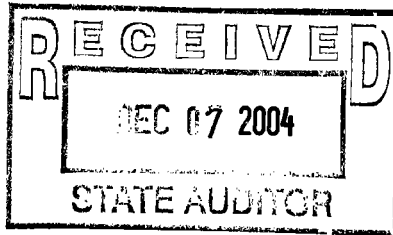


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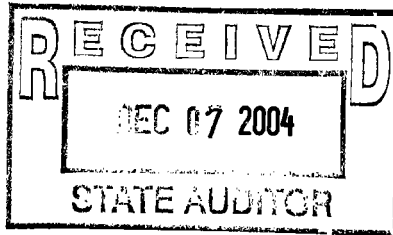
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CACHE COUNTY
FINANCIAL STATEMENTS
December 31, 2003

JONES SIMKINS P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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CACHE COUNTY
FINANCIAL STATEMENTS
December 31, 2003

JONES SIMKINS P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Cache County Council
Logan, UT

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Cache County, Utah, as of and for the year ended December 31, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions 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 opinions.

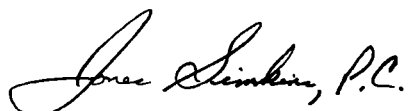
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cache County, Utah, as of December 31, 2003, and the respective changes in financial position thereof 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 August 31, 2004, 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.

As described in Note 2, the County has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*, as of December 31, 2003.

The management’s discussion and analysis and budgetary comparison information on pages 3 through 9 and 53 through 55, are not a required part of the basic financial statements but are supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods and measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The supplementary information - combining and individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic 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 not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



JONES SIMKINS, P.C.
August 31, 2004

CACHE COUNTY
Management Discussion and Analysis
For The Year Ended December 31, 2003

The following narrative is presented to facilitate a better understanding of the County's year-end financial position and results of operations for the year ended December 31, 2003. When read in conjunction with the notes to the financial statements, this section's financial highlights, overviews and analysis should assist the reader to gain a more complete knowledge of the County's financial performance.

The purpose of the County is to provide general services to its residents, which includes: general government; public safety and law enforcement; fire prevention and fire safety; public health; mental health; highways, roads and public improvements; parks and recreational facilities and services; economic development; tourism promotion; and services and programs for senior citizens. Additional services provided to residents in the unincorporated areas includes road construction and maintenance, fire control, animal control, building inspection, and planning and zoning.

Financial Highlights

The County's government-wide net assets (the amount by which assets exceed liabilities) as of December 31, 2003 were \$28,484,838. The portion of these net assets which represents the amount the County can use to meet on-going financial obligations is the unrestricted net assets. This amount was \$8,417,074 as of December 31, 2003.

The unreserved and undesignated fund balance as reported in the fund level statements represents the amount available for appropriation and spending. This amount for County governmental funds as of the end of the year was \$7,352,859.

Net assets increased by \$1,972,349 over the previous year. The General Fund portion of the increase was \$468,342 or 23.7%. Major items contributing to this were a terrorism grant wherein funds were prepaid in 2003 but not expended until 2004 and a planned and projected increase in the fund balance when the 2003 tax rate was adopted to account for start up expense in the new jail before the anticipated revenue stream started. The Municipal Services Fund improved by \$512,060 due mainly to reduced expenditures on highways and streets. The other major factor was the RAPZ tax which was collected in 2003 but not expended until 2004. This increased net assets by \$781,423.

The General Fund is the primary operating fund of the County. The unreserved and undesignated fund balance of the general fund at December 31, 2003 was \$2,162,165. This is approximately 17.2% of the General Fund's total 2003 expenditures. Actual 2003 expenditures for the General Fund were \$909,013 below the adopted budget.

In addition to ongoing operations in 2003, the County finished and moved into the County Administration Building in June, 2003. Construction of the Public Safety and Law Enforcement Complex started in late 2002 and continued through 2003. The Jail and other Sheriff's office departments moved into the new facility in March 2004. Renovation of the Historic Courthouse began in the summer of 2003 shortly after the offices previously housed in the Historic Courthouse moved to the County Administration Building. That renovation continues with an anticipated completion date of May, 2005.

The County's total debt as of December 31, 2003 is \$17,733,628 of which \$822,155 is due within one year. This represents a increase of \$2,823,421 over the previous year. An additional Sale Tax Revenue Bond in the amount of \$3,340,000 was issued in early 2003 to add an additional floor on the Public Safety and Law Enforcement administration building and provide 360 beds in the jail.

Overview of the Financial Statements

This financial report comprises information about the County and includes six parts: 1) the independent auditor's report; 2) this document-management's discussion and analysis; 3) the basic financial statements; 4) required supplementary information; 5) combining financial statements and schedules; and 6) single audit and compliance section. Within the basic financial statements are two distinct types of financial statements: 1) the government-wide financial statements; and 2) the fund financial statements. The notes to the financial statements are also an integral part of the basic financial statements. The government-wide view of the County's finances is a requirement under Governmental Accounting Standards Board Statement 34 "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments", which creates a new financial reporting model for all state and local governments, and became effective for the County in 2003. Fund financial statements have been reported in the past.

CACHE COUNTY
Management Discussion and Analysis
For The Year Ended December 31, 2003

Immediately following the notes to the financial statements, the required supplementary information contains certain budget information. Thereafter, the supplementary information contains additional fund data such as combining schedules and individual fund budget-to-actual comparisons. In accordance with requirements of the State of Utah, this section also includes information about property tax collections.

Government-wide Financial Statements

The government-wide statements provide a view of County finances as a whole, similar to a private-sector business. The statements consist of the Statement of Net Assets, and the Statement of Activities.

The Statement of Net Assets shows the County's assets and liabilities, and the resulting difference between the assets and liabilities, or net assets. This number (and the related change in net assets from year to year) is probably the most important financial measurement to enable understanding the financial position of the County, and whether financial position improves or diminishes each year. To evaluate the County's overall financial condition, however, the reader needs to consider other important factors, such as the economic outlook, stability of and control over revenue sources, condition of and plan to maintain capital assets, etc.

The Statement of Activities show how the County's net assets changed as a result of its operations during the most recent year. To understand the basis of how these numbers are determined, it is important to note that changes in net assets are reported whenever an event occurs that requires a revenue or expense to be recognized, regardless of when the related cash is received or disbursed (the accrual basis of accounting.) For example, tax revenues are reported when the taxes are legally due, even though they may not be collected for some time after that date; and an obligation to pay a supplier is reported as an expense when the goods or services are received, even though the bill may not be paid until some time later.

The distinct type of activities reflected in the government-wide statements are governmental activities. The County does not have any business-type activities. Governmental activities are those supported primarily by taxes and intergovernmental revenues and are not designed to charge fees sufficient to recover all costs of operations.

As reported by the County, governmental activities include such functions as property tax assessing and collecting, auditing, budgeting, accounting, surveying, recording, business licenses, marriage licenses, passports issuing, election polling and canvassing, providing public safety and criminal justice services, enacting ordinances and ordinance enforcement, mental health services, public health services, substance abuse services, aging services, road construction and maintenance, fire protection, economic development, animal control, culture and recreation and planning and zoning.

The government-wide financial statements include not only Cache County itself (known as the primary government), but component units which include: Logan-Cache Airport Authority, North Park Interlocal Cooperative, Bear River Health Department, Roads Special Service District, Drainage District No. 3, Drainage District No. 4, Drainage District No. 5, and Drainage District No. 6, for which Cache County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund financial statements

As is common in other state or local government entities, the County uses funds to account for separate activities and to help demonstrate compliance with financially related legal requirements such as budgetary compliance. A fund is a set of closely related accounts used to maintain control over financial resources which have been segregated for specific activities or purposes. All funds are categorized as governmental or fiduciary funds, which are explained later.

Governmental funds include essentially the same functions and services as delineated above under governmental activities shown in the government-wide statements. However, for accounting and reporting purposes, government fund numbers are determined with a different approach. At the fund level, the focus is on changes in short-term resources and the balance available to spend, rather than the long-term focus used for determining government-wide numbers. Because the focus is so different between fund statements and government-wide statements, a reconciliation

CACHE COUNTY
Management Discussion and Analysis
For The Year Ended December 31, 2003

between the two types of statements is necessary to understand how the numbers differ. Such reconciliations are provided for on pages 16 and 18.

The General Fund is the primary operating governmental fund of the County. Thirteen other governmental funds are reported. These other funds include the Municipal Services Fund, Mental Health Fund and Capital Projects Fund, which are required to be reported as major funds. A summary of the remaining other funds is combined into one "Non-Major Funds" column. The "Non-Major Funds" include debt service fund, health fund, travel council fund, council on aging fund, recreation fund, planning & development fund, library fund, children's justice center fund, RAPZ fund, and community foundation fund. The composition of the non-major funds is shown in combining statements later in the report under the supplementary information section on pages 67-70. The County is required to adopt an annual budget showing appropriations for all governmental funds. To demonstrate legal compliance, statements comparing budget-to-actual numbers for the General Fund and major special revenue funds are included in the required supplementary information. Budget-to-actual schedules for all other governmental funds are included in the supplementary information.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the county's own programs.

Government-wide financial analysis

Normally, to enhance an analysis of the County's finances at the government-wide level, numbers presented here would include a comparison to prior year data. However, since this is the first year to report under the new Governmental Accounting Standards Board reporting model as mentioned earlier in this report, comparative data is not available. Comparative data will be presented in future years.

As noted earlier, an analysis of net assets is probably the most important financial measurement to assist with understanding the financial position of the County, and whether the financial position improves or diminishes each year. In the case of the County, assets exceeded liabilities by \$28,484,838 as of December 31, 2003. The following table presents summary information from the Statement of Net Assets in the Basic Financial Statements:

**Cache County
Summary of Net Assets
December 31, 2003**

	Governmental Activities
Assets:	
Current and other assets	\$ 16,339,821
Capital assets	<u>32,173,906</u>
Total assets	<u>48,513,727</u>
Liabilities:	
Other liabilities	2,295,261
Long term liabilities	<u>17,733,628</u>
Total liabilities	<u>20,028,889</u>
Net assets:	
Invested in capital assets, net of related debt	14,965,598
Restricted	5,102,166
Unrestricted	<u>8,417,074</u>
Total net assets	\$ <u>28,484,838</u>

CACHE COUNTY
Management Discussion and Analysis
For The Year Ended December 31, 2003

The largest portion of the County's net assets (52.5%) reflects its investment in capital assets (e.g. land, infrastructure, buildings & equipment, and construction in progress-jail and law enforcement complex, less accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not readily convertible to liquid assets and thus not considered available for future spending. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves would not be used to liquidate these liabilities.

The other sub-classifications of net assets are restricted and unrestricted. \$5,102,166 of the County's net assets (17.9%) represent resources that are restricted because of various contracts and agreements with outside entities which dictate that these amounts must be used for specific purposes. The remaining balance of \$8,417,074 is unrestricted, which denotes that the amount may be used to meet general, on going financial obligations.

Change in Net Assets: As taken from the Statement of Activities in the basic financial statements, the following table depicts the changes in net assets for 2003.

Cache County
Summary of Change in Net Assets
For the Fiscal Year Ended December 31, 2003

	Governmental Activities
Revenues	
Program Revenues:	
Charges for services	\$ 3,314,550
Operating grants and contributions	4,211,432
Capital grants and contributions	506,545
General Revenues:	
Property taxes	8,036,518
Sales taxes	5,083,595
Other taxes	345,352
Other general revenues	<u>555,184</u>
Total revenues	<u>22,053,176</u>
 Program expenses	
General Government	5,085,929
Public Safety	8,371,482
Highways and public improvements	1,635,919
Health	3,006,132
Welfare	40,213
Culture and recreation	1,346,222
Interest on long term debt	<u>594,930</u>
Total program expenses	<u>20,080,827</u>
Increase in net assets	1,972,349
Beginning net assets 01/01/03	<u>26,512,489</u>
Ending net assets 12/31/03	\$ <u>28,484,838</u>

CACHE COUNTY
Management Discussion and Analysis
For The Year Ended December 31, 2003

Net assets increased from governmental activities during the year by \$1,972,349. 23.7% of this increase came from the General Fund. Three major items within the General Fund contributed; 1) a planned increase in the fund balance to account for start up expenses in the new jail; 2) \$512,060 or 25.9% of the increase came from the Municipal Services Fund as a result of reduced expenditures on highways and streets; and 3) RAPZ tax which was collected in 2003 but not appropriated until 2004 accounted for 39.6% or \$781,423.

Governmental Activities: Taxes comprise the largest source of revenue for the County. \$13,465,465 was recognized from all tax sources, which is 61.6% of all County revenue. Property taxes of \$8,036,518 represents 59.6% of total taxes.

Public safety and law enforcement programs continue to be the most costly programs in the County. 41.6% of total expenditures were recognized in expenses in these programs. General government is the second most costly area with expenditures which make up 25.3% of the total. Health, which includes mental health, public health, and substance abuse, accounts for 14.9% of the expenditures. Highway and streets expenditures make up 8.1% of the total. Culture and recreation which includes Willow Park, Restaurant and RAPZ amount to 6.7% of total expenditures.

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with the Uniform Fiscal Procedures Act (Utah Code Title 17 Chapter 36).

Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources available for appropriation. Such information is a useful measure of the County's net resources available for spending at the end of the year.

As of December 31, 2003 the fund balance of the County's governmental funds was \$13,675,560, a decrease of \$7,199,514 in comparison with the prior year. Of the \$13,675,560 fund balance, \$7,352,859 is undesignated, which is available for appropriation by the County at its discretion. The remainder of the fund balance is either reserved or designated and is not available for new spending because it has already been committed.

The \$7,199,514 decrease in the fund balance is primarily due to the construction of the County Administration Building, the Public Safety and Law Enforcement Complex, and renovation of the Historic Courthouse during 2003.

The General Fund is the principal operating fund of the County. As of December 31, 2003, the undesignated fund balance of the General Fund was \$2,162,165. This represents 17.3% of the General Fund's total expenditures. For budgeting and financial management purposes and to meet the County's Sale Tax Revenue Bond obligation, part of the undesignated fund balance is considered to be a minimum reserve or "rainy day fund". The Sales Tax Revenue Bond requires a fund balance of 12.0% of the General Fund budget.

The Municipal Services Fund accounts for services provided only in the unincorporated areas of the County. The undesignated fund balance in the Municipal Services Fund is \$485,605 as of December 31, 2003.

The Capital Projects Fund is used to account for major capital improvements within the County governmental functions. As of December 31, 2003 this fund reflected a undesignated fund balance of \$2,567,654. Since that end of the year, the major share of this fund has been expended on completion of the Public Safety and Law Enforcement Complex and renovation of the Historic Courthouse.

The Nonmajor Funds have a cumulative undesignated fund balance of \$2,137,435. The RAPZ Fund reflects a undesignated balance of \$781,432 or 36.5%. An undesignated fund balance of \$548,373 is held in the Recreation (Restaurant Tax) Fund which amounts to 25.6% of the total. The Health Fund has an undesignated fund balance of \$347,725 or 16.2%. The Travel Council Fund is 10.1% of the total undesignated fund balance, which amounts to \$216,765. The difference between the total and the above four funds is in the Council on Aging Fund(\$98,012), Planning and Development Fund(\$69,252), Library Fund(\$17,811), Children's Justice Center Fund(\$3,780), Community Foundation Fund(\$19,644), and the Debt Service Fund(\$34,641).

