,879
Transportation	4,028	3,817	211	3,274
Capital outlay	280	-	280	-
Occupancy	7,109	7,300	(191)	6,154
Total access - mandated	55,690	56,444	(754)	53,074
Retired service volunteer program:				
Salaries and fringe benefits	26,424	21,644	4,780	22,170
Travel	4,810	4,107	703	1,328
Occupancy	600	280	320	332
Volunteer insurance	950	957	(7)	919
Supplies	8,720	8,455	265	2,546
Capital outlay	5,000	-	5,000	-
Volunteer travel	5,225	4,965	260	6,351
Total retired service volunteer program	51,729	40,408	11,321	33,646
Total expenditures	499,424	493,091	6,333	474,209

(continued)

CACHE COUNTY
COUNCIL ON AGING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
Year Ended December 31, 2002
(With Comparative Totals for Year Ended December 31, 2001)

	2002		Variance- Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
Excess (deficiency) of revenues over expenditures	(48,229)	(14,964)	33,265	(29,499)
Other financing sources:				
Transfer from general fund	<u>46,229</u>	<u>46,229</u>	-	<u>46,229</u>
Total other financing sources	<u>46,229</u>	<u>46,229</u>	-	<u>46,229</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(2,000)</u>	31,265	<u>33,265</u>	16,730
Adjust to GAAP - encumbrances		<u>(1,333)</u>		<u>(9,457)</u>
Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		29,932		7,273
Fund balance - January 1		<u>116,741</u>		<u>109,468</u>
Fund balance - December 31	\$	<u>146,673</u>		<u>116,741</u>

CACHE COUNTY
MENTAL HEALTH FUND
COMPARATIVE BALANCE SHEETS
December 31, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Equity in investment pool	\$ -	46,919
Due from other governments	398,809	134,262
 Total assets	 \$ <u>398,809</u>	 <u>181,181</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ <u>398,809</u>	<u>181,181</u>
 Total liabilities	 <u>398,809</u>	 <u>181,181</u>
Fund balance:		
Unreserved - undesignated	<u>-</u>	<u>-</u>
 Total fund balance	 <u>-</u>	 <u>-</u>
 Total liabilities and fund balance	 \$ <u><u>398,809</u></u>	 <u><u>181,181</u></u>

CACHE COUNTY
MENTAL HEALTH FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2002
(With Comparative Totals for Year Ended December 31, 2001)

	<u>2002</u>		Variance- Favorable (Unfavorable)	<u>2001 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Intergovernmental:				
Federal and state grants	\$ <u>1,650,000</u>	<u>1,663,895</u>	<u>13,895</u>	<u>1,494,039</u>
Total revenues	<u>1,650,000</u>	<u>1,663,895</u>	<u>13,895</u>	<u>1,494,039</u>
Expenditures:				
Mental health	<u>1,650,000</u>	<u>1,663,895</u>	<u>(13,895)</u>	<u>1,494,039</u>
Total expenditures	<u>1,650,000</u>	<u>1,663,895</u>	<u>(13,895)</u>	<u>1,494,039</u>
Excess of revenues over expenditures	<u><u>-</u></u>	<u>-</u>	<u><u>-</u></u>	<u>-</u>
Fund balance - January 1				
Fund balance - December 31	\$	<u><u>-</u></u>		<u><u>-</u></u>

CACHE COUNTY
RECREATION FUND
COMPARATIVE BALANCE SHEETS
December 31, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Equity in investment pool	\$ 939,540	904,464
Taxes receivable	114,903	114,069
Total assets	<u>\$ 1,054,443</u>	<u>1,018,533</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ -	4,018
Total liabilities	<u>-</u>	<u>4,018</u>
Fund balance:		
Reserved - encumbrances	499,170	508,646
Unreserved - undesignated	555,273	505,869
Total fund balance	<u>1,054,443</u>	<u>1,014,515</u>
Total liabilities and fund balance	<u>\$ 1,054,443</u>	<u>1,018,533</u>

CACHE COUNTY
RECREATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
Year Ended December 31, 2002
(With Comparative Totals for Year Ended December 31, 2001)

	<u>2002</u>		<u>Variance- Favorable (Unfavorable)</u>	<u>2001 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Taxes:				
Restaurant tax	\$ 574,733	630,164	55,431	596,399
Total tax	<u>574,733</u>	<u>630,164</u>	<u>55,431</u>	<u>596,399</u>
Miscellaneous	-	17,316	17,316	11,269
Total revenues	<u>574,733</u>	<u>647,480</u>	<u>72,747</u>	<u>607,668</u>
Expenditures:				
Culture and recreation	506,880	505,223	1,657	320,861
Total expenditures	<u>506,880</u>	<u>505,223</u>	<u>1,657</u>	<u>320,861</u>
Excess of revenues over expenditures	67,853	142,257	74,404	286,807
Other financing uses:				
Transfer to component unit	(92,853)	(92,853)	-	(255,816)
Excess of revenues over expenditures and other financing uses	<u>(25,000)</u>	49,404	<u>74,404</u>	30,991
Adjust to GAAP - encumbrances		(9,476)		<u>(168,610)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (GAAP basis)		39,928		(137,619)
Fund balance - January 1		<u>1,014,515</u>		<u>1,152,134</u>
Fund balance - December 31	\$	<u><u>1,054,443</u></u>		<u><u>1,014,515</u></u>

CACHE COUNTY
PLANNING AND DEVELOPMENT FUND
COMPARATIVE BALANCE SHEETS
December 31, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash	\$ 25	-
Equity in investment pool	43,694	-
Due from other governments	<u>13,397</u>	<u>28,897</u>
 Total assets	 \$ <u>57,091</u>	 <u>28,897</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Interfund payable - investment pool	\$ -	8,842
Accrued liabilities	<u>14,733</u>	<u>2,492</u>
 Total liabilities	 <u>14,733</u>	 <u>11,334</u>
Fund balance:		
Reserved - encumbrances	-	3,051
Unreserved - undesignated	<u>42,383</u>	<u>14,512</u>
 Total fund balance	 <u>42,383</u>	 <u>17,563</u>
 Total liabilities and fund balance	 \$ <u>57,116</u>	 <u>28,897</u>

CACHE COUNTY
PLANNING AND DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
Year Ended December 31, 2002
(With Comparative Totals for Year Ended December 31, 2001)

	2002		Variance- Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Revenues:				
Intergovernmental:				
Federal and State	\$ 147,000	117,867	(29,133)	-
Local grants	34,000	-	(34,000)	20,000
Total intergovernmental	181,000	117,867	(63,133)	20,000
Charges for services:				
Entity user fee	63,783	67,894	4,111	76,241
Current services	6,157	7,091	934	12,061
Total charges for services	69,940	74,985	5,045	88,302
Total revenues	250,940	192,852	(58,088)	108,302
Expenditures:				
Salaries and benefits	116,965	116,964	1	112,226
Other expenses	195,896	111,740	84,156	41,115
Capital outlay	1,802	-	1,802	1,587
Total expenditures	314,663	228,704	85,959	154,928
Deficiency of revenues over expenditures	(63,723)	(35,852)	27,871	(46,626)
Other financing sources (uses):				
Transfer to general fund	-	-	-	(21,766)
Transfer from general fund	63,723	63,723	-	63,723
Total other financing sources (uses)	63,723	63,723	-	41,957
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	27,871	27,871	(4,669)
Adjust to GAAP - encumbrances (net change)		(3,051)		(47,542)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		24,820		(52,211)
Fund balance - January 1		17,563		69,774
Fund balance - December 31	\$	42,383		17,563

