

CACHE COUNTY  
FINANCIAL STATEMENTS

December 31, 2004

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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, 2004, 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 did not audit the financial statements of Bridgerland Community Ice Arena (a component unit of North Park Interlocal Cooperative), which represent 7 percent, 5 percent, and 10 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Bridgerland Community Ice Arena, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cache County, Utah, as of December 31, 2004, 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 17, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

As described in Note 2, the County implemented the provisions of GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, as of December 31, 2004.

The management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 51 through 53, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods and measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*," and is also not a required part of the basic financial statements. The supplementary information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole..



JONES SIMKINS, P.C.  
August 17, 2005

CACHE COUNTY  
MANAGEMENT DISCUSSION AND ANALYSIS  
Year Ended December 31, 2004

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## INTRODUCTION

The following narrative is presented to facilitate a better understanding of Cache County's financial position and results of operations for the year ended December 31, 2004. Readers are encouraged to consider information presented here in context with the financial statements and the notes to the financial statements for a full understanding of the financial condition of the County.

## FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at year-end by \$29,677,329. 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 \$3,231,822 at year-end.
- Net assets increased by \$1,192,491 over the previous year. Major items contributing to this were increased revenues from property tax and sales tax. In addition, the first full year of operation of the new County Jail showed incremental revenues exceeded the incremental expenses.
- As of the end of the year, Cache County's combined fund balances amounted to \$13,055,089, a decrease of \$620,471 from the prior year. About 55% of that total, or \$7,135,787, is available for appropriation and spending.
- The General Fund is the primary operating fund of the County. The unreserved and undesignated fund balance of the general fund at December 31, 2004 was \$3,004,564. This amount is approximately 20.3% of the total expenditures of the General Fund. Actual 2004 expenditures for the General Fund were \$1,129,204 below the adopted budget.
- Total debt of the County as of December 31, 2004, was \$17,012,720 of which \$1,270,316 is due within one year. This amount represents a decrease of \$683,909 over the previous year. The County did not incur new debt, therefore the reduction is entirely due to debt payments made during the year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to be an introduction to the basic financial statements of the County. The basic financial statements include three sections: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information to give additional insight to the financial condition of the County.

**Government-wide financial statements.** The *government-wide financial statements* provide a view of the County finances as a whole, similar to private-sector business reporting. These statements consist of the *statement of net assets* and the *statement of activities*.

The *statement of net assets* reports all assets and liabilities of the County and the difference between the two (*net assets*). The change in net assets over time may serve as a beneficial tool in determining whether the financial position of the County is improving or deteriorating.

The *statement of activities* reports the events showing how the net assets of the County changed during the period. Changes in net assets are reported according to the timing of transactions, *not according to the timing of related cash flows*. Consequently, some revenues and expenses included in the report will not result in cash flows until future periods. Uncollected taxes, goods received but not paid for, and earned vacation that has not been used are a few examples.



CACHE COUNTY  
MANAGEMENT DISCUSSION AND ANALYSIS  
Year Ended December 31, 2004

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The report format of the government-wide statements distinguish functions of the government that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). Notably, the County does not have any business-type activities. Therefore, the County only reports governmental activities. These activities include general government, public safety, highways and streets, health, and culture and recreation.

The government-wide financial statements include not only Cache County itself (known as the *primary government*), but legally separate entities. These *component units* include Logan-Cache Airport Authority, North Park Interlocal Cooperative, Bridgerland Community Ice Arena, Bear River Health District, and Roads Special Service District, 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.** 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. The County uses fund accounting, as do other state and local governments, to ensure and demonstrate compliance with finance-related legal requirements. There are three broad classifications of fund types: governmental funds, proprietary funds, and fiduciary funds. All of the funds of the County can be classified either as a governmental fund or a fiduciary fund.

**Governmental funds.** *Governmental funds* include essentially the same functions and services as delineated above under governmental activities shown in the government-wide statements. However, governmental fund financial statements differ from the government-wide statements by focusing on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at year-end. Such information may be useful in evaluating a government's near-term financing requirements.

Governmental fund financial statements have a narrower focus than the government-wide statements and it is therefore useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. Readers may then gain a better understanding of the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

Cache County maintains 14 individual governmental funds, four of which are considered *major funds*. These funds include the general fund and the municipal services, mental health, and capital projects funds. Information for the major funds is presented separately. Data for the other ten *nonmajor funds* are presented in the aggregate. Individual fund data for each of these nonmajor governmental funds is presented in the form of *combining statements* in the supplementary information section of the report.