CACHE COUNTY
Management Discussion and Analysis
For The Year Ended December 31, 2003

General Fund Budgetary Highlights

The final adopted revenues budget was \$14,876,701, an increase of \$978,656 over the original budget of \$13,898,045. The major change was in intergovernmental revenues which went from \$624,182 to \$1,398,192 an increase of \$774,010. During the year the County recognized additional revenue from the Homeland Security Grant, CDBG Grants, Bailiff and Court Security contracts in addition to a number of smaller adjustments to revenues. Charges for Services also increased \$372,662 from the original budget of \$1,957,811 to \$2,330,473. This was due mainly to increased revenues within the Recorder's and Building Inspection departments.

Actual revenues compared to the final budget were \$524,735 under the budgeted amount. Again the major variance was within Intergovernmental revenues where actual revenues of \$868,590 were \$529,602 short of the final budget amount of \$1,398,192.

Budgeted expenditures increased by \$1,192,078 from the original budget of \$12,282,312 to the final budget of \$13,474,390. The major change was within Public safety which increased \$968,485 from \$6,126,617 to \$7,095,102. General government increased by \$201,714 with a final budget of \$4,945,313 compared to the original budget of \$4,743,599.

Actual expenditures of \$12,565,377 were less than the budgeted expenditures by \$909,013 based on the final budget of \$13,474,390. The largest portion of this comes from the Public safety expenditures which were \$478,952 under the final budget of \$7,095,102. The next largest favorable variance was in the General government expenditures which were \$399,184 less than the final budget of \$4,945,313.

Capital Asset and Long-Term Debt Administration

Capital Assets: The County's investment in capital assets for its governmental activities totaled \$32,173,906 as of December 31, 2003. This investment in capital assets includes land, infrastructure, buildings and equipment, construction in progress, less accumulated depreciation. There was an increase in capital assets of \$11,963,285 when compared to the balance on January 1, 2003 of \$20,210,621. This beginning balance has been restated for the addition of infrastructure assets and accumulated depreciation and the Bear River Health Department has been moved to a component unit based on a reclassification of that entity.

Major 2003 capital asset additions include the County Administration Building, the Public Safety and Law Enforcement Complex and the Historic Courthouse renovation.

Long-term debt: Total bonded debt outstanding as of December 31, 2003 was \$17,733,628 of which \$822,155 is due within one year. This is an increase of \$2,823,421 over the previous year. An additional Sales Tax Revenue Bond in the amount of \$3,340,000 was issued in early 2003 to add an additional floor onto the Public Safety and Law Enforcement administration building and provide for 360 beds in the jail facility.

There is not any general obligation indebtedness as of December 31, 2003 and the County Municipal Building Authority does not have any indebtedness.

\$16,715,000 or 94.4% of total debt is in Sales Tax Revenue Bonds which will be paid by over the life of the bonds which are 20 years by the general sales tax revenues received by the County. Capital leases amount to \$493,308 with the remaining balance of \$488,321 for compensated absences (personal leave time).

Additional details can be found on pages 41-45 in the notes to the financial statements.

CACHE COUNTY
Management Discussion and Analysis
For The Year Ended December 31, 2003

Economic and Other Factors

The ongoing capital improvement projects have required a lot of additional attention over the last two years. In addition to completing the Historic Courthouse in 2005, additional capital improvements are planned within the "County" block in coordination with the City of Logan's Downtown revitalization.

In addition to those major efforts the County is working with the City of Logan to resolve a long standing issue in providing faster and improved ambulance services to all areas of the County. A Cache County Emergency Medical Services agreement is in place and ambulance services from the North and South ends of the County will begin on January 1, 2005.

The County has also agreed to start collecting Transient Room Tax (TRT) through the Utah Association of Counties rather than the State Tax Commission. This change was made based on the belief that the County would be able to audit TRT collections which the State Tax Commission was not doing. Initially this was to begin on July 1, 2004 but is now scheduled to begin on January 1, 2005.

The County has a diversified and growing economy which has been growing at an average rate of 3% a year for the last 10 years. Emphasis is placed on growing current businesses and attracting technology based and skilled manufacturing jobs ranging from food processing to biotechnology. Retail business has grown with the population and income levels. Utah State University is a major economic force both as an employer and as a magnet for attracting over \$120 million in research dollars which flow into the community as salaries and goods purchased. Tourism is a growing sector. Because of the healthy economy, the unemployment rate is between 3.5% and 4.0% and is the second lowest in the State of Utah. Property tax revenues and sales tax revenues increased this year and have increased each of the last 12 years.

Basic Financial Statements

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CACHE COUNTY
STATEMENT OF NET ASSETS
December 31, 2003

	<u>Primary Government</u>		<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Total</u>	
Assets:			
Cash and cash equivalents	\$ 20,149	20,149	2,133,871
Equity in investment pool	11,931,943	11,931,943	851,076
Receivables, net:			
Taxes	1,340,434	1,340,434	51,963
Accounts	274,614	274,614	975,365
Accrued interest	100	100	-
Due from other governments	1,452,257	1,452,257	167,211
Restricted investments	1,309,979	1,309,979	202,014
Inventory	-	-	114,000
Prepaid expenses	10,345	10,345	-
Capital Assets:			
Land	2,741,460	2,741,460	1,147,696
Infrastructure	11,195,785	11,195,785	-
Buildings and equipment	22,921,161	22,921,161	17,866,569
Construction in progress	11,144,227	11,144,227	-
Less - accumulated depreciation	<u>(15,828,727)</u>	<u>(15,828,727)</u>	<u>(4,881,090)</u>
Total capital assets, net	<u>32,173,906</u>	<u>32,173,906</u>	<u>14,133,175</u>
Total assets	<u>48,513,727</u>	<u>48,513,727</u>	<u>18,628,675</u>
Liabilities:			
Accounts payable and accrued liabilities	2,187,571	2,187,571	58,144
Deferred revenue	107,690	107,690	-
Long-term liabilities			
Due within one year	822,155	822,155	253,000
Due in more than one year	<u>16,911,473</u>	<u>16,911,473</u>	<u>1,794,304</u>
Total liabilities	<u>20,028,889</u>	<u>20,028,889</u>	<u>2,105,448</u>
Net assets:			
Invested in capital assets, net of related debt	14,965,598	14,965,598	12,401,175
Restricted for:			
Capital projects	247,724	247,724	-
Debt service	77,675	77,675	202,014
Public safety	43,320	43,320	-
Highways and streets	4,733,447	4,733,447	-
Unrestricted	<u>8,417,074</u>	<u>8,417,074</u>	<u>3,920,038</u>
Total net assets	<u>\$ 28,484,838</u>	<u>28,484,838</u>	<u>16,523,227</u>

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

CACHE COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2003

Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental:				
General government	\$ 5,085,929	1,813,225	325,930	284,758
Public safety	8,371,482	1,305,943	552,857	221,787
Highways and streets	1,635,919	72,269	1,173,816	-
Health	3,006,172	36,228	1,099,553	-
Welfare	40,213	-	-	-
Culture and recreation	1,346,222	86,885	159,276	-
Interest on long term debt	594,930	-	-	-
Total governmental activities	<u>20,080,827</u>	<u>3,314,550</u>	<u>4,211,432</u>	<u>506,545</u>
Total primary government activities	<u>\$ 20,080,827</u>	<u>3,314,550</u>	<u>4,211,432</u>	<u>506,545</u>
Component Units:				
Airport Authority	\$ 537,470	73,104	67,354	369,198
North Park Interlocal Cooperative	173,154	-	92,853	-
Bear River Health Department	5,963,040	1,807,327	4,714,197	118,662
Nonmajor component units	9,431	-	14,912	-
Total component units	<u>\$ 6,683,095</u>	<u>1,880,431</u>	<u>4,889,316</u>	<u>487,860</u>

General revenues:

Taxes:

 Sales and use tax
 Property tax
 Other taxes

Total taxes

Interest income

Grants and contributions not restricted to specific programs

Miscellaneous

Total general revenues

Change in net assets

Net assets—beginning (as restated)

Net assets—ending

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

Net (Expense) Revenue and
Changes in Net Assets

Primary Government		
Governmental Activities	Total	Component Units
\$ (2,662,016)	(2,662,016)	-
(6,290,895)	(6,290,895)	-
(389,834)	(389,834)	-
(40,213)	(40,213)	-
(1,100,061)	(1,100,061)	-
(594,930)	(594,930)	-
<u>(12,048,300)</u>	<u>(12,048,300)</u>	-
<u>(12,048,300)</u>	<u>(12,048,300)</u>	-
-	-	(27,814)
-	-	677,146
-	-	5,481
-	-	574,512
5,083,595	5,083,595	165,777
8,036,518	8,036,518	6,181
345,352	345,352	-
<u>13,465,465</u>	<u>13,465,465</u>	<u>171,958</u>
321,463	321,463	16,095
24,044	24,044	-
209,677	209,677	-
<u>14,020,649</u>	<u>14,020,649</u>	<u>188,053</u>
1,972,349	1,972,349	762,565
<u>26,512,489</u>	<u>26,512,489</u>	<u>15,760,662</u>
<u>\$ 28,484,838</u>	<u>28,484,838</u>	<u>16,523,227</u>

CACHE COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2003

	General	Special Revenue			Nonmajor Funds	Total Governmental Funds
		Municipal Services	Mental Health	Capital Projects		
Assets:						
Cash and cash equivalents	\$ -	40	-	-	20,109	20,149
Equity in investment pool	2,211,800	4,807,135	7,800	2,439,870	2,465,338	11,931,943
Receivables, net:						
Taxes	857,754	105,069	-	-	377,611	1,340,434
Accounts	6,258	75	-	250,000	18,281	274,614
Accrued interest	100	-	-	-	-	100
Due from other governments	541,298	360,507	383,059	-	167,393	1,452,257
Interfund receivable - investment pool	-	51,496	-	-	-	51,496
Due from other funds	140,000	-	-	-	-	140,000
Restricted assets:						
Cash and investments with trustees	-	-	-	1,232,304	77,675	1,309,979
Prepaid expenses	10,345	-	-	-	-	10,345
Total assets	\$ 3,767,555	5,324,322	390,859	3,922,174	3,126,407	16,531,317
Liabilities:						
Interfund payable - investment pool	\$ -	-	-	-	51,496	51,496
Accounts payable and accrued liabilities	739,277	49,925	390,859	984,580	22,930	2,187,571
Vacation payable	37,000	-	-	-	-	37,000
Due to other funds	-	-	-	-	140,000	140,000
Deferred revenue	406,390	-	-	-	33,300	439,690
Total liabilities	1,182,667	49,925	390,859	984,580	247,726	2,855,757
Fund balances:						
Reserved - encumbrances	379,403	55,345	-	88,949	663,571	1,187,268
Reserved - other	43,320	4,733,447	-	247,724	77,675	5,102,166
Unreserved:						
Designated for capital expenditures	-	-	-	33,267	-	33,267
Undesignated	2,162,165	485,605	-	2,567,654	2,137,435	7,352,859
Total fund balances	2,584,888	5,274,397	-	2,937,594	2,878,681	13,675,560
Total liabilities and fund balances	\$ 3,767,555	5,324,322	390,859	3,922,174	3,126,407	16,531,317

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

CACHE COUNTY
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
For the Year Ended December 31, 2003

Total fund balances for governmental funds \$ 13,675,560

Amounts reported for governmental activities in the Statement of Net Assets are different because:

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

Land	\$	2,741,460	
Infrastructure		11,195,785	
Buildings and equipment		22,921,161	
Construction in progress		11,144,227	
Accumulated depreciation		<u>(15,828,727)</u>	32,173,906

Some of the County's earned revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. 332,000

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

Bonds payable		(16,715,000)	
Compensated absences		(488,320)	
Capital leases		<u>(493,308)</u>	<u>(17,696,628)</u>

Net assets of governmental activities \$ 28,484,838

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

CACHE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2003

	Special Revenue			Capital Projects	Nonmajor Funds	Total Governmental Funds
	General	Municipal Services	Mental Health			
Revenues:						
Taxes	\$ 10,252,092	553,245	-	-	2,283,896	13,089,233
Intergovernmental	868,590	1,518,288	1,564,390	-	468,918	4,420,186
Charges for services	2,363,794	74,112	-	-	241,100	2,679,006
Licenses and permits	13,020	326,286	-	-	-	339,306
Fines and forfeitures	153,887	-	-	-	-	153,887
Miscellaneous	700,583	59,398	-	44,628	55,722	860,331
Total revenues	14,351,966	2,531,329	1,564,390	44,628	3,049,636	21,541,949
Expenditures:						
General government	4,570,029	173,839	-	-	166,922	4,910,790
Public safety	6,474,217	857,421	-	-	83,374	7,415,012
Highways and streets	700,505	784,383	-	-	-	1,484,888
Health	204,095	-	1,564,390	-	567,146	2,335,631
Welfare	40,213	-	-	-	-	40,213
Culture and recreation	479,946	-	-	-	847,674	1,327,620
Capital projects	-	-	-	12,923,796	-	12,923,796
Debt service:						
Principal	-	-	-	-	636,079	636,079
Interest and fiscal charges	-	-	-	-	771,430	771,430
Total expenditures	12,469,005	1,815,643	1,564,390	12,923,796	3,072,625	31,845,459
Excess (deficiency) of revenues over expenditures	1,882,961	715,686	-	(12,879,168)	(22,989)	(10,303,510)
Other financing sources (uses):						
Contributions	8,826	-	-	470,402	-	479,228
Operating transfer to component units	(124,232)	-	-	-	(591,000)	(715,232)
Bond proceeds	-	-	-	3,340,000	-	3,340,000
Transfers in (out):						
General fund	203,626	(203,626)	-	65,000	1,437,839	1,502,839
Special revenue funds	(132,980)	-	-	-	-	(132,980)
Capital projects fund	(65,000)	-	-	(178,259)	178,259	(65,000)
Debt service fund	(1,304,859)	-	-	-	-	(1,304,859)
Total other financing sources (uses)	(1,414,619)	(203,626)	-	3,697,143	1,025,098	3,103,996
Excess (deficiency) of revenues and other sources over expenditures and other uses	468,342	512,060	-	(9,182,025)	1,002,109	(7,199,514)
Fund balance - January 1	2,116,546	4,762,337	-	12,119,619	1,876,572	20,875,074
Fund balance - December 31	\$ 2,584,888	5,274,397	-	2,937,594	2,878,681	13,675,560

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

CACHE COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2003

Net change in fund balance - Total governmental funds \$ (7,199,514)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$12,711,674) exceeded depreciation (\$748,390) in the current period. 11,963,284

Statement of Activities that do not provide current financial resources and thus are not reported as revenues in the funds until available. 32,000

Bond proceeds and capital leases provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the Statement of Net Assets. Repayment of bond and capital lease principal are expenditures in the governmental funds, but reduce liabilities in the Statement of Net Assets. In the Statement of Activities, interest expense is recognized as it accrues, regardless of when it is due.