CACHE COUNTY
LIBRARY FUND
COMPARATIVE BALANCE SHEETS
December 31, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash	\$ 25	25
Equity in investment pool	27,440	17,417
Due from other governments	-	14,121
	<hr/>	<hr/>
Total assets	\$ 27,465	31,563
	<hr/> <hr/>	<hr/> <hr/>
 <u>Liabilities and Fund Balance</u> 		
Liabilities:		
Accrued liabilities	\$ 86	811
	<hr/>	<hr/>
Total liabilities	86	811
	<hr/>	<hr/>
Fund balance:		
Unreserved - undesignated	27,379	30,752
	<hr/>	<hr/>
Total fund balance	27,379	30,752
	<hr/>	<hr/>
Total liabilities and fund balance	\$ 27,465	31,563
	<hr/> <hr/>	<hr/> <hr/>

CACHE COUNTY
LIBRARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
Year Ended December 31, 2002
(With Comparative Totals for Year Ended December 31, 2001)

	<u>2002</u>		Variance- Favorable (Unfavorable)	2001 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Intergovernmental:				
Local grants	\$ 14,121	14,121	-	14,121
Total intergovernmental	14,121	14,121	-	14,121
Charges for services:				
Library fees	200	166	(34)	304
Total revenues	14,321	14,287	(34)	14,425
Expenditures:				
Salaries and benefits	13,767	12,522	1,245	11,632
Other expenses	8,510	8,738	(228)	8,504
Capital outlay	2,000	-	2,000	690
Total expenditures	24,277	21,260	3,017	20,826
Excess (deficiency) of revenues over expenditures	(9,956)	(6,973)	2,983	(6,401)
Other financing sources:				
Transfer from general fund	3,600	3,600	-	3,600
Total other financing sources	3,600	3,600	-	3,600
Excess (deficiency) of revenues and other financing sources over expenditures	(6,356)	(3,373)	2,983	(2,801)
Adjust to GAAP - encumbrances (net change)		-		(170)
Excess (deficiency) of revenues and other financing sources over expenditures (GAAP basis)		(3,373)		(2,971)
Fund balance - January 1		30,752		33,723
Fund balance - December 31	\$	27,379		30,752

CACHE COUNTY
CHILDREN'S JUSTICE CENTER
COMPARATIVE BALANCE SHEETS
December 31, 2002 and 2001

<u>Assets</u>	<u>2002</u>	<u>2001</u>
Cash	\$ 100	100
Accounts receivable	-	191
Due from other governments	<u>13,477</u>	<u>39,511</u>
Total assets	<u>\$ 13,577</u>	<u>39,802</u>
 <u>Liabilities and Fund Balance</u> 		
Liabilities:		
Interfund payable - investment pool	\$ 9,231	34,008
Accrued liabilities	<u>496</u>	<u>614</u>
Total liabilities	<u>9,727</u>	<u>34,622</u>
Fund balance:		
Unreserved - undesignated	<u>3,850</u>	<u>5,180</u>
Total fund balance	<u>3,850</u>	<u>5,180</u>
Total liabilities and fund balance	<u>\$ 13,577</u>	<u>39,802</u>

CACHE COUNTY
CHILDREN'S JUSTICE CENTER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2002
(With Comparative Totals for the Year Ended December 31, 2001)

	<u>2002</u>		Variance- Favorable (Unfavorable)	<u>2001 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Intergovernmental:				
State grants	\$ 94,391	85,100	9,291	86,539
Total revenues	<u>94,391</u>	<u>85,100</u>	<u>9,291</u>	<u>86,539</u>
Expenditures:				
Salaries and benefits	73,780	64,082	9,698	69,738
Other center expenses	24,513	22,348	2,165	16,546
Capital outlay	1,098	-	1,098	-
Total expenditures	<u>99,391</u>	<u>86,430</u>	<u>12,961</u>	<u>86,284</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	(1,330)	<u>3,670</u>	255
Fund balance - January 1		5,180		4,925
Fund balance - December 31	\$	<u>3,850</u>		<u>5,180</u>

CACHE COUNTY
FIDUCIARY FUNDS
COMBINING BALANCE SHEET

December 31, 2002

(With Comparative Totals for December 31, 2001)

<u>Assets</u>	<u>Agency Funds</u>				<u>Totals</u>	
	<u>Fee</u>	<u>Health</u>	<u>Community</u>	<u>Treasurer's</u>	<u>2002</u>	<u>2001</u>
	<u>Trust</u>	<u>Department</u>	<u>Foundation</u>	<u>Tax Fund</u>		
	<u>Fund</u>	<u>125 plan</u>	<u></u>	<u></u>		
Cash and cash equivalents	\$ -	2,643	14,872	17,091,139	17,108,654	16,219,704
Equity in investment pool	107,801	-	-	-	107,801	93,637
Accounts receivable	38,608	-	-	-	38,608	31,722
Taxes receivable	-	-	-	661,676	661,676	575,986
Total assets	\$ 146,409	2,643	14,872	17,752,815	17,916,739	16,921,049
 <u>Liabilities and Fund Balance</u>						
<u>Liabilities:</u>						
Interfund payable - investment pool	-	-	-	-	-	5
Due to other taxing units	-	-	-	-	-	-
Due to employees	-	2,643	-	17,250,934	17,250,934	16,224,617
Due to other funds	-	-	-	-	2,643	3,287
Over-collections payable	-	-	-	-	-	1,208
Other collections payable	146,409	-	14,872	395,960	395,960	354,460
	-	-	-	105,921	267,202	337,472
Total liabilities	146,409	2,643	14,872	17,752,815	17,916,739	16,921,049
<u>Fund Balance:</u>						
Unreserved and undesignated	-	-	-	-	-	-
Total liabilities and fund balance	\$ 146,409	2,643	14,872	17,752,815	17,916,739	16,921,049

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CACHE COUNTY
TREASURER'S TAX FUND
SCHEDULE OF TAXES CHARGED, COLLECTED AND DISBURSED - CURRENT AND PRIOR
Year Ended December 31, 2002