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 other major 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.** 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 programs of the County.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**CACHE COUNTY  
MANAGEMENT DISCUSSION AND ANALYSIS  
Year Ended December 31, 2004**

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a beneficial tool in determining whether the financial position of the County is improving or deteriorating. In the case of Cache County, assets exceeded liabilities by \$29,677,329 as of December 31, 2004, an improvement of \$1,192,491 over the prior year, and contributing to an average increase of 5.8% over the past two years.

The majority of the net assets of the County (56.5%) reflect its investment in capital assets (e.g. land, buildings & improvements, machinery and equipment, infrastructure, and construction in process) less any related debt used to acquire the assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

**CACHE COUNTY'S Net Assets**

	Governmental activities	
	2004	2003
Assets:		
Current and other assets	\$ 15,542,927	\$ 16,339,821
Capital assets	33,190,755	32,173,906
<b>Total assets</b>	<b>48,733,682</b>	<b>48,513,727</b>
Liabilities:		
Long-term liabilities outstanding	17,012,720	17,696,629
Other liabilities	2,043,633	2,332,260
<b>Total liabilities</b>	<b>19,056,353</b>	<b>20,028,889</b>
Net assets:		
Invested in capital assets, net of related debt	16,767,645	14,965,598
Restricted	9,677,862	5,102,166
Unrestricted	3,231,822	8,417,074
<b>Total net assets</b>	<b>\$ 29,677,329</b>	<b>\$ 28,484,838</b>

An additional \$9,677,862 (32.6%) of the net assets of the County represents restricted net assets. These assets are restricted because of various contracts and agreements with outside entities which dictate how these resources may be used. The remaining balance of \$3,231,822 of *unrestricted net assets* may be used to meet the general, on-going financial obligations of the County.

The large decline in unrestricted net assets from \$8,417,074 in 2003 to \$3,231,822 in 2004 is primarily due to a change in classification. A similar sized increase can be seen in restricted net assets. In 2003 the undesignated portion of fund balance in all the County's funds were reported as unrestricted net assets in the government-wide statement of net assets. In the 2004 report all special revenue fund balances, as well as the balances from the capital project fund and the debt service fund, are reported as restricted net assets. If the same guidelines had been applied in 2003 as in 2004, the 2003 unrestricted net assets would have totaled \$2,438,568 with the difference included in restricted net assets. While applicable guidelines of governmental accounting standards were adhered to in both reports, it is felt that the application of those guidelines in 2004 represents the nature of the County's assets more fairly.

**CACHE COUNTY  
MANAGEMENT DISCUSSION AND ANALYSIS  
Year Ended December 31, 2004**

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**Governmental activities.** None of the operations of Cache County are classified as *Business-type activities*. Therefore, the entire increase in net assets of \$1,192,491 over the prior year is attributable to governmental activities. Key elements of this increase are as follows:

- A full year of RAPZ tax collection; the prior year collections were only from April through December
- A combination of property value reassessments and an increase in applicable property tax rates
- Revenues received from the operations of the new jail facility more than offset new expenditures

**Changes in Net Assets of Cache County**

	<b>Governmental Activities</b>	
	<u>2004</u>	<u>2003</u>
Revenues:		
Program revenues:		
Charges for services	\$ 4,619,475	\$ 3,314,550
Operating grants and contributions	4,476,169	4,211,432
Capital grants and contributions	201,515	506,545
General revenues:		
Property taxes	8,834,879	8,036,518
Sales taxes	5,795,366	5,083,595
Other taxes	368,337	345,352
Other general revenues	<u>742,747</u>	<u>555,184</u>
Total revenues	25,038,488	22,053,176
Expenses:		
General government	5,874,600	5,085,929
Public safety	9,883,739	8,371,482
Highways and streets	1,891,832	1,635,919
Health	3,044,014	3,006,132
Welfare	46,268	40,213
Culture and recreation	2,326,165	1,346,222
Interest on long-term debt	<u>779,379</u>	<u>594,930</u>
Total program expenses	23,845,997	20,080,827
Increase in net assets	1,192,491	1,972,349
Net assets - 01/01/04	<u>28,484,838</u>	<u>26,512,489</u>
Net assets - 12/31/04	<u>\$ 29,677,329</u>	<u>\$ 28,484,838</u>

Taxes comprise the largest source of revenue for the County. Revenue from all tax sources amounted to \$14,998,582, which was 59.9% of all revenue for the County. Property tax of \$8,834,879 represents 58.9% of total taxes.

Public safety and law enforcement programs continue to be the most costly programs in the County. Expenditures in these programs represent 41.5% of the total for the County. The large increase in Public

**CACHE COUNTY**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
Year Ended December 31, 2004

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safety expenditures for 2004 is primarily due to the operations of the new jail. Expenditures in culture and recreation also had a significant increase due principally to grants awarded under the Recreation, Arts, Parks and Zoo program which was new in 2004.