Bonds issued	\$	(3,340,000)	
Payment of bond principal		460,000	
Payments on capital leases		185,964	
Increase in vacation payable		(129,385)	
		(2,823,349)	(2,823,421)

Change in net assets of governmental activities \$ 1,972,349

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

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CACHE COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2003

		<u>Agency Funds</u>
Assets:		
Cash and cash equivalents	\$	13,771,323
Equity in investment pool		125,177
Accounts receivable		33,812
Taxes receivable		<u>1,221,512</u>
Total assets	\$	<u><u>15,151,824</u></u>
 Liabilities:		
Due to other taxing units	\$	14,549,823
Due to employees		6,399
Over-collections payable		436,613
Other collections payable		<u>158,989</u>
Total liabilities	\$	<u><u>15,151,824</u></u>

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

CACHE COUNTY
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
December 31, 2003

	<u>Airport Authority</u>	<u>North Park Interlocal Cooperative</u>	<u>Bear River Health Department</u>	<u>Nonmajor Component Units</u>	<u>Total</u>
Assets:					
Cash	\$ -	-	2,063,307	70,564	2,133,871
Equity in investment pool	805,667	34,509	-	10,900	851,076
Taxes receivable	-	44,544	-	7,419	51,963
Accounts receivable	3,167	-	972,198	-	975,365
Due from other governments	167,211	-	-	-	167,211
Restricted investments	-	202,014	-	-	202,014
Inventory	-	-	114,000	-	114,000
Capital assets:					
Land	962,780	-	184,916	-	1,147,696
Buildings and equipment	9,579,237	3,804,102	4,483,230	-	17,866,569
Less accumulated depreciation	<u>(3,168,134)</u>	<u>(152,220)</u>	<u>(1,560,736)</u>	-	<u>(4,881,090)</u>
Total capital assets, net	<u>7,373,883</u>	<u>3,651,882</u>	<u>3,107,410</u>	-	<u>14,133,175</u>
Total assets	<u>\$ 8,349,928</u>	<u>3,932,949</u>	<u>6,256,915</u>	<u>88,883</u>	<u>18,628,675</u>
Liabilities:					
Accounts payable	\$ 286	-	57,858	-	58,144
Noncurrent liabilities:					
Due within one year	-	153,000	100,000	-	253,000
Due in more than one year	-	1,579,000	215,304	-	1,794,304
Total liabilities	<u>286</u>	<u>1,732,000</u>	<u>373,162</u>	-	<u>2,105,448</u>
Net assets:					
Invested in capital assets, net of related debt	7,373,883	1,919,882	3,107,410	-	12,401,175
Restricted for debt payment	-	202,014	-	-	202,014
Unrestricted	<u>975,759</u>	<u>79,053</u>	<u>2,776,343</u>	<u>88,883</u>	<u>3,920,038</u>
Total net assets	<u>\$ 8,349,642</u>	<u>2,200,949</u>	<u>5,883,753</u>	<u>88,883</u>	<u>16,523,227</u>

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

CACHE COUNTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended December 31, 2003

	<u>Airport Authority</u>	<u>North Park Interlocal Cooperative</u>	<u>Bear River Health Department</u>	<u>Nonmajor Component Units</u>	<u>Total</u>
Expenses	\$ 537,470	173,154	5,963,040	9,431	6,683,095
Program revenues:					
Charges for services	73,104	-	1,807,327	-	1,880,431
Operating grants and contributions	67,354	92,853	4,714,197	14,912	4,889,316
Capital grants and contributions	369,198	-	118,662	-	487,860
Total program revenues	509,656	92,853	6,640,186	14,912	7,257,607
Net (expenses) revenues	(27,814)	(80,301)	677,146	5,481	574,512
General revenues:					
Property taxes	-	-	-	6,181	6,181
Sales taxes	-	165,777	-	-	165,777
Interest	-	1,384	13,688	1,023	16,095
Total general revenues	-	167,161	13,688	7,204	188,053
Change in net assets	(27,814)	86,860	690,834	12,685	762,565
Net assets – beginning (as restated)	8,377,456	2,114,089	5,192,919	76,198	15,760,662
Net assets – ending	\$ 8,349,642	2,200,949	5,883,753	88,883	16,523,227

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

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 1 - Summary of Significant Accounting Policies

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

GASB Statement No. 34 "*Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*" is being implemented in accordance with terms of that pronouncement. Significant changes in these financial statements arising from this pronouncement are as follows.

- The financial statements include a Management's Discussion and Analysis (MD&A) section, which provides an analysis of the County's overall financial position and results of operations.
- The Statement of Net Assets and Statement of Activities are new statements and have been prepared using accrual accounting.
- The financial statements focus on "Major Funds" and provide a reconciliation between fund balance and net assets.

In addition to the financial statement changes noted above, required changes in note disclosures are included in the basic financial statements.

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.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

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 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. 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 and is reported as a major governmental fund in the financial statements.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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 a nonmajor government 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 boards of directors are appointed by the Council, but no council members serve on the board. The purpose of the districts is to serve the members of the district not the primary government. These entities do not issue separate financial statements.

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. This entity does not issue separate financial statements.

Cache Airport Authority - The Airport Authority has been organized as a separate corporate body under Utah law. The Board of Directors is appointed equally by the County Council and City of Logan's Council. The Airport Authority does not issue separate financial statements.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

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 NPIC does not issue separate financial statements.

Bear River Health Department - The Bear River Health Department was organized to provide public health services, as required by State law, to Cache County, Box Elder County, and Rich County. The Bear River Health Department updated its interlocal agreement between these counties during the year to comply with changes in State law. As a result of the changes, the Bear River Health Department was determined to be a discrete component unit. The Bear River Health Department does not issue separate financial statements.

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

Inter-local Agreements:

Cache County has fiduciary responsibility for the following inter-local agreements and their activities are accounted for as nonmajor governmental 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 in the City of Logan's financial statements. Cache County makes contributions to these operations.

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.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

Ambulance Fund - The County and the City of Logan provided joint ambulance services to citizens of the County. During the year, the County and the municipalities within the County were negotiating a new interlocal agreement to provide emergency medical services throughout the County. Logan City continued to provide ambulance services to the County and those services are reported in the Logan City financial statements. Subsequent to year-end, a new interlocal agreement was approved which created a new separate legal entity to provide emergency medical services throughout the County. The County anticipates that the activities of the new entity will be presented as a new discrete component unit of the County in future periods.

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

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.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

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.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the County and its component units. Primary government activities are distinguished between *governmental activities* and *business-type activities*. However, there are no County activities that currently meet the definition of business-type activities.

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

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

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

Fund Financial Statements

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

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

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

Governmental Fund Financial Statements

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

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

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

Major Funds

The County reports the following major 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.

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

The Mental Health Fund - The Mental Health Fund is a special revenue fund used to report the activity of the Mental Health Authority.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Nonmajor Funds

The County's nonmajor governmental funds include other special revenue funds and a debt service fund. The nonmajor special revenue funds account for specific revenue sources that are legally restricted to expenditures for special purpose. Examples include certain taxes restricted for health or recreation purposes, mental health federal grants, planning and development grants and user charge and state funding for a children's justice center. The debt service fund accounts for resources used for the payment of interest and principal on general long-term debt.

Fiduciary Fund Financial Statements

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

Agency Funds - Agency Funds are used to account for assets held by the County as an agent for other governmental units, other organizations, or individuals. These funds include tax collections, refundable fees, and employee withholdings.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

Component Unit Financial Statements

The combining component unit financial statements are presented in order to provide information on each of the major component units included in the component unit's column of the government-wide financial statements. The component unit financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The information is presented in order to be consistent with the government-wide financial statements. The component units follow all GASB pronouncements. The fiscal years of the component units are the same as the primary government.

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 2003. All annual appropriations lapse at year end. Project-length financial plans are adopted for Capital Project Funds.

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.

Assets, Liabilities, and Net Assets/Fund Balances

Investments

Investments are stated at fair value.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

Receivables

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. At December 31, 2003, all receivables of the County were considered to be fully collectible and no allowance was established. However, the Bear River Health Department had estimated that \$145,000 of their accounts receivable were uncollectible. The receivables result primarily from services for substance abuse counseling and treatment.

Inventory

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

Capital Assets

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

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

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

Buildings and other improvements	40 - 80 years
Equipment	3 - 20 years
Infrastructure	40 - 80 years

Compensated Absences

In the government-wide financial statements, accumulated leave is recorded as a liability and an expense when vested with the employee. In the governmental fund financial statements, vested or accumulated 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. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 1 - Summary of Significant Accounting Policies (continued)

Long-term Liabilities

In the government-wide Statement of Net Assets, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are considered immaterial and are recognized in the period in which the bonds are issued.

In the governmental fund financial statements, proceeds from long-term debt are recognized as other financing sources and payments of principal are recorded as expenditures.

Interfund Transactions

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

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

Estimates

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

Note 2 - Accounting Changes and Restatements

The County implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) for the fiscal year ended December 31, 2003:

Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*

Statement 37, *Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments: Omnibus,*

Statement 38, *Certain Financial Statement Note Disclosures*

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 2 - Accounting Changes and Restatements (continued)

Interpretation 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

Statement 34, as amended by Statement 37, establishes new financial reporting standards for state and local governments. The new standards significantly change the financial reporting model used by state governments, including changes in statement formats, fund types, and criteria for determining fund types. In addition to fund financial statements, government-wide financial statements presenting summarized information for governmental activities, business-type activities, and component units are now required

As discussed in Note 1, the government-wide financial statements are prepared using the accrual basis of accounting rather than the modified accrual basis of accounting used in the governmental fund financial statements. As a result of these new standards, adjustments to fund equities reported in the prior financial statements were required. Significant changes due to Statement 34 include requiring infrastructure assets to be reported as capital assets, and requiring capital assets and general long-term obligations to be reported in the government-wide financial statements rather than in account groups. Infrastructure assets were previously excluded from the financial statements.

Statement 38 requires certain note disclosures when Statement 34 is implemented.

As a result of additional guidance in Interpretation 6, certain liabilities previously reported in funds are now reported only on the government-wide financial statements.

The provisions of these new standards have been incorporated into the financial statements and notes. The following reconciliation reports the changes to fund equities as previously reported and the beginning fund balances/net assets as restated and reported in these financial statements.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 2 - Accounting Changes and Restatements (continued)

<u>Governmental Funds:</u>	<u>December 31, 2002</u> <u>as previously reported</u>
General Fund	\$ 2,116,546
Special Revenue Funds	8,899,194
Capital Projects Fund	12,119,619
Debt Service Fund	<u>35,125</u>
Total	23,170,484
 Adjustments:	
Add Community Foundation Fund reclassified as a special revenue fund	14,872
Add fixed assets and infrastructure, net of accumulated depreciation and Bear River Health Department assets	20,210,622
Add deferred revenue related to unpaid property taxes	300,000
Less Bear River Health Department reclassified as a discrete component unit	(2,310,282)
Less long-term debt and compensated absences, net of Bear River Health Department compensated absences	<u>(14,873,207)</u>
Beginning net assets	\$ <u>26,512,489</u>

The general fixed asset account group and the general long-term debt account group are not presented in the new financial reporting model. The balances previously reported in these account groups are part of the adjustments to governmental activities net assets noted above.

<u>Component units</u>	
Combined fund balance	\$ 1,155,889
 Adjustments:	
Add fixed assets, net of accumulated depreciation	11,179,081
Add fixed assets not previously reported	74,893
Add Bear River Health Department previously reported as a blended component unit	2,310,282
Add Bear River Health Department fixed assets, net of accumulated depreciation	3,127,942
Add deferred revenue recognized on the accrual basis	35,880
Less Bear River Health Department compensated absences	(245,305)
Less long-term debt and compensated absences	<u>(1,878,000)</u>
Total	\$ <u>15,760,662</u>

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 3 - 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, 2003
Levy Date (State target date)	June 22, 2003
Property Valuation Disclosure Notice (target date)	July 22, 2003
Tax Bills Mailed	November 1, 2003
Taxes Due and Payable	Prior to November 30, 2003

Note 4 - 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.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 4 - Cash, Cash Equivalents and Investments (continued)

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, 2003, the County's cash and cash equivalents, investment pool and cash and investments with trustees included the following:

Cash and cash equivalents:	
Petty cash	\$ 505
Demand deposit accounts	3,409,368
Investments in State Treasurer's Investment Pool	<u>10,381,599</u>
Total cash	\$ <u>13,791,472</u>
Investment pool (net of due to investment pool):	
Petty cash	\$ 2,210
Demand deposit account	1,552,134
Investments in State Treasurer's Investment Pool	<u>10,502,776</u>
Total investment pool	\$ <u>12,057,120</u>
Cash and investments with trustees:	
U.S. Treasury Mutual Funds	\$ <u>1,309,979</u>
Total cash and investments	\$ <u>27,158,571</u>

At December 31, 2003, the carrying amount per the books of the County's demand deposits was \$4,961,502 and the bank balance was \$5,987,691. Of the bank balance, \$392,249 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.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 4 - Cash, Cash Equivalents and Investments (continued)

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 investments consist of deposits in the PTIF and open-ended mutual funds holding government securities. These investments are not required to be categorized.

Component Units

At December 31, 2003, the cash and cash equivalents, investment pool and cash and investments with trustees of the County's discretely presented component units included the following:

Petty cash	\$ 1,200
Demand deposits	1,166,052
Deposit in State Treasurer's Investment Pool	966,619
Equity in investment pool:	
Investments in State Treasurer's Investment Pool	851,076
U.S. Treasuries Mutual Fund held by Trustee	<u>202,014</u>
Total	\$ <u>3,186,961</u>

At December 31, 2003, the carrying amount per the books of the component unit's demand deposits was \$1,166,052 and the bank balance was \$1,181,350. Of the bank balance, \$211,432 was covered by federal depository insurance (FDIC). In addition, \$1,069,918 was held in a "sweep account" secured by securities of the bank. Deposits are not collateralized nor are they required to be by state statute.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 5 - Interfund Receivables, Payables and Transfers

At December 31, 2003, the interfund receivable and payable balances of the investment pool were as follows:

	<u>Receivable</u>	<u>Payable</u>
Special Revenue Funds:		
Municipal Services Fund	\$ 51,496	-
Planning and Development Fund	-	32,727
Children's Justice Center Fund	<u>-</u>	<u>18,769</u>
Total	\$ <u>51,496</u>	<u>51,496</u>

At December 31, 2003, the interfund receivable and payable balances were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 140,000	-
Special Revenue Funds:		
Council on Aging Fund	<u>-</u>	<u>140,000</u>
Total	\$ <u>140,000</u>	<u>140,000</u>

This interfund loan provided funding for the Council on Aging Fund in prior years. The fund has obtained adequate resources to repay the loan.