County Funds:	Year End Real Property Value	Centrally Assessed Property Value	Real Property RDA Value	Total Real Property Assessed Value	Year End Personal Property Value	Personal Property RDA Value	Total Personal Property Assessed Value	Total Adjusted Value	Real Property Tax Rate	Prior Year Personal Property Tax Rate	Real Property Taxes Charged
General	\$ 2,653,921,437	127,184,198	63,313,822	2,717,791,813	301,243,366	34,295,464	266,947,902	2,984,739,715	0.001254	0.001267	\$ 3,408,111
Health	2,653,921,437	127,184,198	63,313,822	2,717,791,813	301,243,366	34,295,464	266,947,902	2,984,739,715	0.000173	0.000175	470,178
Assessing & collecting - County	2,653,921,437	127,184,198	63,313,822	2,717,791,813	301,243,366	34,295,464	266,947,902	2,984,739,715	0.000177	0.000180	481,849
Assessing & collecting - State	2,653,921,437	127,184,198	63,313,822	2,717,791,813	301,243,366	34,295,464	266,947,902	2,984,739,715	0.000150	0.000154	407,669
Total Cache County	2,653,921,437	127,184,198	63,313,822	2,717,791,813	301,243,366	34,295,464	266,947,902	2,984,739,715	0.001754	0.001786	4,767,007
Cities & Towns:											
Amalgam	17,695,160	923,485	-	18,618,645	4,663,764	-	4,663,764	23,282,409	0.000511	0.000514	9,514
Clatsop	12,676,545	561,952	-	13,238,497	7,762	-	7,762	13,246,259	0.000901	0.000956	11,928
Cornish	6,064,325	1,468,011	-	7,532,336	99,666	-	99,666	7,632,002	0.002057	0.002032	15,404
Cornish Judgement Levy	6,064,325	1,468,011	-	7,532,336	99,666	-	99,666	7,632,002	-	0.000441	-
Hyak Park	88,993,735	3,033,678	-	92,027,413	1,898,313	-	1,898,313	93,321,330	0.001060	0.001160	95,857
Hyman	135,159,060	4,363,802	-	139,522,862	7,028,479	-	7,028,479	146,551,341	0.001143	0.000747	159,475
Lewisston	51,795,660	3,678,901	-	55,474,561	7,770,054	-	7,770,054	63,244,615	0.002121	0.002114	117,661
Logan	1,131,633,200	36,149,860	52,886,081	1,114,868,979	190,507,769	29,174,838	161,332,931	1,276,229,910	0.001856	0.001709	2,069,249
Kenilworth	34,867,378	798,859	-	35,666,237	176,316	-	176,316	35,843,293	0.001857	0.001864	47,664
Millville	40,246,433	1,169,767	-	41,416,202	1,031,308	-	1,031,308	42,447,510	0.000889	0.000897	36,819
Newton	15,126,700	607,094	-	15,733,794	32,446	-	32,446	15,766,240	0.000792	0.000817	12,461
Nibley	63,412,685	1,877,101	-	65,289,786	3,295,199	-	3,295,199	68,584,985	0.001667	0.001640	108,838
North Logan	779,439,511	4,321,923	-	783,761,434	22,436,830	-	22,436,830	806,198,264	0.001796	0.001905	509,636
Paradise	19,922,960	739,830	-	20,662,790	237,885	-	237,885	20,920,675	0.000951	0.000970	19,669
Providence	159,389,360	2,387,311	-	161,776,671	1,652,720	-	1,652,720	163,429,391	0.001257	0.001261	203,353
Richmond	42,633,880	3,555,745	-	46,189,625	2,136,211	-	2,136,211	48,325,836	0.001463	0.001474	67,575
River Heights	42,564,900	869,344	-	43,434,244	89,843	-	89,843	43,524,087	0.001080	0.001087	46,910
Southfield	189,800,370	7,048,255	10,427,741	196,820,884	10,899,672	5,120,626	5,779,046	192,199,930	0.002012	0.002041	375,079
Trenton	11,013,890	2,503,206	-	13,517,096	4,199,652	-	4,199,652	17,716,748	0.000747	0.000746	10,097
Wellsville	70,832,335	2,902,739	-	73,735,074	1,791,149	-	1,791,149	75,526,223	0.001492	0.001384	110,013
Total cities & towns	2,402,670,281	77,984,241	63,313,822	2,417,340,700	260,007,928	34,295,464	225,712,464	2,643,053,164	-	-	4,027,292
Irrigation, Drainage & Misc. Districts:											
Drainage #3	-	-	-	-	-	-	-	-	1.000000	1.000000	-
Drainage #4	-	-	-	-	-	-	-	-	3.000000	3.000000	-
Drainage #5	-	-	-	-	-	-	-	-	0.500000	0.500000	-
Drainage #6	-	-	-	-	-	-	-	-	6.250000	6.250000	-
Wellsville-Mendon	-	-	-	-	-	-	-	-	15.250000	13.250000	-
Noxious weeds	-	-	-	-	-	-	-	-	1.000000	1.000000	-
Logan City garbage	-	-	-	-	-	-	-	-	1.000000	1.000000	-
Porter Meadows	597,643	317,913	-	915,556	2,033,945	-	2,033,945	2,949,503	0.000697	0.000697	308
Mosquito Abatement	28,637,720	1,727,990	-	30,365,710	-	-	-	30,365,710	0.000659	0.000659	308
Benson Culinary Water	14,086,680	1,542,984	-	15,629,664	-	-	-	15,629,664	0.000272	0.000270	8,259
Total irrigation, drainage & misc. districts	\$ 43,322,045	3,488,797	46,810,842	46,810,842	2,033,945	-	2,033,945	48,844,787	-	\$	8,789

	Personal Property Taxes		Total Taxes		Treasurer's Relief			Total Relief	Net Tax Collected	Percent Collected	Other Collections		Delinquencies Tax	Inf/Pen.
	Charged	Unpaid Taxes	Abate-ments	Other	Fee in Lien	Miscell. Collect.	Tax							
County Funds:														
General	\$ 338,223	116,320	21,397	4,294	142,011			3,604,323	697,022	96.21%	59,304	117,532	61,607	
Health	46,716	16,048	2,952	592	19,592			497,302	96,273	96.21%	4,882	15,052	677	
Assessing & collecting - County	30,720	16,418	3,000	608	20,344			513,775	104,560	96.23%	5,104	17,461	814	
Assessing & collecting - State	41,110	13,913	2,559	514	16,986			431,793	84,621	96.22%	4,221	11,883	503	
Total Cache County	476,769	162,699	29,928	6,006	198,633			5,045,143	982,476	96.21%	73,521	161,928	63,601	
Cities & Towns:														
Amalg	2,397	311	-	26	337			11,574	1,541	97.17%	109	363	13	
Clarkston	7	147	253	12	412			11,523	4,728	96.53%	20	554	35	
Coniah	203	343	31	10	384			15,313	1,840	97.55%	243	2,928	133	
Coniah Judgement Levy	44	44	-	-	-			44	-	100.00%	-	-	-	
Elmer Park	3,080	3,652	761	11	4,434			93,333	22,423	95.48%	543	2,641	63	
Hynn	5,250	164,725	926	99	8,371			156,354	40,406	94.92%	1,005	4,421	191	
Lewiston	16,426	3,899	1,020	40	4,959			129,128	22,650	96.30%	820	4,053	123	
Logan	275,718	63,457	13,033	5,186	81,676			2,263,291	358,557	96.52%	7,301	40,845	1,862	
Madison	359	67	354	7	338			47,335	16,647	98.21%	1,300	918	33	
Millville	925	37,744	446	264	716			37,028	10,010	98.10%	614	592	23	
Newton	27	12,488	584	2	684			11,804	4,727	94.57%	101	210	7	
Nibley	5,404	114,242	2,999	670	3,635			110,607	24,773	96.82%	3,854	2,243	75	
North Logan	42,764	532,400	3,392	29	18,716			533,674	72,787	96.81%	2,975	5,328	253	
Paradise	231	19,900	547	153	703			19,197	9,143	96.47%	507	720	31	
Providence	2,084	205,437	4,637	160	6,324			199,113	44,952	96.92%	959	4,105	213	
Richmond	3,149	70,724	1,926	24	2,999			67,725	23,644	95.76%	774	2,948	110	
River Heights	55	46,965	1,075	4	1,424			85,541	7,688	96.97%	159	768	18	
Smithfield	11,795	386,874	14,477	3,688	18,214			368,660	100,877	95.29%	2,865	13,231	512	
Trenton	3,133	13,250	246	79	330			12,900	2,359	97.51%	148	1,380	63	
Wellsville	2,837	112,850	13,046	899	13,962			98,888	41,226	87.63%	3,039	5,234	188	
Total cities & towns	374,858	137,258	26,174	5,706	169,138			4,233,012	810,978	96.16%	32,336	97,482	3,946	
Integration, Drainage & Misc. Districts:														
Drainage #3	-	1,749	5	-	5			1,744	-	99.71%	-	311	-	
Drainage #4	-	3,183	331	-	331			2,852	-	89.60%	-	30	-	
Drainage #5	-	1,382	10	-	10			1,372	-	99.28%	-	25	-	
Drainage #6	-	371	13	-	13			543	-	97.40%	-	10	-	
Wellsville-Mendon	-	118,934	1,935	-	1,935			116,999	-	98.37%	-	3,568	-	
Noxious weeds	-	1,052	15	-	15			1,037	-	98.57%	-	4,725	-	
Logan City garbage	-	22,815	13,670	-	13,670			9,145	-	40.08%	-	-	-	
Powder Mountain	1,276	1,305	-	-	1,805			6	-	-	-	-	-	
Mosquito Abatement	-	8,259	356	121	466			7,793	88	94.36%	214	134	5	
Benson Curbway Water	-	-	-	-	-			-	-	-	-	-	-	
Total irrigation, drainage & misc. districts	\$ 1,275	159,758	16,317	121	16,447			143,311	88	89.71%	220	8,803	5	