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

As of December 31, 2004 the fund balance of the governmental funds of the County was \$13,055,089, a decrease of \$620,471 in comparison with the prior year. Of the \$13,055,089 fund balance, \$7,135,787 is unreserved and undesignated and 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.

Key factors of the \$620,471 decrease in the fund balance are the construction of the County Administration Building, the Public Safety and Law Enforcement Complex, and the renovation of the Historic Courthouse. In addition, the County had its first year of expending the new RAPZ tax.

The general fund is the principal operating fund of the County. As of December 31, 2004, the undesignated fund balance of the general fund was \$3,004,564. This amount represents 20.3% of the total expenditures of the general fund.

The municipal services fund accounts for services provided only in the unincorporated areas of the County. The unreserved, undesignated fund balance in the municipal services fund is \$445,923 as of December 31, 2004.

The capital projects fund is used to account for major capital improvements within the County governmental functions. As of December 31, 2004 this fund reflected an undesignated fund balance of \$1,104,384. Since year-end, the major share of this fund has been expended on completion of the renovation of the Historic Courthouse.

**General Fund Budgetary Highlights**

The final adopted revenues budget increased by \$1,542,488 over the original budget. The majority of the change was due to intergovernmental revenues which had an increase of \$738,396 and charges for services which had an increase of \$502,557. The intergovernmental revenues, however, did not fully materialize in 2004.

Notwithstanding the shortfall in intergovernmental revenues, total actual revenues were \$16,437 higher than the final budgeted amounts. Better than expected tax collections offset the revenue shortfall from intergovernmental revenue.

In addition, the actual expenditures were \$1,129,204 less than the final budgeted amounts. These favorable variances in revenue and expenditures lead to an increase in fund balance of nearly \$800,000 instead of the budgeted decrease of over \$300,000.

**Capital Asset and Debt Administration**

**CACHE COUNTY  
MANAGEMENT DISCUSSION AND ANALYSIS  
Year Ended December 31, 2004**

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**Capital assets.** The investment in capital assets, net of accumulated depreciation, of the County for its governmental activities totaled \$33,190,755 as of December 31, 2004. This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, and construction in process. The total increase in the investment in capital assets of the County was 3.2%, the largest portion of that being ongoing construction for the Historic Courthouse and the completion of the Public Safety and Law Enforcement Complex.

**CACHE COUNTY'S Capital Assets**  
(net of depreciation)

	<b>Governmental Activities</b>	
	<u>2004</u>	<u>2003</u>
Land	\$ 2,787,578	\$ 2,741,460
Buildings and improvements	15,629,087	4,586,490
Machinery and equipment	3,580,149	3,935,100
Infrastructure	9,726,762	9,766,629
Construction in progress	<u>1,467,179</u>	<u>11,144,227</u>
<b>Total</b>	<b><u>\$ 33,190,755</u></b>	<b><u>\$ 32,173,906</u></b>

**Long-term debt.** Total bonded debt outstanding as of December 31, 2004 was \$17,012,720 of which \$1,270,316 is due within one year. This is a decrease over the prior year. No additional long-term debt was incurred during 2004, so the reduction represents payment on existing debt.

**Economic and Other Factors**

Cache County entered into a contract with the Department of Workforce Services of the state of Utah, to sell a portion of property owned by the county known as the "County Block." The contract amount of the sale is \$698,700.

**Requests for Information**

This financial report is designed to provide a general overview of Cache County's finances for all those with an interest in the government's finances. Questions concerning any of the information in this report or requests for additional financial information should be addressed to Tamra Stones, County Auditor, 179 North Main, Logan, UT, 84321.

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Basic Financial Statements

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CACHE COUNTY  
STATEMENT OF NET ASSETS  
December 31, 2004