Interfund transfers primarily relate to the transfer of funds from the General Fund and Capital Projects Fund to the Debt Service Fund for payments on long-term debt. In addition, the General Fund provided operating funds to certain non-major funds and contributed funds to the Capital Projects Fund for building construction. Also, the Municipal Services Fund contributed funds to the General Fund for administrative costs related to municipal service activities.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 6 – Capital Assets

Governmental Activities

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>1/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/03</u>
Capital assets not being depreciated:				
Land	\$ 2,397,774	343,686	-	2,741,460
Construction in process	<u>1,472,147</u>	<u>9,672,080</u>	-	<u>11,144,227</u>
Total capital assets not being depreciated	<u>3,869,921</u>	<u>10,015,766</u>	-	<u>13,885,687</u>
Capital assets being depreciated:				
Buildings and improvements	11,629,142	1,544,135	(510,045)	12,663,232
Infrastructure	11,162,049	33,736	-	11,195,785
Machinery and equipment	<u>10,601,092</u>	<u>1,118,038</u>	<u>(1,461,201)</u>	<u>10,257,929</u>
Total capital assets being depreciated	<u>33,392,283</u>	<u>2,695,909</u>	<u>(1,971,246)</u>	<u>34,116,946</u>
Accumulated depreciation:				
Buildings and improvements	(8,529,071)	(57,716)	510,045	(8,076,742)
Infrastructure	(1,345,272)	(83,884)	-	(1,429,156)
Machinery and equipment	<u>(7,177,240)</u>	<u>(606,790)</u>	<u>1,461,201</u>	<u>(6,322,829)</u>
Total accumulated depreciation	<u>(17,051,583)</u>	<u>(748,390)</u>	<u>1,971,246</u>	<u>(15,828,727)</u>
Total capital assets, net	\$ <u>20,210,621</u>	<u>11,963,285</u>	<u>-</u>	<u>32,173,906</u>

As described in note 2, the beginning balance has been restated for the addition of infrastructure assets and accumulated depreciation as required by GASB Statement No. 34. In addition, fixed assets related to the BRHD have been moved to component units based on the reclassification of that entity.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 6 - Capital Assets (continued)

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

General government	\$ 58,918
Public safety	393,224
Highways and streets	249,359
Health	24,582
Culture and recreation	<u>22,307</u>
Total depreciation expense	\$ <u>748,390</u>

Component Units

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

	<u>Balance</u> <u>1/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/03</u>
Land	\$ 1,045,305	102,391	-	1,147,696
Buildings and improvements	17,261,182	258,302	(422,542)	17,096,942
Equipment and machinery	794,302	120,705	(145,381)	769,626
Accumulated depreciation	<u>(4,718,874)</u>	<u>(730,139)</u>	<u>567,923</u>	<u>(4,881,090)</u>
Total	\$ <u>14,381,915</u>	<u>(248,741)</u>	<u>-</u>	<u>14,133,174</u>

Note 7 - Long Term Obligations

Long-term liability activity for the year ended December 31, 2003, was as follows:

	<u>Balance</u> <u>1/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/03</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
Revenue bonds	\$ 13,835,000	3,340,000	(460,000)	16,715,000	600,000
Capital leases	679,272	-	(185,964)	493,308	185,155
Compensated absences	<u>358,936</u>	<u>129,385</u>	<u>-</u>	<u>488,321</u>	<u>37,000</u>
Total governmental activity long-term liabilities	\$ <u>14,873,208</u>	<u>3,469,385</u>	<u>(645,964)</u>	<u>17,696,629</u>	<u>822,155</u>

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 7 - Long Term Obligations (continued)

	<u>Balance</u> <u>1/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/03</u>	<u>Due Within</u> <u>One Year</u>
Component Units:					
Revenue bonds	\$ 1,878,000	-	(146,000)	1,732,000	153,000
Compensated absences	<u>315,304</u>	<u>-</u>	<u>-</u>	<u>315,304</u>	<u>100,000</u>
Total component unit long-term liabilities	\$ <u>2,193,304</u>	<u>-</u>	<u>(146,000)</u>	<u>2,047,304</u>	<u>253,000</u>

Primary Government

Compensated absences are generally liquidated by the General Fund and Municipal Services Fund.

Revenue bonds payable at December 31, 2003 are comprised of the following issues:

\$13,835,000 Cache County 2002 Sales Tax Revenue Bonds, due in annual installments ranging from \$460,000 to \$900,000 plus interest ranging from 3.5% to 5% until December 15, 2019. Final balloon payment of \$2,970,000, plus interest at 5%, due December 15, 2022.

\$ 13,375,000

\$3,340,000 Cache County 2003 Sales Tax Revenue Bonds, due in annual installments ranging from \$125,000 to \$175,000 plus interest ranging from 3% to 4% until December 15, 2014. Ballon payment of \$780,000, plus interest at 4.15%, due December 15, 2018. Final balloon payment of \$920,000, plus interest at 4.4%, due December 15, 2022

3,340,000

Total revenue bonds

\$ 16,715,000

Proceeds from the 2002 sales tax revenue bonds were used in the acquisition, construction, 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.

Proceeds from the 2003 sales tax revenue bonds were used to expand the construction of the Public Safety Complex. The bond covenants require a sinking fund to provide for the \$780,000 balloon payment. The sinking fund requirement is effective December 15, 2015 to December 15, 2018 with payments ranging from \$185,000 to \$205,000. The bond covenants also require a sinking fund to provide for the \$920,000 balloon payment. The sinking fund requirement is effective December 15, 2019 to December 15, 2022 with payments ranging from \$215,000 to \$245,000.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 7 - Long Term Obligations (continued)

The annual requirements to amortize all revenue bonds as of December 31, 2003 of the primary government, including interest payments, were as follows:

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 1,346,908	600,000	746,908
2005	1,346,533	620,000	726,533
2006	1,345,482	640,000	705,482
2007	1,348,757	665,000	683,757
2008	1,344,870	685,000	659,870
2009 - 2013	6,739,168	3,870,000	2,869,168
2014 - 2018	6,739,647	4,845,000	1,894,647
2019 - 2022	<u>5,388,900</u>	<u>4,790,000</u>	<u>598,900</u>
Total	\$ <u>25,600,265</u>	<u>16,715,000</u>	<u>8,885,265</u>

The County is current on all bond payments and is in compliance with the significant terms of the bond agreements.

Capital leases payable at December 31, 2003, consisted of the following:

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.	\$ 28,194
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.	423,152
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.	<u>41,962</u>
Total capital leases	\$ <u>493,308</u>

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 governmental activities capital assets.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 7 - Long Term Obligations (continued)

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, 2003:

Fiscal Year Ending <u>December 31</u>	<u>Amount</u>
2004	\$ 210,051
2005	165,647
2006	<u>165,689</u>
Total minimum lease payments	541,387
Less amount representing interest	<u>(48,079)</u>
Present value of future minimum lease payments	\$ <u>493,308</u>

Component Units

Revenue bonds at December 31, 2003, with their outstanding balances are comprised of the following issue:

\$2,017,000 North Park Interlocal Cooperative Building Lease Revenue Bonds, due in annual installments ranging from \$139,000 to \$206,000, plus interest ranging from 4.75% to 5.2% until December 15, 2010. Final balloon payment of \$485,000, plus interest at 5% due December 15, 2014.	\$ <u>1,732,000</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, 2003

Note 7 - Long Term Obligations (continued)

The annual requirements to amortize all revenue bonds as of December 31, 2003 of the component units, including interest payments, were as follows:

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 240,677	153,000	87,677
2005	240,104	160,000	80,104
2006	241,104	169,000	72,104
2007	240,569	177,000	63,569
2008	240,542	186,000	54,542
2009 - 2013	786,018	645,000	141,018
2014	<u>254,100</u>	<u>242,000</u>	<u>12,100</u>
Total	\$ <u>2,243,114</u>	<u>1,732,000</u>	<u>511,114</u>

Compensated absences of the component units relates primarily to the Bear River Health Department.

Note 8 - Reserved Fund Balance

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

General Fund:		
Reserved for encumbrances	\$	379,403
Reserved for liquor law enforcement	\$	43,320
Municipal Services Fund:		
Reserved for class B road funds	\$	4,733,477
Reserved for encumbrances	\$	55,345
Capital Projects Fund:		
Reserved bond proceeds	\$	247,724
Reserved for encumbrances	\$	88,949
Non-major Funds:		
Reserved for encumbrances	\$	663,571
Reserved for debt service	\$	77,675

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 9 - Budgeted Fund Balance

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

Note 10 - 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, 2003

Note 10 - 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 4.68% for six months and 5.61% for six months of their annual covered salary. In the Local Governmental Noncontributory Retirement System, the County was required to contribute 8.69% for six months and 9.62% 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 2.17% for six months and 4.52% for six months of their annual covered salary and 13.89% for six months and 16.24% for six months of the annual covered salary of noncontributory division members. In the Firefighters Retirements System plan members were required to contribute 7.82% for six months and 8.21% 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, 2003, 2001, and 2000 were as follows:

A. Local Governmental System - Contributory

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Employer paid for employee contributions	\$ 5,700	5,621	5,328
Employer contributions	4,889	4,155	4,662

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 10 - Pension Plans (continued)

B. Local Governmental System - Noncontributory

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Employer contributions	\$ 312,276	290,246	295,505

C. Public Safety - Contributory

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Employer paid for employee contributions	\$ 9,886	9,666	9,139
Employer contributions	2,692	1,081	3,082

D. Public Safety - Noncontributory

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Employer contributions	\$ 399,359	335,226	369,034

E. Firefighter's System

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Employer paid for employee contributions	\$ 10,160	8,820	9,029

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 \$469,151, \$475,567 and \$439,269 were made to the 401(k) plan during the years ended December 31, 2003, 2002, and 2001, respectively. Of this amount \$246,693, \$266,458 and \$245,157 was contributed by employees and \$222,458, \$209,109 and \$194,112 was contributed by the County on behalf of employees respectively.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 10 - Pension Plans (continued)

Component Units

Defined Benefit Plans

The Bear River Health Department (BRHD) also participates in the Local Government Systems retirement plans administered by the Utah Retirement Systems. The BRHD's required contribution rates are the same as Cache County's rates. The BRHD's contributions to the Systems for the years ended December 31, 2003, 2001, and 2000 were as follows:

A. Local Governmental System - Contributory

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Employer paid for employee contributions	\$ 5,581	5,386	7,193
Employer contributions	4,788	3,983	6,208

B. Local Governmental System - Noncontributory

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Employer contributions	\$ 243,692	207,852	226,176

Defined Contribution Plan

The BRHD 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 \$271,790 \$245,091 and \$247,740 were made to the 401(k) plan during the years ended December 31, 2003, 2002, and 2001, respectively. Of this amount \$104,333, \$84,356 and \$87,198 was contributed by employees and \$167,457, \$160,735 and \$160,542 was contributed by the County on behalf of employees respectively.

Note 11 - Deferred Compensation Plan

The County and the Bear River Health Department offer employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plans are available to all employees and are administered by the Utah Retirement Systems. The plans permit 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.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

Note 11 - Deferred Compensation Plan (continued)

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

Note 12 - 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, 2003, there were no outstanding unpaid claims. Also, the County had no claim settlements over the past three years that exceeded its insurance coverage.

Note 13 - 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, 2003, the County was in the process of constructing a new administration building and a new jail. The County had approximately \$3,500,000 in outstanding construction contracts.

CACHE COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

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: Sanity Hearings, County Executive, Surveyor, Central Mail and Copy, Sheriff, and Weed Eradication. The Council on Aging Fund and the Debt Service Fund also exceeded their respective budget appropriation.

Note 15 - Tax Anticipation Notes

In February, 2003, the County borrowed \$1,500,000 on tax anticipation notes to finance the operation of the County during 2003. The notes were paid in full in December, 2003. Subsequent to year-end, the County borrowed \$5,000,000 on tax anticipation notes to finance the County's operations for 2004.

Note 16 - Transactions with Component Units

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

Airport Authority - The County provided operating funds based on the budget adopted by the Airport Authority and the agreement with Logan City.

NPIC - The County transferred taxes to the NPIC in accordance with debt agreements.

BRHD - The County assessed and collected property taxes in its Health Fund. The County transferred the appropriated amount to the BRHD to provide operating funds.

Required Supplementary Information

CACHE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)
Revenues:				
Taxes	\$ 10,511,528	10,311,528	10,252,092	(59,436)
Intergovernmental	624,182	1,398,192	868,590	(529,602)
Charges for services	1,957,811	2,330,473	2,363,794	33,321
Licenses and permits	15,000	15,000	13,020	(1,980)
Fines and forfeitures	165,000	165,000	153,887	(11,113)
Miscellaneous	624,524	656,508	700,583	44,075
Total revenues	13,898,045	14,876,701	14,351,966	(524,735)
Expenditures:				
General government	4,743,599	4,945,313	4,546,129	399,184
Public safety	6,126,617	7,095,102	6,616,150	478,952
Highways and streets	704,889	732,533	716,791	15,742
Health	165,586	165,586	165,586	-
Welfare	41,500	41,500	40,213	1,287
Culture and recreation	500,121	494,356	480,508	13,848
Total expenditures	12,282,312	13,474,390	12,565,377	909,013
Excess of revenues over expenditures	1,615,733	1,402,311	1,786,589	384,278
Other financing sources (uses):				
Contributions	300	300	8,826	8,526
Transfers to component units	(124,232)	(124,232)	(124,232)	-
Transfers in	203,626	255,277	203,626	(51,651)
Transfers out	(1,422,275)	(1,522,839)	(1,502,839)	20,000
Total other financing sources (uses)	(1,342,581)	(1,391,494)	(1,414,619)	(23,125)
Excess of revenues and other sources over expenditures and other uses	\$ 273,152	10,817	371,970	361,153
Adjust to GAAP:				
Encumbrances (net change)			96,372	
Excess of revenues and other sources over expenditures and other uses - GAAP basis			468,342	
Fund balance - January 1			2,116,546	
Fund balance - December 31	\$		2,584,888	

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

CACHE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MUNICIPAL SERVICES FUND
Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)
Revenues:				
Taxes	\$ 501,000	501,000	553,245	52,245
Intergovernmental	1,400,589	1,438,601	1,518,288	79,687
Charges for services	67,500	67,500	74,112	6,612
Licenses and permits	242,200	272,685	326,286	53,601
Miscellaneous	80,000	91,590	59,398	(32,192)
	<u>2,291,289</u>	<u>2,371,376</u>	<u>2,531,329</u>	<u>159,953</u>
Expenditures:				
General government	167,450	180,051	174,361	5,690
Public safety	915,531	912,055	887,484	24,571
Highways - Class B	1,153,772	1,159,814	768,308	391,506
	<u>2,236,753</u>	<u>2,251,920</u>	<u>1,830,153</u>	<u>421,767</u>
Excess (deficiency) of revenues over expenditures	54,536	119,456	701,176	581,720
Other financing uses:				
Transfers out	(203,626)	(370,277)	(203,626)	166,651
Excess (deficiency) of revenues over expenditures and other uses	\$ <u>(149,090)</u>	<u>(250,821)</u>	497,550	<u>748,371</u>
Adjust to GAAP:				
Encumbrances (net change)			14,510	
Excess of revenues over expenditures and other uses - GAAP basis			512,060	
Fund balance - January 1			<u>4,762,337</u>	
Fund balance - December 31		\$	<u><u>5,274,397</u></u>	

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

CACHE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MENTAL HEALTH FUND
Year Ended December 31, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental:				
Federal and state grants	\$ 1,650,000	1,650,000	1,564,390	(85,610)
Total revenues	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,564,390</u>	<u>(85,610)</u>
Expenditures:				
Mental health	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,564,390</u>	<u>85,610</u>
Total expenditures	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,564,390</u>	<u>85,610</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - January 1			<u>-</u>	
Fund balance - December 31	\$		<u>-</u>	

Supplementary Information

CACHE COUNTY
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON - GAAP BASIS)
GENERAL FUND
Year Ended December 31, 2003
(With Comparative Totals for the Year Ended December 31, 2002)

	2003		Variance- Favorable (Unfavorable)	2002
	Budget	Actual		
Revenues:				
Taxes:				
General property	\$ 6,377,528	6,275,311	(102,217)	4,762,325
Sales tax	2,784,000	2,893,836	109,836	2,848,188
Fees in lieu of taxes	940,000	884,602	(55,398)	886,203
Delinquent prior years	145,000	131,873	(13,127)	153,888
Penalties and interest	65,000	66,470	1,470	75,956
Total taxes	<u>10,311,528</u>	<u>10,252,092</u>	<u>(59,436)</u>	<u>8,726,560</u>
Intergovernmental revenues:				
Federal grants	1,252,529	725,792	(526,737)	981,356
State grants	94,329	90,530	(3,799)	111,163
State shared revenue	25,000	36,940	11,940	32,303
Local shared revenue	26,334	15,328	(11,006)	7,500
Total intergovernmental revenues	<u>1,398,192</u>	<u>868,590</u>	<u>(529,602)</u>	<u>1,132,322</u>
Charges for services:				
General government	785,950	804,934	18,984	583,607
Public safety	1,298,828	1,305,243	6,415	1,298,836
Streets and public improvements	69,895	72,269	2,374	42,631
Other current services	175,800	181,348	5,548	175,995
Total charges for services	<u>2,330,473</u>	<u>2,363,794</u>	<u>33,321</u>	<u>2,101,069</u>
Licenses and permits:				
Marriage licenses	15,000	13,020	(1,980)	14,460
Total licenses and permits	<u>15,000</u>	<u>13,020</u>	<u>(1,980)</u>	<u>14,460</u>
Fines and forfeitures:				
Circuit court fines	165,000	153,887	(11,113)	163,386
Total fines & forfeitures	<u>165,000</u>	<u>153,887</u>	<u>(11,113)</u>	<u>163,386</u>