CACHE COUNTY
TREASURER'S TAX FUND
SCHEDULE OF TAXES CHARGED, COLLECTED AND DISBURSED - CURRENT AND PRIOR
Year Ended December 31, 2002

Category	Year End Real Property Value	Centrally Assessed Property Value	Real Property RDA Value	Total Real Property Assessed Value	Year End Personal Property Value	Personal Property RDA Value	Total Personal Property Assessed Value	Total Adjusted Value	Real Property Tax Rate	Personal Property Tax Rate	Real Property Taxes Charged
Cemetery Districts:											
Avon	22,034,020	993,772	-	23,027,792	2,064,595	-	2,064,595	25,092,387	0.000176	0.000189	\$ 4,053
Cornish	7,685,231	3,131,241	-	10,816,472	99,666	-	99,666	10,916,138	0.000378	0.000374	4,089
Hyde Park	130,160,605	3,083,946	-	133,244,551	1,890,717	-	1,890,717	135,135,268	0.000286	0.000283	38,108
Millville-Melby	10,513,800	4,338,747	-	14,852,547	4,338,507	-	4,338,507	112,078,869	0.000128	0.000138	13,792
Newton	22,630,485	4,830,400	-	27,460,885	32,446	-	32,446	27,513,331	0.000108	0.000108	2,968
Paradise	40,539,175	4,542,605	-	45,081,780	237,885	-	237,885	45,319,665	0.000108	0.000107	4,869
Richmond	74,172,195	6,860,241	-	81,032,436	13,872,631	-	13,872,631	94,905,067	0.000149	0.000150	12,074
Total cemetery districts	400,353,611	28,080,467	-	428,434,078	22,524,447	-	22,524,447	450,958,525			79,953
School Districts:											
Cache County School District	1,522,288,237	91,034,337	10,427,741	1,602,894,833	110,735,597	5,120,626	105,614,971	1,708,509,804	0.004819	0.004667	7,724,350
Cache Co. Schools	1,522,288,237	91,034,337	10,427,741	1,602,894,833	110,735,597	5,120,626	105,614,971	1,708,509,804	0.001807	0.001785	2,896,431
Cache Co. Statewide Levy	1,522,288,237	91,034,337	10,427,741	1,602,894,833	110,735,597	5,120,626	105,614,971	1,708,509,804	0.006626	0.006452	10,620,781
Total Cache Co. School Dist.	1,131,633,200	36,149,860	52,886,081	1,114,896,979	190,507,769	29,174,838	161,332,931	1,276,229,910	0.005093	0.004995	5,678,170
Logan City School District	1,131,633,200	36,149,860	52,886,081	1,114,896,979	190,507,769	29,174,838	161,332,931	1,276,229,910	0.000020	0.000020	-
Logan City Schools	1,131,633,200	36,149,860	52,886,081	1,114,896,979	190,507,769	29,174,838	161,332,931	1,276,229,910	0.001807	0.001785	2,014,619
Logan City Statewide Levy	1,131,633,200	36,149,860	52,886,081	1,114,896,979	190,507,769	29,174,838	161,332,931	1,276,229,910	0.006900	0.006800	7,692,789
Total Logan City School Dist.	2,653,921,437	127,184,197	63,313,822	2,717,791,812	301,243,366	34,295,464	266,947,902	2,984,739,714			18,313,570
Redevelopment District (1)											
Logan City	-	-	52,886,081	52,886,081	-	29,174,838	29,174,838	82,060,919	0.001856	0.001769	98,157
Cache County	-	-	63,313,822	63,313,822	-	34,295,464	34,295,464	97,609,286	0.001754	0.001766	111,052
Logan City Schools	-	-	52,886,081	52,886,081	-	29,174,838	29,174,838	82,060,919	0.006900	0.006800	364,938
Cache County Schools	-	-	10,427,741	10,427,741	-	5,120,626	5,120,626	15,548,367	0.006626	0.006452	69,094
Smithfield City	-	-	10,427,741	10,427,741	-	5,120,626	5,120,626	15,548,367	0.002012	0.002041	20,981
Total Redevelopment district	-	-	189,941,466	189,941,466	-	102,886,392	102,886,392	292,827,838			664,198

(1) The Logan River Redevelopment District received \$417,072 of taxes from new growth in the district.
The Logan South Main Redevelopment District received \$217,541 of taxes from new growth in the district.
The Logan Downtown Redevelopment District received \$83,789 of taxes from new growth in the district.
The Logan Northwest Redevelopment District received \$137,203 of taxes from new growth in the district.
The Smithfield Redevelopment District received \$161,000 of taxes from new growth in the district.

Incremental property valuation for the Redevelopment Districts was \$97,609,286. The property valuation of \$97,609,286 is a recalculation based upon taxes requested by the Districts.