(continued)

CACHE COUNTY
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON - GAAP BASIS)
GENERAL FUND
Year Ended December 31, 2003
(With Comparative Totals for the Year Ended December 31, 2002)

	2003		Variance- Favorable (Unfavorable)	2002
	Budget	Actual		
Miscellaneous revenues:				
Interest	225,000	222,281	(2,719)	235,039
Rents and concessions	174,024	180,311	6,287	299,395
Sale of materials & supplies	50,000	10,765	(39,235)	275
County fair fees	53,645	53,645	-	38,910
Rodeo fees	32,730	32,729	(1)	27,331
Sundry	121,109	200,852	79,743	170,363
Total miscellaneous revenues	656,508	700,583	44,075	771,313
Total revenues	14,876,701	14,351,966	(524,735)	12,909,110
Expenditures:				
General government:				
Council	70,941	66,755	4,186	58,271
Water policy	60,150	54,416	5,734	54,662
Sanity hearings	8,500	8,795	(295)	8,562
Public defender	254,624	246,210	8,414	178,416
Law library	10,200	8,991	1,209	12,435
County executive	192,416	193,024	(608)	186,526
Data processing	201,640	200,910	730	179,775
Auditor	245,011	242,033	2,978	236,571
Clerk	122,544	109,751	12,793	110,529
Treasurer	186,555	184,190	2,365	179,140
Recorder	247,106	231,030	16,076	204,288
Attorney	690,608	688,313	2,295	628,224
Assessor	1,045,764	932,776	112,988	887,360
Surveyor	152,290	163,052	(10,762)	190,218
Victim services	194,467	156,423	38,044	177,013
Non-departmental	125,500	108,405	17,095	94,473
Insurance	131,238	129,774	1,464	165,003
Ambulance services	-	-	-	50,000
Central mail and copy	9,375	10,822	(1,447)	9,229
Building and grounds	170,857	141,991	28,866	146,874
Elections	82,020	78,429	3,591	126,233
Advertising & promotion	9,000	7,794	1,206	6,315
Resource & industrial dev.	35,050	35,000	50	35,000

(continued)

CACHE COUNTY
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON - GAAP BASIS)

GENERAL FUND

Year Ended December 31, 2003

(With Comparative Totals for the Year Ended December 31, 2002)

	2003		Variance- Favorable (Unfavorable)	2002
	Budget	Actual		
Agricultural extension services	171,865	166,590	5,275	165,225
Agricultural promotion	52,250	39,451	12,799	46,975
Other	145,100	101,511	43,589	104,085
Contributions to other units	330,242	239,693	90,549	189,639
Total general government	4,945,313	4,546,129	399,184	4,431,041
Public safety:				
Sheriff	1,967,423	1,975,535	(8,112)	2,135,253
Fire	965,184	593,775	371,409	309,540
County jail	2,562,576	2,557,301	5,275	2,803,502
Emergency management	154,109	136,003	18,106	159,462
Liquor law enforcement	35,220	12,301	22,919	65,228
Civil process department	1,410,590	1,341,235	69,355	1,161,958
Total public safety	7,095,102	6,616,150	478,952	6,634,943
Highways and streets:				
Highways - general	593,597	577,131	16,466	582,326
Weed eradication	138,936	139,660	(724)	111,169
Total highways and streets	732,533	716,791	15,742	693,495
Health:				
Health services	165,586	165,586	-	154,037
Total health	165,586	165,586	-	154,037
Welfare:				
Welfare	41,500	40,213	1,287	37,091
Total welfare	41,500	40,213	1,287	37,091
Culture and recreation:				
Parks	252,568	252,568	-	198,516
Recreation	23,300	15,351	7,949	13,315
Library	108,102	108,102	-	118,061

(continued)

CACHE COUNTY
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON - GAAP BASIS)
GENERAL FUND

Year Ended December 31, 2003

(With Comparative Totals for the Year Ended December 31, 2002)

	2003		Variance- Favorable (Unfavorable)	2002
	Budget	Actual		
Fairs	58,278	53,861	4,417	49,653
Rodeo	52,108	50,626	1,482	51,771
Total culture and recreation	494,356	480,508	13,848	431,316
Total expenditures	13,474,390	12,565,377	909,013	12,381,923
Excess (deficiency) of revenues over expenditures	1,402,311	1,786,589	384,278	527,187
Other financing sources (uses):				
Lease proceeds	-	-	-	-
Contributions	300	8,826	8,526	14,528
Operating transfer to component unit	(67,354)	(67,354)	-	(67,354)
Bear River Health Department	(56,878)	(56,878)	-	(56,878)
Transfers in (out):				
Assessing and collecting	-	-	-	-
Municipal services fund	255,277	203,626	(51,651)	173,193
Debt service fund	(1,304,859)	(1,304,859)	-	(245,566)
Library fund	(17,100)	(17,100)	-	(3,600)
Capital Projects	(85,000)	(65,000)	20,000	-
Council on aging fund	(48,294)	(48,294)	-	(46,229)
County planner fund	(67,586)	(67,586)	-	(63,723)
Total other financing sources (uses)	(1,391,494)	(1,414,619)	(23,125)	(295,629)
Excess (deficiency) of revenues and other sources over expenditures and other uses	10,817	371,970	361,153	231,558
Adjust to GAAP - encumbrances (net change) and loan to other funds		96,372		(215,705)
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)		468,342		15,853
Fund balance - January 1		2,116,546		2,100,693
Fund balance - December 31	\$	2,584,888		2,116,546

CACHE COUNTY
ANALYSIS OF EXPENDITURES
GENERAL FUND
Year Ended December 31, 2003

	Total	Salary Wages and Benefits	Material, Supplies and Services	Other Charges	Capital Outlay
General Government:					
Council	\$ 66,755	51,932	9,095	5,728	-
Water policy	37,123	16,725	1,141	19,257	-
Sanity hearing	8,795	-	8,795	-	-
Public defender	240,713	-	231,004	9,709	-
Law library	8,991	-	8,991	-	-
County executive	193,024	186,106	6,176	742	-
Data processing	200,910	150,274	50,636	-	-
Auditor	240,987	186,285	49,625	-	5,077
Clerk	108,040	93,966	12,906	1,168	-
Treasurer	186,163	161,538	12,735	10,690	1,200
Recorder	241,985	203,800	28,740	-	9,445
Attorney	698,314	589,526	107,528	1,260	-
Assessor	948,408	760,050	95,400	52,718	40,240
Surveyor	167,217	148,374	15,909	-	2,934
Victim services	152,503	128,843	23,660	-	-
Non-departmental	105,795	-	-	105,795	-
Insurance	129,774	-	-	129,774	-
Central mail and copy	10,822	-	10,822	-	-
Building and grounds	141,991	54,698	75,294	11,999	-
Elections	69,102	50,936	18,166	-	-
Advertising and promotion	7,794	-	7,794	-	-
Resources and industrial development	35,000	-	35,000	-	-
Agricultural extension service	185,336	32,232	51,718	89,744	11,642
Agricultural promotion	41,451	-	41,451	-	-
Other	103,343	-	-	103,343	-
Contributions to other units	239,693	-	-	239,693	-
Total general government	4,570,029	2,815,285	902,586	781,620	70,538

(continued)

CACHE COUNTY
ANALYSIS OF EXPENDITURES
GENERAL FUND
Year Ended December 31, 2003

	<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	1,963,405	1,639,610	202,772	4,995	116,028
Fire	534,780	169,233	171,809	74,551	119,187
County jail	2,525,090	2,011,432	463,115	22,724	27,819
Emergency management	123,223	99,157	17,742	1,604	4,720
Liquor law enforcement	12,301	2,081	10,220	-	-
Civil process department	1,315,418	1,153,728	109,802	4,205	47,683
Total public safety	<u>6,474,217</u>	<u>5,075,241</u>	<u>975,460</u>	<u>108,079</u>	<u>315,437</u>
Highways and streets:					
Highways - General	560,845	368,296	191,168	1,381	-
Weed eradication	139,660	86,516	46,335	-	6,809
Total highway and streets	<u>700,505</u>	<u>454,812</u>	<u>237,503</u>	<u>1,381</u>	<u>6,809</u>
Health:					
Health services	204,095	-	-	204,095	-
Welfare:					
Welfare	40,213	-	-	40,213	-
Culture and recreation:					
Parks	252,568	-	252,568	-	-
Recreation	14,789	-	14,789	-	-
Library	108,102	-	108,102	-	-
Fairs	53,861	-	53,861	-	-
Rodeo	50,626	753	49,873	-	-
Total culture and recreation	<u>479,946</u>	<u>753</u>	<u>479,193</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 12,469,005</u>	<u>8,346,091</u>	<u>2,594,742</u>	<u>1,135,388</u>	<u>392,784</u>

CACHE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
MUNICIPAL SERVICES FUND
Year Ended December 31, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	2003		Variance- Favorable (Unfavorable)	2002
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 501,000	553,245	52,245	512,754
Intergovernmental	1,438,601	1,518,288	79,687	1,532,585
Charges for services	67,500	74,112	6,612	90,473
Licenses and permits	272,685	326,286	53,601	268,145
Miscellaneous	91,590	59,398	(32,192)	66,503
Total revenues	<u>2,371,376</u>	<u>2,531,329</u>	<u>159,953</u>	<u>2,470,460</u>
Expenditures:				
General government:				
Planning:				
Salary and fringe benefits	133,186	131,546	1,640	126,660
Other departmental expenses	16,965	16,183	782	11,842
Capital outlay	-	-	-	-
Total planning	<u>150,151</u>	<u>147,729</u>	<u>2,422</u>	<u>138,502</u>
Sanitation/waste collection:				
Other departmental expenses	22,400	19,132	3,268	22,815
Miscellaneous:				
Other departmental expenses	7,500	7,500	-	7,500
Total general government	<u>180,051</u>	<u>174,361</u>	<u>5,690</u>	<u>168,817</u>
Public safety:				
Sheriff:				
Salary and fringe benefits	354,585	351,423	3,162	368,316
Other departmental expenses	89,168	88,152	1,016	32,659
Capital outlay	70,380	70,380	-	18,880
Total sheriff	<u>514,133</u>	<u>509,955</u>	<u>4,178</u>	<u>419,855</u>
Fire:				
Department allocations	143,531	131,365	12,166	115,419
Total fire	<u>143,531</u>	<u>131,365</u>	<u>12,166</u>	<u>115,419</u>
Building inspection:				
Salary and fringe benefits	202,545	199,170	3,375	188,323
Other departmental expenses	21,120	18,203	2,917	13,140
Capital outlay	16,000	14,298	1,702	-
Total Building inspection	<u>239,665</u>	<u>231,671</u>	<u>7,994</u>	<u>201,463</u>

(continued)

(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, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	2003		Variance- Favorable (Unfavorable)	2002
	Budget	Actual		Actual
Animal control:				
Salary and fringe benefits	11,153	11,251	(98)	10,976
Other departmental expenses	3,573	3,242	331	3,349
Total animal control	<u>14,726</u>	<u>14,493</u>	<u>233</u>	<u>14,325</u>
Total public safety	<u>912,055</u>	<u>887,484</u>	<u>24,571</u>	<u>751,062</u>
Highways - Class B:				
Salary and fringe benefits	411,224	397,073	14,151	387,212
Other departmental expenses	643,090	306,983	336,107	675,124
Capital Outlay	105,500	64,252	41,248	163,654
Total Highways - Class B	<u>1,159,814</u>	<u>768,308</u>	<u>391,506</u>	<u>1,225,990</u>
Total expenditures	<u>2,251,920</u>	<u>1,830,153</u>	<u>421,767</u>	<u>2,145,869</u>
Excess of revenues over expenditures	<u>119,456</u>	<u>701,176</u>	<u>581,720</u>	<u>324,591</u>
Other financing uses:				
Transfer to general fund	(255,277)	(203,626)	51,651	(173,193)
Transfer to capital projects fund	(115,000)	-	115,000	(81,530)
Total other financing uses	<u>(370,277)</u>	<u>(203,626)</u>	<u>166,651</u>	<u>(254,723)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>(250,821)</u>	497,550	<u>748,371</u>	69,868
Adjust to GAAP - encumbrances		<u>14,510</u>		<u>29,816</u>
Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		512,060		99,684
Fund balance - January 1		<u>4,762,337</u>		<u>4,662,653</u>
Fund balance - December 31	\$	<u>5,274,397</u>		<u>4,762,337</u>

CACHE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MENTAL HEALTH FUND
Year Ended December 31, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	<u>2003</u>		Variance- Favorable (Unfavorable)	<u>2002</u> Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Intergovernmental:				
Federal and state grants	\$ 1,650,000	1,564,390	(85,610)	1,663,895
Total revenues	<u>1,650,000</u>	<u>1,564,390</u>	<u>(85,610)</u>	<u>1,663,895</u>
Expenditures:				
Mental health	<u>1,650,000</u>	<u>1,564,390</u>	<u>85,610</u>	<u>1,663,895</u>
Total expenditures	<u>1,650,000</u>	<u>1,564,390</u>	<u>85,610</u>	<u>1,663,895</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - January 1		<u>-</u>		<u>-</u>
Fund balance - December 31	\$	<u>-</u>		<u>-</u>

CACHE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
CAPITAL PROJECTS FUND
From Project Inception to December 31, 2003
(With Comparative Totals From Project Inception to December 31, 2002)

	<u>Project Length</u>		Variance- Favorable (Unfavorable)	2002
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Intergovernmental	\$ 1,046,735	1,046,735	-	1,046,735
Other	231,718	159,287	(72,431)	114,660
Total revenues	<u>1,278,453</u>	<u>1,206,022</u>	<u>(72,431)</u>	<u>1,161,395</u>
Expenditures:				
Building improvement and other	22,303,453	17,902,970	4,400,483	5,435,066
Total expenditures	<u>22,303,453</u>	<u>17,902,970</u>	<u>4,400,483</u>	<u>5,435,066</u>
Deficiency of revenues over expenditures	<u>(21,025,000)</u>	<u>(16,696,948)</u>	<u>4,328,052</u>	<u>(4,273,671)</u>
Other financing sources (uses):				
Contributions	1,267,000	470,402	(796,598)	-
Bond proceeds	17,175,000	17,311,330	136,330	13,971,330
Transfers in	478,970	143,970	(335,000)	81,530
Transfers out	(396,582)	(519,323)	(122,741)	(341,064)
Total other financing sources (uses)	<u>18,524,388</u>	<u>17,406,379</u>	<u>(1,118,009)</u>	<u>13,711,796</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>\$ (2,500,612)</u>	709,431	<u>3,210,043</u>	9,438,125
Adjust to GAAP:				
Eliminate prior year balances		(9,438,125)		-
Encumbrances (net change)		(453,331)		-
Excess (deficiency) of revenues over expenditures and other uses - GAAP basis		<u>(9,182,025)</u>		9,438,125
Fund balance - January 1		<u>12,119,619</u>		<u>2,681,494</u>
Fund balance - December 31	\$	<u>2,937,594</u>		<u>12,119,619</u>