	Personal Property Taxes Charged	Total Taxes Charged	Treasurer's Relief			Total Relief	Net Tax Collected	Percent Collected	Other Collections			Delinquencies Int/Pen.
			Unpaid Taxes	Abate-ments	Other				Fee in Lien	Miscell. Collect.	Tax	
Cemetery Districts:												
Avon	\$ 390	4,443	417	10	1	428	4,015	90.36%	242	27	150	5
Cornish	37	4,126	86	6	8	100	4,026	97.58%	299	54	497	23
Hyde Park	535	38,643	1,260	280	4	1,544	37,099	96.00%	5,805	182	1,235	31
Middlebury	554	13,746	315	86	2	403	13,943	97.19%	3,365	410	352	12
Newton	3	2,971	98	14	2	114	2,857	96.15%	645	34	397	15
Paradise	25	4,894	163	17	1	181	4,713	96.29%	1,104	118	204	18
Richmond	2,081	14,155	314	119	3	436	13,719	96.92%	2,441	176	597	24
Total cemetery districts	3,625	83,578	2,653	532	21	3,207	80,371	96.16%	13,901	1,001	3,432	128
School Districts:												
Cache County School District	492,905	8,217,255	282,243	48,387	3,036	333,667	7,883,588	95.94%	1,589,138	130,023	284,785	12,449
Cache Co. Schools	188,923	3,084,954	105,834	18,144	1,138	125,116	2,959,838	95.94%	608,097	42,684	108,772	4,803
Cache Co. Statewide Levy	681,428	11,302,209	388,077	66,531	4,174	458,783	10,843,426	95.94%	2,197,255	172,707	393,557	17,252
Total Cache Co. School Dist.												
Logan City School District	805,858	6,484,028	174,130	35,763	14,230	224,123	6,259,905	96.54%	1,051,356	28,776	126,408	6,026
Logan City Schools	3,227	3,227	-	-	-	-	3,227	100.00%	-	-	-	-
Logan City Schools	287,979	2,302,598	61,782	12,689	5,049	79,520	2,223,078	96.59%	374,184	7,504	45,805	2,228
Logan City Statewide Levy	1,097,064	8,789,853	235,912	48,452	19,279	303,643	8,486,210	96.59%	1,425,540	36,280	172,213	8,254
Total Logan City School Dist.	1,778,492	20,092,062	623,989	114,983	23,453	762,426	19,329,636	96.21%	3,622,795	208,987	565,770	25,506
Total School Districts												
Redevelopment District (1)												
Logan City	49,860	1,48,017	-	-	-	-	1,48,017	100.00%	-	-	-	-
Cache County	61,252	172,304	-	-	-	-	172,304	100.00%	-	-	-	-
Logan City Schools	198,389	563,303	-	-	-	-	563,303	100.00%	-	-	-	-
Cache County Schools	33,038	102,132	-	-	-	-	102,132	100.00%	-	-	-	-
Smithfield City	10,451	31,432	-	-	-	-	31,432	100.00%	-	-	-	-
Total Redevelopment district	352,990	1,017,188	-	-	-	-	1,017,188	100.00%	-	-	-	-
Grand totals	\$ 30,998,512	942,916	171,738	35,195	1,449,851	29,848,661	96.29%	\$ 5,430,238	316,065	837,415	93,186	

D-1

CACHE COUNTY
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
Year Ended December 31, 2002

	Balance 01/01/2002	Additions	Transfers	Deductions	Balance 12/31/2002
Land:					
Courthouse	\$ 120,000	-	-	-	120,000
New administration bldg	-	315,564	-	-	315,564
Cache Commerce Center	35,000	-	-	-	35,000
Clerk building site	25,000	-	-	-	25,000
BRDH Logan building site	130,000	-	-	-	130,000
BRDH Brigham building site	120,824	-	-	-	120,824
Sheriff station and jail	22,000	-	-	-	22,000
Detention	10,000	-	-	-	10,000
New jail complex	-	427,168	-	-	427,168
County road shop	54,000	-	-	-	54,000
Fairgrounds	166,667	5,000	-	-	171,667
Daines property	105,000	-	-	-	105,000
Gravel pits	888,975	-	-	-	888,975
Council on aging	40,000	-	-	-	40,000
Court facility	183,400	-	-	-	183,400
Total land	1,900,866	747,732	-	-	2,648,598
Buildings and improvements:					
Courthouse	357,703	12,500	-	-	370,203
New administration bldg	-	2,103,299	-	-	2,103,299
Cache Commerce Center	323,943	-	-	-	323,943
Parking lot	107,083	-	-	-	107,083
Clerk building	305,052	-	-	-	305,052
BRDH Logan building	3,033,007	-	-	-	3,033,007
BRDH Brigham building	789,830	-	-	-	789,830
BRDH Randolph building	34,619	-	-	-	34,619
Sheriff station & jail	4,250,297	7,500	-	-	4,257,797
Emergency operations center	145,655	7,516	-	-	153,171
Detention	120,060	-	-	-	120,060
New jail complex	-	1,459,647	-	-	1,459,647
County road shop	469,852	-	-	-	469,852
Fairgrounds	184,106	-	-	-	184,106
T.V. translator	35,533	-	-	-	35,533
Council on aging	787,146	5,426	-	-	792,572
Softball quadrangle	333,719	-	-	-	333,719
Court facility	2,085,252	-	-	-	2,085,252
Total buildings and improvements	13,362,857	3,595,888	-	-	16,958,745

(continued)

CACHE COUNTY
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
Year Ended December 31, 2002

	Balance 01/01/2002	Additions	Transfers	Deductions	Balance 12/31/2002
Machinery and Equipment:					
General government	1,199,437	35,688	(2,246)	(45,424)	1,187,455
Public safety	4,577,016	647,829	59,850	(43,182)	5,241,513
Streets & public improvements	3,463,470	181,104	(65,400)	(83,682)	3,495,492
Parks and recreation	57,394	-	-	-	57,394
Conservation & economic development	32,622	-	-	-	32,622
Jail complex	39,980	-	-	-	39,980
Council on aging	185,602	-	-	(10,335)	175,267
Travel council	4,566	-	-	-	4,566
Bear River District Health	709,661	84,640	-	-	794,301
Pending surplus	360,209	64	7,796	(1,266)	366,803
 Total machinery and equipment	<u>10,629,957</u>	<u>949,325</u>	<u>-</u>	<u>(183,889)</u>	<u>11,395,393</u>
 Total general fixed assets	<u>\$ 25,893,680</u>	<u>5,292,945</u>	<u>-</u>	<u>(183,889)</u>	<u>31,002,736</u>

CACHE COUNTY
COMPONENT UNITS
COMBINING BALANCE SHEET
December 31, 2002

<u>Assets</u>	<u>Component Units</u>		
	<u>Drainage District No. 3</u>	<u>Drainage District No. 4</u>	<u>Drainage District No. 5</u>
Cash	\$ 2,619	543	940
Equity in investment pool	-	-	-
Due from other governments	-	-	-
Due from the primary government	-	-	-
Taxes receivable	1,177	2,862	2,092
Restricted assets:			
Cash and investments with trustees	-	-	-
Land	-	-	-
Buildings and improvements	-	-	-
Other debits:			
Resources to be provided in future years for retirement of long-term obligations	-	-	-
Total assets	<u>\$ 3,796</u>	<u>3,405</u>	<u>3,032</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts payable	\$ -	-	-
Deferred revenue	-	-	-
Bonds payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance and other credits:			
Investment in general fixed assets	-	-	-
Reserved - debt service	-	-	-
Reserved - encumbrances	-	-	-
Unreserved and undesignated	3,796	3,405	3,032
Total fund balances and other credits	<u>3,796</u>	<u>3,405</u>	<u>3,032</u>
Total liabilities and fund balances	<u>\$ 3,796</u>	<u>3,405</u>	<u>3,032</u>

Drainage District No. 6	Roads Special Service District	Airport Authority	North Park Interlocal Cooperative	Totals 2002
949	50,360	-	15,370	70,781
-	-	829,769	3,985	833,754
-	-	130,366	-	130,366
-	14,382	-	42,684	57,066
274	-	-	-	6,405
-	-	-	202,086	202,086
-	-	860,389	-	860,389
-	-	9,458,824	3,804,102	13,262,926
-	-	-	1,878,000	1,878,000
<u>1,223</u>	<u>14,382</u>	<u>11,279,348</u>	<u>5,946,227</u>	<u>17,301,773</u>
-	-	108,689	-	108,689
-	-	35,880	-	35,880
-	-	-	1,878,000	1,878,000
-	-	144,569	1,878,000	2,022,569
-	-	10,319,213	3,804,102	14,123,315
-	-	-	244,770	244,770
-	-	80,701	-	80,701
<u>1,223</u>	<u>64,742</u>	<u>734,865</u>	<u>19,355</u>	<u>830,418</u>
<u>1,223</u>	<u>64,742</u>	<u>11,134,779</u>	<u>4,068,227</u>	<u>15,279,204</u>
<u>1,223</u>	<u>64,742</u>	<u>11,279,348</u>	<u>5,946,227</u>	<u>17,301,773</u>

CACHE COUNTY
COMPONENT UNITS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2002

	<u>Component Units</u>		
	<u>Drainage</u>	<u>Drainage</u>	<u>Drainage</u>
	<u>District</u>	<u>District</u>	<u>District</u>
	<u>No. 3</u>	<u>No. 4</u>	<u>No. 5</u>
Revenues:			
Taxes	\$ 2,234	2,902	1,052
Interest	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Total revenues	<u>2,234</u>	<u>2,902</u>	<u>1,052</u>
Expenditures:			
Capital Outlay	-	-	-
Interest	-	-	-
Principal	-	-	-
Miscellaneous	-	-	-
General	<u>1,591</u>	<u>11,247</u>	<u>6,350</u>
Total expenditures	<u>1,591</u>	<u>11,247</u>	<u>6,350</u>
Excess (deficiency) of revenues over expenditures	643	(8,345)	(5,298)
Other financing sources:			
Operating transfers from primary government	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	643	(8,345)	(5,298)
Fund balance - January 1	<u>3,153</u>	<u>11,750</u>	<u>8,330</u>
Fund balance - December 31	<u>\$ 3,796</u>	<u>3,405</u>	<u>3,032</u>

Drainage District No. 6	Roads Special Service District	Airport Authority	North Park Interlocal Cooperative	Totals 2002
756	-	-	162,084	169,028
-	24	-	4,733	4,757
-	14,382	1,361,438	-	1,375,820
-	-	79,735	-	79,735
756	14,406	1,441,173	166,817	1,629,340
-	-	1,309,535	119,760	1,429,295
-	-	-	102,725	102,725
-	-	-	139,000	139,000
-	-	-	7,284	7,284
440	-	89,925	-	109,553
440	-	1,399,460	368,769	1,787,857
316	14,406	41,713	(201,952)	(158,517)
-	-	67,354	92,853	160,207
316	14,406	109,067	(109,099)	1,690
907	50,336	706,499	373,224	1,154,199
1,223	64,742	815,566	264,125	1,155,889

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CACHE COUNTY
SINGLE AUDIT REPORTS

December 31, 2002

CACHE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2002

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Disbursements/ Expenditures
<u>U.S. Department of Agriculture (DOA)</u>			
Passed through the Bear River Association of Governments:			
Elderly Feeding Program, Cash-In-Lieu	10.550	FY 01-02 \$ FY 02-03	14,997 23,049
Passed through State Dept of Health:			
Special Supplemental Food Program for Women, Infants and Children:			
Food Vouchers	10.557	99-2272(23) 03-0015	1,500,645 518,946
Administrative Costs	10.557	99-2272(23) 03-0015	530,953 143,712
Summer Food Program for Children	10.559	03-0015	500
Total DOA			2,732,802
<u>U.S. Department of Housing and Urban Development (HUD)</u>			
Passed through State Dept of Community and Economic Development:			
Citizens Against Physical and Sexual Abuse	14.228	00-0617	9,500
Bridgerland Community Ice Arena		97-0623	10,000
Neighborhood Nonprofit		02-2941	125,000
Education Workshops		00-0393	1,400
Bridgerland Literacy		97-2054	750
Sunshine Terrace		00-0654	9,000
Total HUD			155,650
<u>U.S. Department of Justice (DOJ)</u>			
Direct programs:			
COPS Technology	16.710	2002CKWX0146	500,000
Universal Hiring Program	16.710	99-SH-WX-0336 00-CM-WX-0293	55,635 18,545

CACHE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2002

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Disbursements/ Expenditures
Passed through the Utah Department of Public Safety: State Criminal Alien Assistance Program	16.606	2002-AP-BX-0591	43,137
Passed through the Utah Commission on Criminal and Juvenile Justice: Juvenile Justice	16.540	0J35	5,053
Violent Offender Incarceration & Truth in Sentencing Incentive Program	16.586	99-CV-VX-0049	1,046,735
Jail Work Diversion Program	16.579	96-DRUG-11	3,515
Passed through the Utah Office of Crime Victims Reparations: Victim Assistance Services Grant	16.575	01-VOCA-04 02-VOCA-04	122,928 32,214
Total DOJ			<u>1,827,762</u>
<u>U.S. Department of Transportation (DOT)</u>			
Direct Programs:			
Airport Improvement Aid #12 taxiway rehabilitation, wetland mitigation	20.106	DOT-SA01NM-1014	384,000
Airport Improvement Aid #13		DOA10221 #03-9061	818,460
Passed Through Utah Highway Safety Office: BC Occupant Protection	20.600	CP02-02-15 CP03-02-15	8,751 5,457
Occupant Protection	20.602	405-02-01-01 405-03-01-01	1,431 1,056
Total DOT			<u>1,219,155</u>

CACHE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2002

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Disbursements/ Expenditures
<u>U.S. Department of Environmental Protection Agency (EPA)</u>			
Passed through State Department of Environmental Quality:			
LHD Environmental Services	66.605	03-0751	2,300
Total EPA			<u>2,300</u>
<u>Federal Emergency Management Agency (FEMA)</u>			
Passed through State Department of Emergency Management:			
Emergency Mgmt Assist Allocation	83.534	EMD-97-PA-2229	18,300
Total FEMA			<u>18,300</u>
<u>U.S. Department of Education (DOE)</u>			
Passed through St. Dept. of Human Services:			
Substance Abuse - Drug Free Schools	84.186A	01-1992	28,795
		02-0930	28,516
Total DOE			<u>57,311</u>
<u>U.S. Department of Health & Human Services (HHS)</u>			
Passed through St. Dept. of Health:			
Special Programs for Aging, Title III, Part B	93.044	FY 01-02	30,641
		FY 02-03	12,784
Special Programs for Aging, Title III, Part C	93.045	FY 01-02	45,856
		FY 02-03	48,674
Home Visitation	93.110	03-0015	17,299
TB Elimination	93.116	99-2272(2)	2,000
		03-0015	2,000
SICA	93.230	02-0930	155,510
Abstinence Education	93.235	99-2272(8)	13,488
		03-0015	26,344