CACHE COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2003

<u>Assets</u>	<u>Special Revenue</u>				
	<u>Health</u>	<u>Travel Council</u>	<u>Council on Aging</u>	<u>Recreation</u>	<u>Planning and Development</u>
	0				
Cash and cash equivalents	\$ -	275	40	-	25
Equity in investment pool	347,725	234,266	199,479	1,046,781	-
Receivables:					
Taxes	32,000	27,880	-	120,402	-
Accounts			4,800		13,377
Due from other governments	-	-	53,391	-	90,672
Restricted assets:					
Cash and investments with trustees	-	-	-	-	-
Total assets	\$ 379,725	262,421	257,794	1,167,183	104,094
 <u>Liabilities and Fund Balance</u>					
Liabilities:					
Interfund payable - investment pool	\$ -	-	-	-	32,727
Accrued liabilities	-	2,094	17,283	-	2,115
Due to other funds	-	-	140,000	-	-
Deferred revenue	32,000	-	1,300	-	-
Total liabilities	32,000	2,094	158,583	-	34,842
 Fund balances:					
Reserved - encumbrances	-	43,562	1,199	618,810	-
Reserved - debt service	-	-	-	-	-
Unreserved:					
Undesignated	347,725	216,765	98,012	548,373	69,252
Total fund balances	347,725	260,327	99,211	1,167,183	69,252
 Total liabilities and fund balances	 \$ 379,725	 262,421	 257,794	 1,167,183	 104,094

Special Revenue					Total
Library	Children's Justice Center	Zoo	Community Foundation	Debt Service	Nonmajor Governmental Funds
25	100	-	19,644	-	20,109
18,343	-	584,103		34,641	2,465,338
-	-	197,329		-	377,611
-	23,330	-	-	-	167,393
-	-	-	-	77,675	77,675
<u>18,368</u>	<u>23,430</u>	<u>781,432</u>	<u>19,644</u>	<u>112,316</u>	<u>3,126,407</u>
-	18,769	-	-	-	51,496
557	881	-	-	-	22,930
-	-	-	-	-	140,000
-	-	-	-	-	33,300
<u>557</u>	<u>19,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,726</u>
-	-	-	-	-	663,571
-	-	-	-	77,675	77,675
<u>17,811</u>	<u>3,780</u>	<u>781,432</u>	<u>19,644</u>	<u>34,641</u>	<u>2,137,435</u>
<u>17,811</u>	<u>3,780</u>	<u>781,432</u>	<u>19,644</u>	<u>112,316</u>	<u>2,878,681</u>
<u>18,368</u>	<u>23,430</u>	<u>781,432</u>	<u>19,644</u>	<u>112,316</u>	<u>3,126,407</u>

CACHE COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2003

	Special Revenue				
	Health	Travel Council	Council on Aging	Recreation	Planning and Development
Revenues:					
Taxes	\$ 630,265	222,491	-	649,708	-
Intergovernmental	-	50,000	300,409	-	21,084
Charges for services	-	-	19,809	-	100,000
Miscellaneous	-	13,201	36,112	-	-
Total revenues	<u>630,265</u>	<u>285,692</u>	<u>471,390</u>	<u>649,708</u>	<u>126,150</u>
Expenditures:					
General government	-	-	-	-	166,867
Public safety	-	-	567,146	-	-
Health	-	-	-	-	-
Culture and recreation	-	268,752	-	536,968	-
Debt service:					
Principle	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>268,752</u>	<u>567,146</u>	<u>536,968</u>	<u>166,867</u>
Excess (deficiency) of revenues over expenditures	<u>630,265</u>	<u>16,940</u>	<u>(95,756)</u>	<u>112,740</u>	<u>(40,717)</u>
Other financing sources (uses):					
Transfer to component unit	(591,000)	-	-	-	-
Transfer from (to) general fund	-	-	48,294	-	67,586
Transfer from (to) capital projects fund	-	-	-	-	-
Total other financing sources (uses)	<u>(591,000)</u>	<u>-</u>	<u>48,294</u>	<u>-</u>	<u>67,586</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>39,265</u>	<u>16,940</u>	<u>(47,462)</u>	<u>112,740</u>	<u>26,869</u>
Fund balance - January 1	<u>308,460</u>	<u>243,387</u>	<u>146,673</u>	<u>1,054,443</u>	<u>42,383</u>
Fund balance - December 31	<u>\$ 347,725</u>	<u>260,327</u>	<u>99,211</u>	<u>1,167,183</u>	<u>69,252</u>

Special Revenue					Total
Library	Children's Justice Center	Zoo	Community Foundation	Debt Service	Nonmajor Governmental Funds
-	-	781,432	-	-	2,283,896
14,121	83,304	-	-	-	468,918
-	-	-	4,827	1,582	55,722
15,286	83,304	781,432	4,827	1,582	3,049,636
-	-	-	55	-	166,922
-	83,374	-	-	-	83,374
-	-	-	-	-	567,146
41,954	-	-	-	-	847,674
-	-	-	-	636,079	636,079
-	-	-	-	771,430	771,430
41,954	83,374	-	55	1,407,509	3,072,625
(26,668)	(70)	781,432	4,772	(1,405,927)	(22,989)
-	-	-	-	-	(591,000)
-	-	-	-	178,259	178,259
17,100	-	-	-	1,483,118	1,025,098
(9,568)	(70)	781,432	4,772	77,191	1,002,109
27,379	3,850	-	14,872	35,125	1,876,572
17,811	3,780	781,432	19,644	112,316	2,878,681

CACHE COUNTY
HEALTH FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	<u>2003</u>		<u>Variance- Favorable (Unfavorable)</u>	<u>2002 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Taxes	\$ 616,000	630,265	14,265	614,531
Total revenues	<u>616,000</u>	<u>630,265</u>	<u>14,265</u>	<u>614,531</u>
Expenditures:				
Health	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>616,000</u>	<u>630,265</u>	<u>14,265</u>	<u>614,531</u>
Other financing uses:				
Transfer to Bear River Health Department	(591,000)	(591,000)	-	(578,545)
Total other financing uses	<u>(591,000)</u>	<u>(591,000)</u>	<u>-</u>	<u>(578,545)</u>
Excess of revenues over expenditures and other financing uses	<u>\$ 25,000</u>	39,265	<u>14,265</u>	35,986
Fund balance - January 1		<u>308,460</u>		<u>272,474</u>
Fund balance - December 31	\$	<u><u>347,725</u></u>		<u><u>308,460</u></u>

CACHE COUNTY
TRAVEL COUNCIL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	2003		Variance- Favorable (Unfavorable)	2002
	Budget	Actual		Actual
Revenues:				
Taxes:				
Transient room tax	\$ 236,577	222,491	(14,086)	245,235
Intergovernmental:				
Federal grants	25,085	-	(25,085)	-
State grants	-	-	-	27,000
Local grants	50,000	50,000	-	45,000
Total intergovernmental	75,085	50,000	(25,085)	72,000
Miscellaneous	17,800	13,201	(4,599)	19,961
Total revenues	329,462	285,692	(43,770)	337,196
Expenditures:				
Culture and recreation	351,739	306,944	44,795	343,809
Total expenditures	351,739	306,944	44,795	343,809
Excess (deficiency) of revenues over expenditures	\$ (22,277)	(21,252)	1,025	(6,613)
Adjust to GAAP - encumbrances		38,192		(1,509)
Excess (deficiency) of revenues over expenditures (GAAP basis)		16,940		(8,122)
Fund balance - January 1		243,387		251,509
Fund balance - December 31	\$	260,327		243,387

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, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	2003		Variance- Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:				
Federal and state grants	\$ 299,208	300,409	1,201	322,279
Local funding	2,194	-	(2,194)	1,885
Total intergovernmental	301,402	300,409	(993)	324,164
Charge for services:				
Nutrition donations	113,000	98,832	(14,168)	106,080
Tours and trips	24,000	27,824	3,824	2,725
Access transportation	5,000	4,953	(47)	4,517
Ceramics and crafts	5,500	3,260	(2,240)	5,365
Total charges for services	147,500	134,869	(12,631)	118,687
Miscellaneous:				
United Way donation	12,500	13,185	685	12,500
Other	34,717	22,927	(11,790)	22,776
Total miscellaneous	47,217	36,112	(11,105)	35,276
Total revenues	496,119	471,390	(24,729)	478,127
Expenditures:				
Nutrition:				
Salaries and fringe benefits	168,951	184,981	(16,030)	174,596
Supplies	36,442	36,583	(141)	29,011
Transportation	13,344	13,886	(542)	6,896
Occupancy	14,375	14,620	(245)	15,040
Meals	91,123	90,906	217	81,957
Capital outlay	7,135	7,135	-	5,425
Total nutrition	331,370	348,111	(16,741)	312,925
Center:				
Salaries and fringe benefits	53,355	57,981	(4,626)	58,196
Travel	6,118	6,214	(96)	2,185
Supplies	39,860	36,306	3,554	15,204
Occupancy	9,518	9,940	(422)	7,729
Total center	108,851	110,441	(1,590)	83,314

(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, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	2003		Variance- Favorable (Unfavorable)	2002
	Budget	Actual		Actual
Access - Mandated:				
Salaries and fringe benefits	50,786	43,589	7,197	41,196
Supplies	7,730	7,538	192	4,131
Transportation	4,445	4,700	(255)	3,817
Occupancy	8,728	8,723	5	7,300
Total access - mandated	71,689	64,550	7,139	56,444
Retired service volunteer program:				
Salaries and fringe benefits	22,693	24,492	(1,799)	21,644
Travel	1,200	1,106	94	4,107
Occupancy	600	318	282	280
Volunteer insurance	900	900	-	957
Supplies	13,639	13,193	446	8,455
Volunteer travel	5,225	5,234	(9)	4,965
Total retired service volunteer program	44,257	45,243	(986)	40,408
Total expenditures	556,167	568,345	(12,178)	493,091
Deficiency of revenues over expenditures	(60,048)	(96,955)	(36,907)	(14,964)
Other financing sources:				
Transfer from general fund	48,294	48,294	-	46,229
Total other financing sources	48,294	48,294	-	46,229
Excess (deficiency) of revenues and other financing sources over expenditures	(11,754)	(48,661)	(36,907)	31,265
Adjust to GAAP - encumbrances (net change)		1,199		(1,333)
Excess of revenues and other financing sources over expenditures (GAAP basis)		(47,462)		29,932
Fund balance - January 1		146,673		116,741
Fund balance - December 31	\$	99,211		146,673

CACHE COUNTY
RECREATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
Year Ended December 31, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	2003		Variance- Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Restaurant tax	\$ 639,109	649,708	10,599	630,164
Total tax	<u>639,109</u>	<u>649,708</u>	<u>10,599</u>	<u>630,164</u>
Miscellaneous	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>17,316</u>
Total revenues	<u>689,109</u>	<u>649,708</u>	<u>(39,401)</u>	<u>647,480</u>
Expenditures:				
Culture and recreation	<u>689,109</u>	<u>656,608</u>	<u>32,501</u>	<u>505,223</u>
Total expenditures	<u>689,109</u>	<u>656,608</u>	<u>32,501</u>	<u>505,223</u>
Excess (deficiency) of revenues over expenditures	-	(6,900)	(6,900)	142,257
Other financing uses:				
Transfer to component unit	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,853)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	<u>\$ -</u>	<u>(6,900)</u>	<u>(6,900)</u>	<u>49,404</u>
Adjust to GAAP - encumbrances (net change)		<u>119,640</u>		<u>(9,476)</u>
Excess of revenues over expenditures and other financing uses (GAAP) basis		112,740		39,928
Fund balance - January 1		<u>1,054,443</u>		<u>1,014,515</u>
Fund balance - December 31	\$	<u>1,167,183</u>		<u>1,054,443</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, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	<u>2003</u>		<u>Variance- Favorable (Unfavorable)</u>	<u>2002 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Intergovernmental:				
Federal and State	\$ 74,488	13,084	(61,404)	117,867
Local grants	32,500	8,000	(24,500)	-
Total intergovernmental	<u>106,988</u>	<u>21,084</u>	<u>(85,904)</u>	<u>117,867</u>
Charges for services:				
Entity user fee	67,586	99,885	32,299	67,894
Current services	6,332	5,181	(1,151)	7,091
Total charges for services	<u>73,918</u>	<u>105,066</u>	<u>31,148</u>	<u>74,985</u>
Total revenues	<u>180,906</u>	<u>126,150</u>	<u>(54,756)</u>	<u>192,852</u>
Expenditures:				
Salaries and benefits	121,836	118,846	2,990	116,964
Other expenses	118,759	48,021	70,738	111,740
Capital outlay	-	-	-	-
Total expenditures	<u>240,595</u>	<u>166,867</u>	<u>73,728</u>	<u>228,704</u>
Deficiency of revenues over expenditures	<u>(59,689)</u>	<u>(40,717)</u>	<u>18,972</u>	<u>(35,852)</u>
Other financing sources (uses):				
Transfer from general fund	67,586	67,586	-	63,723
Total other financing sources (uses)	<u>67,586</u>	<u>67,586</u>	<u>-</u>	<u>63,723</u>
Excess of revenues and other financing sources over expenditures	<u>\$ 7,897</u>	<u>26,869</u>	<u>18,972</u>	<u>27,871</u>
Adjust to GAAP - encumbrances (net change)		-		<u>(3,051)</u>
Excess of revenues and other financing sources over expenditures (GAAP basis)		26,869		24,820
Fund balance - January 1		<u>42,383</u>		<u>17,563</u>
Fund balance - December 31	\$	<u>69,252</u>		<u>42,383</u>

CACHE COUNTY
LIBRARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
Year Ended December 31, 2003
(With Comparative Totals for Year Ended Decmeber 31, 2002)

	2003		Variance- Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:				
Federal grants	\$ 6,012	-	(6,012)	-
Local grants	14,121	14,121	-	14,121
Total intergovernmental	20,133	14,121	(6,012)	14,121
Charges for services:				
Library fees	200	1,165	965	166
Total revenues	20,333	15,286	(5,047)	14,287
Expenditures:				
Salaries and benefits	14,928	13,939	989	12,522
Other expenses	28,522	28,015	507	8,738
Total expenditures	43,450	41,954	1,496	21,260
Deficiency of revenues over expenditures	(23,117)	(26,668)	(3,551)	(6,973)
Other financing sources:				
Transfer from general fund	17,100	17,100	-	3,600
Total other financing sources	17,100	17,100	-	3,600
Deficiency of revenues and other financing sources over expenditures	(6,017)	(9,568)	(3,551)	(3,373)
Adjust to GAAP - encumbrances (net change)		-		-
Deficiency of revenues and other financing sources over expenditures (GAAP basis)		(9,568)		(3,373)
Fund balance - January 1		27,379		30,752
Fund balance - December 31	\$	17,811		27,379

CACHE COUNTY
CHILDREN'S JUSTICE CENTER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2003
(With Comparative Totals for the Year Ended December 31, 2002)

	2003		Variance- Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:				
State grants	\$ 92,031	83,304	8,727	85,100
Total revenues	<u>92,031</u>	<u>83,304</u>	<u>8,727</u>	<u>85,100</u>
Expenditures:				
Salaries and benefits	52,239	54,839	(2,600)	64,082
Other center expenses	39,792	28,535	11,257	22,348
Total expenditures	<u>92,031</u>	<u>83,374</u>	<u>8,657</u>	<u>86,430</u>
Deficiency of revenues over expenditures	<u>-</u>	(70)	<u>(70)</u>	(1,330)
Fund balance - January 1		3,850		5,180
Fund balance - December 31	\$	<u>3,780</u>		<u>3,850</u>

CACHE COUNTY
ZOO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes:			
Sales tax	\$ 750,000	781,432	(31,432)
Total revenues	<u>750,000</u>	<u>781,432</u>	<u>(31,432)</u>
Expenditures:			
Miscellaneous	750,000	-	750,000
Total expenditures	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Excess of revenues over expenditures	<u>-</u>	781,432	<u>781,432</u>
Fund balance - January 1		<u>-</u>	
Fund balance - December 31	\$	<u>781,432</u>	