CACHE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2002

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Disbursements/ Expenditures
Immunization Vaccines-Syrum Immunization	93.268	99-2272(9)	132,913
		99-2272(9)	500
		03-0015	57,991
Bioterrorism-Han Grant	93.283	99-2272(34)	553,576
		02-2852	49,030
Tobacco Control - CORE Capacity Bldg		99-2272(30)	34,571
		03-0015	15,464
Temporary Assistance For Needy Families	93.558	01-1086	16,172
		03-0773	9,089
Title XX Discretionary Fund	93.667	FY 01-02	1,074
		FY 02-03	2,506
Medical Assistance Program	93.778	99-2272(22)	68,074
		03-0287	64,623
Health Care Finance Admin Health Insurance Counseling	93.779	FY 01-02	1,201
		FY 02-03	1,150
Cancer Control	93.919	99-2272(7)	22,146
		03-0015	15,408
AIDS/HIV	93.940	99-2272(2)	2,675
		03-0015	2,675
Cardiovascular Health Program	93.945	03-0015	960
General Federal Block MHF	93.958	02-0261	54,167
		02-3004	52,650
Federal Block Children MHX		02-0261	14,750
		02-3004	14,450
Substance Abuse - SAPT Block Grant	93.959	01-1992	149,946
		02-0930	597,276

CACHE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2002

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Disbursements/ Expenditures
STD Control Program	93.977	03-0332	1,581
Preventative Block Grant	93.991	99-2272(30) 03-0015	2,369 9,619
Diabetes	93.988	99-2272(16) 03-0015	3,289 3,402
MCH Community Injury	93.994	99-2272(30) 03-0015	14,225 17,652
Maternal & Child Health		99-2272(39) 03-0015	23,550 70,649
Total HHS			<u>2,435,969</u>
<u>Corporation for National and Community Service (CNCS)</u>			
Direct Programs:			
Retired Service Volunteer Program	94.002	03SRPUT001	26,676
Total CNCS			<u>26,676</u>
<u>Other Federal Assistance</u>			
Direct Programs:			
U.S. Department of the Interior:			
Federal Forest Reserve	10.665	N/A	23,943
Total Other			<u>23,943</u>
Total Federal Assistance			<u>\$ 8,499,868</u>

CACHE COUNTY
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2002

Note 1 – Purpose of the Schedule

The Schedule of Expenditures of Federal Awards (the Schedule) is a supplementary schedule to the general purpose financial statements. The Schedule is required by the U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Note 2 – Significant Account Policies

Basis of Accounting

The information in the schedule is presented in accordance with OMB Circular A-133. The Schedule is prepared using the same accounting policies and basis of accounting as the general purpose financial statements.

CFDA Numbers

OMB Circular A-133 requires the Schedule to show the total expenditures for each of the entity'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).

Major Programs

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

Indirect Costs

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

Commodities

Federal immunization serum contributions are recorded as revenues. Expenditures are recorded when the inventory is consumed based on cost per unit amounts provided by the State of Utah Department of Health. The expenditures are included in the Schedule with expenditures for the Immunization Grant.

CACHE COUNTY
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2002

WIC Vouchers

Expenditures are recorded for WIC vouchers on the schedule based on information provided by the State of Utah Department of Health.

Note 3 - Subrecipients

The following amounts were passed through to subrecipients:

<u>CFDA #</u>	<u>Amount</u>
14.228	\$ 155,650

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

To the Cache County Council
Logan, UT

We have audited the general purpose financial statements of Cache County, Utah, as of and for the year ended December 31, 2002, and have issued our report thereon dated May 15, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the County Council in a separate letter dated May 15, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the County Council in a separate letter dated May 15, 2003.

This report is intended for the information of the audit committee, management, others within the organization, County Council, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



JONES SIMKINS LLP
May 15, 2003



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Cache County Council
Logan, UT

Compliance

We have audited the compliance of Cache County, Utah with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility the County's management. Our responsibility is to express an opinion of the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Cache County, Utah complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, County Council, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



JONES SIMKINS LLP
May 15, 2003

CACHE COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2002

A. Summary of Audit Results:

1.	Type of Report issued	Unqualified
2.	Reportable Conditions in Internal Control	None
3.	Material Non-compliance discovered	None
4.	Reportable Conditions in Internal Control Over Major Programs	None
5.	Compliance Report Issued	Unqualified
6.	Reportable findings under A-133	None
7.	Federal programs tested as major programs	16.710 16.586 93.044 – 93.045 93.959
8.	Dollar threshold used to distinguish between Type A and Type B programs	\$ 300,000
9.	Auditee qualification as High or Low Risk	Low

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

None

C. Findings and Questioned Costs for Federal Awards

None

CACHE COUNTY
Summary Schedule of Prior Year Audit Findings
(Client Submitted Document)
Year Ended December 31, 2002

<u>Finding</u>	<u>Status</u>
01-1	We have implemented procedures to ensure that the same expenditures are not charged to two different programs. We also refunded the overcharge to one of the federal programs.

CACHE COUNTY
Corrective Action Plan
(Client Submitted Document)
Year Ended December 31, 2002

No corrective action plan is needed because there are no findings in the current year.

CACHE COUNTY
STATE COMPLIANCE REPORT

December 31, 2002



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH STATE LEGAL COMPLIANCE REQUIREMENTS**

To the Cache County Council
Logan, UT

We have audited the general purpose financial statements of Cache County, Utah as of and for the year ended December 31, 2002 and have issued our report thereon dated May 15, 2003. As part of our audit, we have audited Cache County's compliance with the requirements governing types of services allowed or not allowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the year ended December 31, 2002. Cache County received the following major state assistance programs from the state of Utah:

General Health (Department of Health)
Class B Road Funds (Department of Transportation)
Liquor Law Enforcement Funds (Tax Commission)
State Liquor Control Taxes (State Tax Commission)
State General Funds for Substance Abuse (Department of Health)
Jail Fees Condition of Probation - HB162 (Department of Corrections)
Stormwater Management (Department of Environmental Quality)

Funds passed through to Bear River Mental Health, Inc.,
a non-profit corporation which is a subrecipient of the County
(Department of Human Services):
State General Funds for Mental Health Services
Mental Health IMD Diversion
Mental Health State Child MHC

Cache County also received the following non-major grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of Cache County's financial statements).

Mental Health State Hospital Outpatient MCO (Department of Human Services)
Mental Health Special Rehab Services (Department of Human Services)
Mental Health Case Management (Department of Human Services)
Mental Health State Psycho Pharma CLZ (Department of Human Services)
Mental Health Children at Risk CSS (Department of Human Services)
Children's Respite MHQ (Department of Human Services)
State Nutrition and Services (Department of Human Services)
State Home Delivered Meals (Department of Human Services)
Indoor Clean Air (Department of Health)
EMS Equipment Grant (Department of Emergency Management Services)
Healthy Utah (Department of Health)
State Transportation (Department of Transportation)
Sexually Transmitted Disease (Department of Health)
Alcohol Education (Department of Human Services)
Retired Service Volunteer Program (Department of Human Services)
Underground Storage Tanks (Department of Environmental Quality)
State Services (Department of Human Services)
DOH Environmental Services (Department of Health)
DEQ Environmental Services (Department of Health)
Noxious Weed Control (Division Wildlife Resources)
DEQ Drinking Water (Department of Environmental Quality)
Summer Food Program (Department of Health)
Tobacco Free Utah (Department of Health)
Guilty and Mentally Ill IPE (Department of Corrections)

Our audit also included testwork on Cache County's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide including:

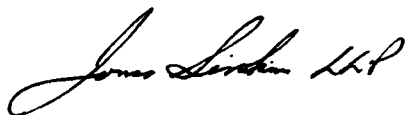
Public Debt
Cash Management
Purchasing Requirements
Budgetary Compliance
Property Tax Limitations
General Compliance - Special Districts
Other Compliance Issues
Uniform Building Codes
Statement of Taxes Charged, Collected and Disbursed
Assessing and Collecting of Property Taxes
Transient Room Tax
Impact Fees and Other Development Fees

The management of Cache County is responsible for Cache County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Cache County, Utah, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or not allowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major state assistance programs for the year ended December 31, 2002.