CACHE COUNTY
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BASIS)
Year Ended December 31, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	2003		Variance- Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Miscellaneous:				
Interest	\$ 1,000	1,582	582	2,050
Total revenues	<u>1,000</u>	<u>1,582</u>	<u>582</u>	<u>2,050</u>
Expenditures:				
Principal	636,061	636,079	(18)	322,474
Interest and fiscal charges	669,798	771,430	(101,632)	391,194
Total expenditures	<u>1,305,859</u>	<u>1,407,509</u>	<u>(101,650)</u>	<u>713,668</u>
Deficiency of revenues over expenditures	<u>(1,304,859)</u>	<u>(1,405,927)</u>	<u>(101,068)</u>	<u>(711,618)</u>
Other financing sources:				
Transfer from capital projects	-	178,259	178,259	-
Transfer from general fund	1,304,859	1,304,859	-	586,630
Total other financing sources	<u>1,304,859</u>	<u>1,483,118</u>	<u>178,259</u>	<u>586,630</u>
Excess (deficiency) of revenues and other financing sources over expenditures	\$ <u>-</u>	<u>77,191</u>	<u>77,191</u>	<u>(124,988)</u>
Adjust to GAAP - encumbrances (net change)		<u>-</u>		<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures (GAAP basis)		77,191		(124,988)
Fund balance - January 1		<u>35,125</u>		<u>160,113</u>
Fund balance - December 31	\$	<u><u>112,316</u></u>		<u><u>35,125</u></u>

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CACHE COUNTY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
December 31, 2003

<u>Assets</u>	<u>Fee Trust Fund</u>	<u>Health Department 125 plan</u>	<u>Treasurer's Tax Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ -	6,399	13,764,924	13,771,323
Equity in investment pool	125,177	-	-	125,177
Accounts receivable	33,812	-	-	33,812
Taxes receivable	-	-	1,221,512	1,221,512
 Total assets	 \$ <u>158,989</u>	 <u>6,399</u>	 <u>14,986,436</u>	 <u>15,151,824</u>
 <u>Liabilities</u>				
Liabilities:				
Due to other taxing units	\$ -	-	14,549,823	14,549,823
Due to employees	-	6,399	-	6,399
Over-collections payable	-	-	436,613	436,613
Other collections payable	158,989	-	-	158,989
 Total liabilities	 <u>158,989</u>	 <u>6,399</u>	 <u>14,986,436</u>	 <u>15,151,824</u>

CACHE COUNTY
TREASURERS TAX FUND
SCHEDULE OF TAXES CHARGED, COLLECTED AND DISBURSED - CURRENT AND PRIOR
Year Ended December 31, 2003

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	0.000175	0.000175	470,178
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:											
Annals	17,695,160	923,485	-	18,618,645	4,663,764	-	4,663,764	23,282,409	0.000511	0.000514	9,514
Charleston	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	0.002092	15,494
Cornish Judgement Levy	6,064,325	1,468,011	-	7,532,336	99,666	-	99,666	7,632,002	-	0.000441	-
Hyrum	135,159,060	4,363,802	-	139,522,862	7,028,479	-	7,028,479	146,551,341	0.001143	0.000747	159,475
Lewiston	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	1,114,896,979	190,507,769	29,174,838	161,332,931	1,276,229,910	0.001856	0.001709	2,069,249
Millville	40,246,435	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
Paradise	19,922,960	759,830	-	20,682,790	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
Smithfield	189,800,370	7,048,255	10,427,741	186,420,884	10,899,672	5,120,626	5,779,046	192,199,930	0.002012	0.002041	375,079
Trenton	11,013,980	2,503,206	-	13,517,086	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	0.001584	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	-
Wellsville-Mendon	-	-	-	-	-	-	-	-	15.250000	13.250000	-
Noxious weeds	-	-	-	-	-	-	-	-	1.000000	1.000000	-
Logan City garbage	-	-	-	-	-	-	-	-	1.000000	1.000000	-
Mesquite Abatement	28,637,720	1,727,900	-	30,365,620	-	-	-	30,365,620	0.000272	0.000270	8,259
Beason Culinary Water	14,086,680	1,542,984	-	15,629,664	-	-	-	15,629,664	-	-	-
Total irrigation, drainage & misc. districts	\$ 43,322,045	3,488,797	-	46,810,842	2,033,945	-	2,033,945	48,844,787	-	-	\$ 8,789

Continued

County Funds:	Personal Property Taxes Charged		Total Taxes Charged		Treasurer's Relief				Net Tax Collected	Percent Collected	Other Collections		
	Property Taxes Charged	Personal Property Taxes Charged	Unpaid Taxes	Abatements	Other	Total Relief	Fee in Lien	Miscell. Collect.			Delinquencies Tax	Int/Pen.	
General	338,223	3,746,334	116,320	21,397	4,294	142,011	3,604,323	697,022	96.21%	59,304	117,532	61,607	
Health	46,716	516,894	16,048	2,952	592	19,592	497,302	96,273	96.21%	4,882	15,052	677	
Assessing & collecting - State	41,110	448,779	13,913	2,559	514	16,986	431,795	84,621	96.22%	4,231	11,883	503	
Total Cache County	476,769	5,243,776	162,699	29,928	6,006	198,633	5,045,143	982,476	96.21%	73,521	161,928	63,601	
Cities & Towns													
Amalgam	2,397	11,911	311	-	26	337	11,574	1,541	97.17%	109	363	13	
Clarkston	7	11,935	147	253	12	412	11,523	4,728	96.55%	20	554	35	
Cornish	203	15,697	343	31	10	384	15,313	1,840	97.55%	243	2,928	133	
Cornish Judgement Levy	44	44	-	-	-	-	44	-	100.00%	-	-	-	
Hynam	5,250	164,725	7,346	926	99	8,371	156,354	40,406	94.92%	1,005	4,421	191	
Lewiston	16,426	134,087	3,899	1,020	40	4,959	129,128	22,650	96.30%	820	4,053	123	
Logan	275,718	2,344,967	63,457	13,033	5,186	81,676	2,263,291	358,557	96.52%	7,301	40,845	1,862	
Millville	925	37,744	446	264	6	716	37,028	10,010	98.10%	614	592	23	
Newton	27	12,488	584	98	2	684	11,804	4,727	94.52%	101	210	7	
Nibley	5,404	114,242	2,999	620	16	3,635	110,607	24,773	96.82%	3,854	2,243	75	
Paradise	231	19,900	547	153	3	703	19,197	9,143	96.47%	507	938	31	
Providence	2,084	205,437	4,637	1,527	160	6,324	199,113	44,952	96.92%	959	4,105	213	
Richmond	3,149	70,724	1,926	1,049	24	2,999	67,725	23,644	95.76%	774	2,948	110	
Smithfield	11,795	386,874	14,477	3,688	49	18,214	368,660	100,877	95.29%	2,865	13,231	512	
Trenton	3,133	13,230	246	79	5	330	12,900	2,359	97.51%	148	1,380	63	
Wellsville	2,837	112,850	13,046	899	17	13,962	98,888	41,226	87.63%	3,039	5,234	188	
Total cities & towns	374,858	4,402,150	137,258	26,174	5,706	169,138	4,233,012	810,978	96.16%	32,336	97,482	3,946	
Irrigation, 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%	-	99.28%	-	25	-	
Wellsville-Mendon	-	118,934	1,935	-	-	1,935	116,999	-	98.37%	-	3,568	-	
Noxious weeds	-	1,052	15	-	15	1,037	98.57%	-	98.57%	-	-	-	
Logan City garbage	-	22,815	13,670	-	-	13,670	9,145	-	40.08%	-	4,725	-	
Mosquito Abatement	-	8,259	336	121	9	466	7,793	88	94.36%	214	134	5	
Beuson Culinary Water	-	-	-	-	-	-	-	-	-	-	-	-	
Total irrigation, drainage & misc. districts	\$ 1,275	159,758	16,317	121	9	16,447	143,311	88	89.71%	220	8,803	5	

Continued

**CACHE COUNTY
TREASURER'S TAX FUND
SCHEDULE OF TAXES CHARGED, COLLECTED AND DISBURSED - CURRENT AND PRIOR
Year Ended December 31, 2003**

	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
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	0.000374	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
Newton	22,650,485	4,830,400	-	27,480,885	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:											
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	0.004819	0.004667	7,724,350
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	0.001807	0.001785	2,896,431
Total Cache Co. School Dist.	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
Logan City School District:											
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	0.005093	0.004995	5,678,170
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	0.000020	0.000020	-
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	0.001807	0.001785	2,014,619
Total Logan City 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	0.006900	0.006800	7,692,789
Total School Districts	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	0.001709	98,157
Cache County	-	-	63,313,822	63,313,822	-	34,295,464	34,295,464	97,609,286	0.001754	0.001786	111,052
Cache County Schools	-	-	10,427,741	10,427,741	-	5,120,626	5,120,626	15,548,367	0.006900	0.006800	69,094
Smithfield City	-	-	10,427,741	10,427,741	-	5,120,626	5,120,626	15,548,367	0.006626	0.006452	20,981
Total Redevelopment district	-	-	189,941,466	189,941,466	-	102,886,392	102,886,392	292,827,858			\$ 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 Northwest Redevelopment District received \$137,203 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 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			Other Collections				
			Unpaid Taxes	Abatements	Other	Total Relief	Net Tax Collected	Percent Collected	Fee in Lien	Miscell. Collect.	Tax	Delinquencies In/Per.
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
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:												
Cache Co. Schools	492,905	8,217,255	282,243	48,387	3,036	333,667	7,883,588	95.94%	1,589,158	130,023	284,785	12,449
Cache Co. Statewide Levy	188,523	3,084,954	105,884	18,144	1,138	125,116	2,959,838	95.94%	608,097	42,684	108,772	4,803
Total Cache Co. School Dist.	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
Logan City School District:												
Logan City Schools	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 Statewide Levy	287,979	2,302,598	61,782	12,689	5,049	79,520	2,223,078	96.55%	374,184	7,504	45,805	2,228
Total Logan City School Dist.	1,097,064	8,789,853	235,912	48,452	19,279	303,643	8,486,210	96.55%	1,425,540	36,280	172,213	8,254
Total School Districts	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
Redevelopment District: (1)												
Logan City	49,860	148,017	-	-	-	-	148,017	100.00%	-	-	-	-
Cache County	61,252	172,304	-	-	-	-	172,304	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	1,149,851	29,848,661	96.29%	\$ 5,430,238	316,065	837,415	93,186	

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Component Units

CACHE COUNTY
AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE BUDGET AND ACTUAL (NON-GAAP BASIS)
Year Ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 472,180	442,422	(29,758)
Charges for services	<u>68,240</u>	<u>73,104</u>	<u>4,864</u>
Total revenues	<u>540,420</u>	<u>515,526</u>	<u>(24,894)</u>
Expenditures:			
Capital outlay	544,395	220,084	324,311
General	<u>138,497</u>	<u>94,298</u>	<u>44,199</u>
Total expenditures	<u>682,892</u>	<u>314,382</u>	<u>368,510</u>
Excess (deficiency) of revenues and other sources over expenditures	\$ <u>(142,472)</u>	201,144	<u>(393,404)</u>
Adjustments to GAAP basis:			
Net change in encumbrances		<u>(70,961)</u>	
Excess of revenues and other sources over expenditures - modified accrual basis	\$	<u>130,183</u>	

CACHE COUNTY
NORTH PARK INTERLOCAL COOPERATIVE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE BUDGET AND ACTUAL (NON-GAAP BASIS)
Year Ended December 31, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 157,029	165,777	8,748
Intergovernmental	92,853	92,853	-
Interest	2,000	1,384	(616)
	<u>251,882</u>	<u>260,014</u>	<u>8,132</u>
Total revenues			
Expenditures:			
Capital outlay	5,759	-	5,759
Debt service:			-
Principal	146,000	146,000	
Interest	96,123	96,188	(65)
Miscellaneous	4,000	884	3,116
	<u>251,882</u>	<u>243,072</u>	<u>8,810</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	<u>16,942</u>	<u>16,942</u>

CACHE COUNTY
BEAR RIVER HEALTH DEPARTMENT
GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET ASSETS
December 31, 2003

	<u>General</u>	<u>Adjustments</u>	<u>Statement of</u>
	<u>Fund</u>	<u>Adjustments</u>	<u>Net Assets</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 2,063,307	-	2,063,307
Accounts receivable	972,198	-	972,198
Inventory	114,000	-	114,000
Fixed assets, net	-	3,107,410	3,107,410
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 3,149,505</u>	<u>3,107,410</u>	<u>6,256,915</u>
<u>Liabilities</u>			
Accounts payable	\$ 57,858	-	57,858
Vacation payable	49,061	266,243	315,304
Deferred revenue	152,743	(152,743)	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>259,662</u>	<u>113,500</u>	<u>373,162</u>
<u>Fund Balances/Net Assets</u>			
Fund balance:			
Reserved for inventory	114,000	(114,000)	-
Unreserved:			
Designated for contingencies	494,598	(494,598)	-
Desingated for capital expenditures	277,000	(277,000)	-
Undesignated	2,004,245	(2,004,245)	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>2,889,843</u>	<u>(2,889,843)</u>	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 3,149,505</u>	-	-
<u>Net assets:</u>			
Invested in capital assets, net of related debt		3,107,410	3,107,410
Unrestricted		(113,500)	2,776,343
		<u> </u>	<u> </u>
Total net balances	<u>\$</u>	<u>2,993,910</u>	<u>5,883,753</u>

CACHE COUNTY
BEAR RIVER HEALTH DEPARTMENT
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
Year Ended December 31, 2003

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Intergovernmental:			
Federal and state	\$ 3,787,132	-	3,787,132
Box Elder County	357,849	-	357,849
Cache County	647,878	-	647,878
Rich County	40,000	-	40,000
Total intergovernmental	4,832,859	-	4,832,859
Charges for services	1,654,584	152,743	1,807,327
Miscellaneous	13,688	-	13,688
Total revenues	<u>6,501,131</u>	<u>152,743</u>	<u>6,653,874</u>
Expenditures:			
Salaries	2,997,294	-	2,997,294
Fringe benefits	1,274,726	20,938	1,295,664
Travel	23,287	-	23,287
Training	9,802	-	9,802
Contract expense	998,505	-	998,505
Office expense	175,088	-	175,088
Fiscal operations	12,200	-	12,200
Insurance	8,979	-	8,979
Utilities and building maintenance	202,264	-	202,264
Rent	38,871	-	38,871
Depreciation	-	201,086	201,086
Capital outlay	180,554	(180,554)	-
Total expenditures	<u>5,921,570</u>	<u>41,470</u>	<u>5,963,040</u>
Excess of revenues over expenditures	579,561	(579,561)	-
Change in net assets	-	690,834	690,834
Fund balances/net assets:			
Beginning of the year	<u>2,310,282</u>	<u>2,882,637</u>	<u>5,192,919</u>
End of the year	<u>\$ 2,889,843</u>	<u>2,993,910</u>	<u>5,883,753</u>

CACHE COUNTY
BEAR RIVER HEALTH DEPARTMENT
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
BUDGET AND ACTUAL
Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)
Revenues:				
Intergovernmental:				
Federal and state	\$ 3,796,283	3,870,965	3,642,132	(228,833)
Box Elder County	357,849	357,849	357,849	-
Cache County	647,878	647,878	647,878	-
Rich County	40,000	40,000	40,000	-
Total intergovernmental	4,842,010	4,916,692	4,687,859	(228,833)
Charges for services	1,237,050	1,400,540	1,654,584	254,044
Miscellaneous	9,000	15,000	13,688	(1,312)
Total revenues	6,088,060	6,332,232	6,356,131	23,899
Expenditures:				
Salaries	3,145,964	3,230,552	2,997,294	233,258
Fringe benefits	1,322,624	1,356,831	1,274,726	82,105
Travel	70,000	72,000	23,287	48,713
Training	33,500	33,500	9,802	23,698
Contract expense	793,000	921,000	908,505	12,495
Office expense	192,021	205,025	175,088	29,937
Fiscal operations	9,140	12,100	12,200	(100)
Insurance	36,908	36,908	8,979	27,929
Utilities and building maintenance	219,001	219,001	202,264	16,737
Rent	40,000	43,000	38,871	4,129
Capital outlay	225,902	225,902	180,554	45,348
Total expenditures	6,088,060	6,355,819	5,831,570	524,249
Excess of revenues over expenditures	\$ -	(23,587)	524,561	548,148
Adjust to GAAP - federal commodities			55,000	
Excess of revenues over expenditures- GAAP basis			579,561	
Fund balance - beginning of year			2,310,282	
Fund balance - end of year	\$		2,889,843	

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CACHE COUNTY
COMBINING STATEMENT OF NET ASSETS
NONMAJOR COMPONENT UNITS
December 31, 2003

<u>Assets</u>	<u>Drainage District No. 3</u>	<u>Drainage District No. 4</u>	<u>Drainage District No. 5</u>	<u>Drainage District No. 6</u>	<u>Roads Special Service District</u>	<u>Total</u>
Cash	\$ 3,181	502	940	966	64,975	70,564
Equity in investment pool	-	-	-	-	10,900	10,900
Taxes receivable	<u>1,148</u>	<u>2,761</u>	<u>3,280</u>	<u>230</u>	-	<u>7,419</u>
Total assets	\$ <u>4,329</u>	<u>3,263</u>	<u>4,220</u>	<u>1,196</u>	<u>75,875</u>	<u>88,883</u>
 <u>Liabilities</u>						
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>Net assets</u>						
Unrestricted	<u>4,329</u>	<u>3,263</u>	<u>4,220</u>	<u>1,196</u>	<u>75,875</u>	<u>88,883</u>
Total net assets	\$ <u>4,329</u>	<u>3,263</u>	<u>4,220</u>	<u>1,196</u>	<u>75,875</u>	<u>88,883</u>

CACHE COUNTY
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
Year Ended December 31, 2003

	Drainage District No. 3	Drainage District No. 4	Drainage District No. 5	Drainage District No. 6	Roads Special Service District	Total
Expenses	\$ 1,176	2,913	-	540	4,802	9,431
Program revenues:						
Charges for services	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	14,912	14,912
Capital grants and contributions	-	-	-	-	-	-
Total revenues	-	-	-	-	14,912	14,912
Net (expenses) revenues	(1,176)	(2,913)	-	(540)	10,110	5,481
General revenues						
Taxes	1,709	2,771	1,188	513	-	6,181
Interest	-	-	-	-	1,023	1,023
Total general revenues	1,709	2,771	1,188	513	1,023	7,204
Change in net assets	533	(142)	1,188	(27)	11,133	12,685
Net assets - beginning (as restated)	3,796	3,405	3,032	1,223	64,742	76,198
Net assets - ending	\$ 4,329	3,263	4,220	1,196	75,875	88,883

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CACHE COUNTY
SINGLE AUDIT REPORTS

December 31, 2003

CACHE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2003

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 03-04	\$ 12,540
Passed through State Dept of Health:			
Special Supplemental Food Program for Women, Infants and Children:			
Food Vouchers	10.557	99-2272(23)	1,543,065
	10.557	03-0338	550,951
Administrative Costs	10.557	99-2272(23)	138,043
	10.557	03-0338	526,241
Summer Food Program for Children	10.559	03-0015	400
Total DOA			<u>2,771,240</u>
<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	02-0311	142,500
Habitat for Humanity	14.228	03-2044	59,014
Bridgerland Literacy	14.228	03-2106	12,937
Sunshine Terrace	14.228	04-0991	69,021
Total HUD			<u>283,472</u>
<u>U.S. Department of Justice (DOJ)</u>			
Passed through the Utah Department of Public Safety:			
State Criminal Alien Assistance Program	16.606	2003-AP-BX-0755	28,398
Emerging Techonology Implementation	16.579	1D25	1,485
	16.579	2D25	22,775
Passed through the Utah Office of Crime Victims Reparations:			
Violence Against Women Grant (S.T.O.P.)	16.588	02-VAWA-01	29,226
Victim Assistance Services Grant	16.588	03-VOCA-02	66,422
Victim Assistance Services Grant	16.588	02-VOCA-04	83,667
Total DOJ			<u>231,973</u>

CACHE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2003

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Disbursements/ Expenditures
<u>U.S. Department of Transportation (DOT)</u>			
Direct Programs:			
Airport Improvement Aid #12	20.106	DOT-SA01NM-1014	18,566
Airport Improvement Aid #13	20.106	DOA10221 #03-9061	152,686
Passed Through Utah Highway Safety Office:			
BC Occupant Protection	20.600	CP03-02-15	5,457
	20.600	CP04-02-15	2,896
Occupant Protection	20.602	405-03-01-01	7,744
Total DOT			<u>187,349</u>
<u>National Foundation on the Arts and the Humanities (NFAH)</u>			
Direct Programs:			
Library Services & Technology Act	45.310	03-1971	3,404
Total NFAH			<u>3,404</u>
<u>U.S. Department of Environmental Protection Agency (EPA)</u>			
Passed through State Department of Environmental Quality:			
LHD Environmental Services	66.605	040146	12,500
DEQ Environmental Services 2003	66.468	03-0751	17,680
DEQ Environmental Services 2004	66.468	040146	11,180
Total EPA			<u>41,360</u>
<u>Federal Emergency Management Agency (FEMA)</u>			
Passed through State Department of Emergency Management:			
Emergency Management Assist Allocation	83.534	EMD-97-PA-2229	23,550
Total FEMA			<u>23,550</u>

CACHE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2003

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Disbursements/ Expenditures
<u>U.S. Department of Education (DOE)</u>			
Passed through St. Dept. of Health:			
Substance Abuse - Drug Free Schools	84.186B	03-0323	1,585
Substance Abuse - Drug Free Schools	84.186A	02-3003	29,641
Total DOE			31,226
<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 02-03	12,784
	93.044	FY 03-04	47,904
Special Programs for Aging, Title III, Part C	93.045	FY 02-03	48,674
	93.045	FY 03-04	121,767
TB Elimination	93.116	I	4,000
SICA	93.230	02-0930	109,316
Abstinence Education	93.235	39	25,156
	93.235	C4-1	21,518
AIDS/HIV	93.235	III	3,285
	93.235	C5-III	2,065
Immunization Vaccines-Syrum	93.268	99-2272(9)	150,000
Immunization	93.268	C4-VII	27,575
	93.268	2	29,075
Bioterrorism-Han Grant	93.283	02-2852	205,085
	93.283	04-1373	123,941
Tobacco Control - CORE Capacity Bldg	93.283	V	37,165
	93.283	C3-V	17,196
Title XX Discretionary Fund	93.667	FY 02-03	2,506
	93.667	FY 03-04	4,997

CACHE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2003

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Disbursements/ Expenditures
Case Management	93.778	2	56,336
Case Management	93.778	CI-I	44,865
Medicaid/Title XIX	93.778	30751	19,751
Medicaid/Title XIX	93.778	CI-I	16,903
Early Childhood Dev (Medicaid HV) 2003	93.778	01-1860	84,471
Early Childhood Dev (Medicaid HV) 2004	93.778	01-1860	75,400
Health Care Finance Admin	93.779	FY 02-03	1,150
Health Insurance Counseling	93.779	FY 03-04	1,301
Cancer Control	93.919	1	10,466
	93.919	C3-I	11,619
Cardiovascular 2003	93.945	II	960
General Federal Block MHF	93.958	02-3004	130,125
Federal Block Children MHX	93.958	02-3004	35,750
Substance Abuse - Workforce Services 2003	93.558	03-0773	22,606
Substance Abuse - SAPT Block Grant	93.959	03-0323	195,642
Substance Abuse - SAPT Block Grant	93.959	02-3003	708,922
STD Control Program	93.977	II	964
Diabetes	93.988	VI	2,609
	93.988	C3-VI	4,263
Injury Prevention 2003	93.991	C3-III	6,647
Injury Prevention 2004	93.991	C3-III	12,748
Preventative Block Grant	93.991	II	1,709
	93.991	C3-II	9,572
Home Visitation	93.994	2	11,367
Home Visitation	93.994	C4-1	10,493
MCH Community Injury	93.994	III	10,536
MCH Community Injury	93.994	C3-III	18,128
Maternal & Child Health	93.994	03-0328	23,550
	93.994	C4-I	70,649
Total HHS			<u>2,593,511</u>

CACHE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2003

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Disbursements/ Expenditures
<u>Corporation for National and Community Service (CNCS)</u>			
Direct Programs:			
Retired Service Volunteer Program	94.002	440PO52-21	59,272
Total CNCS			59,272
<u>Department of Homeland Security</u>			
Direct Programs:			
2002 Homeland Security	97.004	FY 2002	16,550
2003 Homeland Security	97.004	FY 2003	129,090
Total Department of Homeland Security			145,640
<u>Other Federal Assistance</u>			
Direct Programs:			
U.S. Department of the Interior:			
Federal Forest Reserve	10.665	N/A	179,649
Total Other			179,649
Total Federal Assistance			\$ 6,551,646

CACHE COUNTY
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2003

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 that 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, 2003

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	\$ 283,472

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

To the Cache County Council
Logan, UT

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cache County, Utah, as of and for the year ended December 31, 2003, and have issued our report thereon dated August 31, 2004. 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

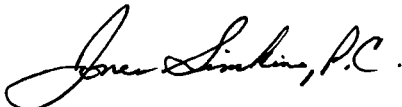
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the 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 August 31, 2004.

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 opinions on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 03-01 and 03-02.

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 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. 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 reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to the County Council in a separate letter dated August 31, 2004.

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, P.C.
August 31, 2004



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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, 2003. 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, 2003.

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.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely affect the County's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as finding 03-01.

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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

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, P.C.
August 31, 2004

CACHE COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2003

A. Summary of Audit Results:

1.	Type of Report issued	Unqualified
2.	Reportable Conditions in Internal Control	Two, no material weaknesses
3.	Material Non-compliance discovered	None
4.	Reportable Conditions in Internal Control Over Major Programs	One, no material weaknesses
5.	Compliance Report Issued	Unqualified
6.	Reportable findings under A-133	None
7.	Federal programs tested as major programs	10.557 93.283
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.

03-01 Controls over Financial Data

Condition: The internal controls and procedures related to the accumulating, processing and summarizing of financial data did not function as designed.

Criteria: Internal controls and procedures related to the accumulating, processing and summarizing of financial data should ensure that financial data is accurate and presented in a timely manner.

Effect: Certain accounting and office functions performed by the Auditor's Office are being done on a "crisis" basis. As a result, financial statement balances and the schedule of expenditures of federal awards provided by the County required significant adjustments. In addition, certain financial information was still being accumulated while we performed our audit procedures.

CACHE COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2003

03-01 Controls over Financial Data (continued)

Cause: The current allocation of resources within or to the County Auditor's Office is insufficient to ensure that internal controls and procedures related to the accumulating, processing, and summarizing of financial data are performed properly or in a timely manner.

Auditors' Recommendation: The County should analyze the allocation of resources within and to the County Auditor's Office and ensure that appropriate resources are allocated to the performance of internal controls and procedures related to the accumulating, processing and summarizing of financial data.

03-02 Accounts Receivable Excluded from General Ledger

Condition: During the audit, we noted that accounts receivable related to services provided were not recorded in the general ledger.

Criteria: Internal controls should ensure that financial data is properly accumulated, analyzed and presented in the general ledger.

Effect: Certain accounts receivable transactions, and the related revenue, deferred revenue, and allowance for doubtful accounts, were excluded from the general ledger.

Cause: Management was aware that certain transactions were not being recorded in the general ledger. These transactions had been immaterial in prior years but increased significantly during the year subject to audit.

Auditors' Recommendation: The Bear River Health Department should improve controls to ensure that all financial data and transactions are properly recorded in the general ledger.

C. Findings and Questioned Costs for Federal Awards

See finding 03-01 as it relates to the schedule of expenditures of federal awards.

CACHE COUNTY
Summary Schedule of Prior Year Audit Findings
(Client Submitted Document)
Year Ended December 31, 2003

There were no findings in the prior year.

CACHE COUNTY
Corrective Action Plan
(Client Submitted Document)
Year Ended December 31, 2003

Finding 03-01

Contact Person: Tamra Stones, County Auditor, Cache County, Utah

Auditors' Recommendation: The County should analyze the allocation of resources within and to the County Auditor's Office and ensure that appropriate resources are allocated to the performance of internal controls and procedures related to the accumulating, processing and summarizing of financial data.

Corrective Action Plan: The Council is currently considering the following four options as a means to address the reportable condition:

- 1) Increasing support staff in the auditor's office to allow a clerk to perform general office duties to free the technically trained staff to handle increasing amounts of financial data.
- 2) A purchasing agent would be an asset to the county to consolidate purchases and provide cost savings by concentrating the purchases at a single level and freeing department personnel from these tasks;
- 3) A financial manager to assist with accumulating, processing and analyzing the financial data, with expanded duties in regard to the county jail and perhaps increasing the revenue stream for the operations of that facility;
- 4) A grants manager position to understand and track all grants and to perhaps write additional worthwhile grants to assist the county in providing necessary core services to the citizens.

A decision will be made and funds for the appropriate option will be included in the 2005 budget plan, which will be adopted before the end of December 2004.

Finding 03-02

Contact Person: Linda Brown, Fiscal Manager, Bear River Health Department

Auditors' Recommendation: The Bear River Health Department should improve controls to ensure that all financial data and transactions are properly recorded in the general ledger.

Corrective Action Plan: Beginning September 7, 2004, the Division of Substance Abuse will bill clients per session as services are provided as opposed to billing for the complete program when they begin. This will bring the accounts receivable in line with the services that are actually provided. Linda Brown, Fiscal Manager, will monitor this implementation. She will also take the accounts receivable monthly from CDP and do a journal entry into the accounting system to ensure that the accounts receivable is reported in the Bear River Health Department financials.

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CACHE COUNTY
STATE COMPLIANCE REPORT

December 31, 2003



Certified Public Accountants

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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 accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Cache County, Utah as of and for the year ended December 31, 2003 and have issued our report thereon dated August 31, 2004. 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, 2003. 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 General Funds for Substance Abuse (Department of Health)
Jail Fees Condition of Probation - HB162 (Department of Corrections)

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)
- State Nutrition and Services (Department of Human Services)
- State Home Delivered Meals (Department of Human Services)
- Indoor Clean Air (Department of Health)
- Healthy Utah (Department of Health)
- State Transportation (Department of Transportation)
- Airport Grant (Department of Transportation)
- Children's Justice Center (Attorney General)
- 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)
- Mapping/Digitizing (Automated Geographic Reference Center)
- Cloud Seeding (Department of Agriculture)
- Quality Growth (Department of Community and Economic Development)

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, 2003.



JONES SIMKINS, P.C.
August 31, 2004

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.

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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, 2003.



JONES SIMKINS, P.C.
August 31, 2004

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.

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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, 2003.



JONES SIMKINS, P.C.
August 31, 2004