JONES SIMKINS LLP
May 15, 2003



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To the Cache County Council
Logan, UT 84321

We have audited the financial statements of Cache County, Utah for the year ended December 31, 2002, and have issued our report thereon dated May 15, 2003.

Communications Required Under Professional Standards

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards, Government Auditing Standards and OMB Circular A-133.

As stated in our engagement letter dated December 13, 2002, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the general purpose financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control of Cache County. Such considerations were solely for the purpose of determining our audit procedures and to report on the internal control in accordance with OMB Circular A-133 and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Cache County's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Cache County's compliance with requirements applicable to major programs for the purposes of expressing an opinion on Cache County's compliance with those requirements.

Significant Accounting Policies and Audit Adjustments

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application.

For the purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the general purpose financial statements that, in our judgment, may not have been detected except through our auditing procedures. Audit adjustments were made to taxes receivable, due from other governments, accounts payable, encumbrances, general fixed assets, general long-term debt, and the statement of taxes charged, collected and disbursed. We also assisted management in properly recording and reporting the North Park Interlocal Cooperative activity and the debt service activity.

Internal Control

In planning and performing our audit of the financial statements of Cache County for the year ended December 31, 2002, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control elements does not reduce to a relatively low level the risk that errors or irregularities, including fraud, in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no conditions during our review of the internal controls that we believe to be material weakness. However, our audit did disclose other matters involving internal control and compliance that, although not considered by us to be material weaknesses, are weaknesses in internal accounting control for which corrective action might be taken or immaterial instances of non-compliance with laws and regulations.

Council

We suggest the following:

1. A follow up on the recommendations in this letter should be made by the Council and reflected in the council minutes before the next year's budget is adopted. Some of the recommendations in this letter are repeated from prior year recommendations. Repeat items have been noted with an "*" by the suggestion number.

Council Response:

1. The Council will follow up on the recommendations in this letter.

County Executive

We suggest the following:

1. The County Executive should follow-up with departments where noncompliance with grant requirements were noted by communicating the importance of compliance and inquiring about their ability to comply in future periods. We recognize that the County has improved its policies for monitoring federal and state grants. However, we noted that certain federal reports were not filed within the time limits required by the grant and that certain requests for reimbursements were not made in a timely manner. We recognize that in a decentralized grant administration system controls over compliance are established at different levels. Therefore, we feel that communication and reinforcement of the controls from the executive level is critical.
- * 2. The County should evaluate the organizational and operational needs of the information technology services department. We noted that certain property tax system reports were not prepared or were delayed. We understand that the County used estimates to calculate the value of personal property, which appear to be materially correct, because reports were not available. We also understand that the information technology service employees were resolving other systems support issues at the time the property tax reports were needed. The County's reliance on computer processing is significant and, therefore, the allocation of resources to the data processing department should be reevaluated to adequately address the County's systems support, data processing and reporting needs.

Management Response:

1. The County Executive will follow-up with the County-Wide Planning Office where noncompliance with grant requirements were noted and communicate the importance of compliance in the future.
2. The County Executive will during the Overall County Planning Process evaluate the organizational and operational needs of the information services department. The non-reporting issues that involved the IS department have all been resolved. The faulty equipment was replaced. The reports have been corrected to account for Data Structure changes.

Property Tax System

We suggest the following:

1. All changes to the data structure or other areas of the property tax system program should be evaluated for their effect on the County's ability to generate reports from the system. As currently designed, the County relies on the information technology service department to generate several year-end reports because of past changes to the program.

Management Response:

1. Currently all Data Structure changes have been applied to relevant reports. There have not been any Data Structure changes for the year 2003 and any in the future will coordinated with LandEZ.

State Compliance Issues

We noted the following:

- * 1. The Drainage Districts and the Roads Special Service District, which are component units of the County, have fund balances in excess of the legal limits. We suggest that each of the boards of these districts ensure that they comply with state law.
- * 2. Some public funds were not deposited within 3 business days as required by State law. We recommend that the County follow its policy of depositing funds within 3 business days.
- 3. The following departments and fund exceeded their final adopted budget: Council, Public defender, Law library, County executive, Clerk, Insurance, Central mail and copy, Elections and Weed eradication departments and Mental Health fund.

Management Response:

1. We will meet with the component units and encourage compliance.
2. We will be more diligent in depositing funds within 3 business days.
3. We will carefully review the budgets prior to year-end and make budget adjustments in order not to exceed the appropriation.

Auditor's Office

We noted the following:

1. Certain cash and investment accounts were not reconciled during the year. All bank accounts, Public Treasurer Investment Fund accounts or other types of investment accounts should be reconciled monthly in a timely manner.
2. Several travel-related expenditures were reimbursed for actual amounts based on credit card statements. However, county policy requires that a per-diem rate be used for all travel reimbursements. We recommend that travel-related expenditures be reimbursed in accordance with county policies. If management determines that the travel policy should be updated, we recommend that those changes be subject to the normal procedures used to update county policies.
3. Several adjustments were made when the client reconciled the detailed fixed assets records to summary records. In addition, the general fixed asset accounts in the general ledger had not been updated. We recommend that the fixed asset accounts be monitored and reconciled during the year to ensure that year-end reports do not require significant adjustment. This process is increasingly critical because the new financial reporting model will require the County to record gains and losses on the disposal of assets as well as depreciation expense.
4. During the year, the Auditor's office had turnover in personnel and was required to properly record a new bond issue. As a result, all the necessary adjustments to record certain activities were not made in a timely manner. Internal control and staffing resources need to be strengthened when personnel turnover, unique transactions occur or new accounting standards are implemented.
5. The County Auditor has a plan to implement the financial reporting model using staff from the Utah State Auditor's Office and certain services from our firm. We recommend that the County Auditor make periodic reports to the County Council regarding the status of the implementation process. In addition, the Council should ensure that all departments provide all requested information to the County Auditor in a timely manner. The County Auditor should also coordinate her efforts with all blended and discrete component units in order to efficiently implement this new reporting model.

Management Response:

1. Staffing changes in the Auditor's office affected our ability to comply. We will be more diligent in our efforts to reconcile the accounts monthly.

2. The County Travel Policy will be reviewed and changed as necessary to accommodate the use of credit cards for per diems.
3. Work schedules will be adjusted to incorporate the fixed assets tasks into our monthly work plan. We will comply with the new reporting model.
4. Some tasks assigned in the Auditor's office will be reassigned to other departments and then time will be available to train our new employee to accomplish these important responsibilities. I will also request another full time employee to help stabilize the office workload.
5. An appointment has been made with the State Auditor's Office for assistance. Participating departments and component units will be given a schedule to follow with the information required and deadlines to comply. The Auditor will make periodic reports to the Council as requested.

We express our appreciation for the courtesy and assistance extended to us by County officials and their staffs during the course of our audit. A considerable amount of time was provided by department personnel to help prepare schedules, locate documents and meet with our audit staff during the audit. This cooperation was extremely helpful. We will be pleased to discuss any of these recommendations at your convenience.

This report is intended solely for the use of the County council, County officials and certain regulatory bodies and should not be used for any other purposes.



JONES SIMKINS LLP

May 15, 2003