	<u>Primary Government</u>		Component Units
	<u>Governmental Activities</u>	<u>Total</u>	
<b>Assets:</b>			
Cash and cash equivalents	\$ 8,296	8,296	2,836,217
Equity in investment pool	11,337,049	11,337,049	1,088,317
<b>Receivables, net:</b>			
Taxes	1,874,505	1,874,505	48,033
Accounts	63,986	63,986	804,363
Accrued interest	133,426	133,426	-
Pledges receivable	-	-	345,615
Due from other governments	2,120,786	2,120,786	1,262
Restricted investments	2,695	2,695	244,457
Inventory	-	-	147,691
Other assets	2,184	2,184	12,417
Noncurrent pledges receivables, net	-	-	292,656
<b>Capital Assets:</b>			
Land	2,787,579	2,787,579	1,314,257
Infrastructure	11,240,303	11,240,303	-
Buildings and equipment	28,276,139	28,276,139	18,408,281
Construction in progress	1,467,179	1,467,179	-
Less - accumulated depreciation	<u>(10,580,445)</u>	<u>(10,580,445)</u>	<u>(5,239,981)</u>
<b>Total assets</b>	<u>48,733,682</u>	<u>48,733,682</u>	<u>20,303,585</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	2,027,417	2,027,417	196,314
Deferred revenue	16,216	16,216	23,540
<b>Long-term liabilities</b>			
Due within one year	1,270,316	1,270,316	326,000
Due in more than one year	<u>15,742,404</u>	<u>15,742,404</u>	<u>1,573,592</u>
<b>Total liabilities</b>	<u>19,056,353</u>	<u>19,056,353</u>	<u>2,119,446</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	16,767,645	16,767,645	12,903,557
<b>Restricted for:</b>			
Capital projects	1,121,424	1,121,424	680,410
Debt service	121,485	121,485	202,318
Highways and streets	4,569,212	4,569,212	-
Other special revenue funds	3,865,741	3,865,741	-
Unrestricted	<u>3,231,822</u>	<u>3,231,822</u>	<u>4,397,854</u>
<b>Total net assets</b>	<u>\$ 29,677,329</u>	<u>29,677,329</u>	<u>18,184,139</u>

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

CACHE COUNTY  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2004

Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental:				
General government	\$ 5,874,600	1,581,971	318,895	197,251
Public safety	9,883,739	2,887,691	1,052,470	3,764
Highways and streets	1,891,832	38,608	929,833	-
Health	3,044,014	19,113	2,010,956	500
Welfare	46,268	-	-	-
Culture and recreation	2,326,165	92,092	164,015	-
Interest on long term debt	779,379	-	-	-
Total governmental activities	23,845,997	4,619,475	4,476,169	201,515
Total primary government activities	\$ 23,845,997	4,619,475	4,476,169	201,515
Component Units:				
Airport Authority	\$ 123,516	80,753	134,708	71,048
North Park Interlocal Cooperative	659,350	331,947	223,810	370,729
Bear River Health Department	6,359,103	1,754,934	4,946,693	-
Nonmajor component units	800	-	15,308	-
Total component units	\$ 7,142,769	2,167,634	5,320,519	441,777

General revenues:

Taxes:

  Sales and use tax

  Property tax

  Other taxes

Total taxes

Interest income

Gain (loss) on disposal of assets

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
\$ (3,776,483)	(3,776,483)	-
(5,939,814)	(5,939,814)	-
(923,391)	(923,391)	-
(1,013,445)	(1,013,445)	-
(46,268)	(46,268)	-
(2,070,058)	(2,070,058)	-
(779,379)	(779,379)	-
(14,548,838)	(14,548,838)	-
(14,548,838)	(14,548,838)	-
-	-	162,993
-	-	267,136
-	-	342,524
-	-	14,508
-	-	787,161
5,795,366	5,795,366	179,905
8,834,879	8,834,879	-
368,337	368,337	-
14,998,582	14,998,582	179,905
354,775	354,775	54,433
172,189	172,189	(2,420)
22,206	22,206	-
193,577	193,577	-
15,741,329	15,741,329	231,918
1,192,491	1,192,491	1,019,079
28,484,838	28,484,838	17,165,060
\$ 29,677,329	29,677,329	18,184,139

CACHE COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2004

	General	Special Revenue			Nonmajor Funds	Total Governmental Funds
		Municipal Services	Mental Health	Capital Projects		
<b>Assets:</b>						
Cash and cash equivalents	\$ -	40	-	-	8,256	8,296
Equity in investment pool	1,517,893	4,781,694	768,644	1,228,875	3,039,943	11,337,049
Receivables, net:						
Taxes	1,164,107	153,722	-	-	556,676	1,874,505
Accounts	58,790	911	-	-	4,285	63,986
Accrued interest	133,426	-	-	-	-	133,426
Due from other governments	1,476,069	114,926	391,716	-	138,075	2,120,786
Interfund receivable - investment pool	-	38,093	-	-	-	38,093
Due from other funds	140,000	-	-	-	-	140,000
Restricted assets:						
Cash and investments with trustees	-	-	-	-	2,695	2,695
Prepaid expenses	2,184	-	-	-	-	2,184
<b>Total assets</b>	<b>\$ 4,492,469</b>	<b>5,089,386</b>	<b>1,160,360</b>	<b>1,228,875</b>	<b>3,749,930</b>	<b>15,721,020</b>
<b>Liabilities:</b>						
Interfund payable - investment pool	\$ -	-	-	-	38,093	38,093
Accounts payable and accrued liabilities	688,121	32,405	1,160,360	112,284	34,247	2,027,417
Due to other funds	-	-	-	-	140,000	140,000
Deferred revenue	427,121	-	-	-	33,300	460,421
<b>Total liabilities</b>	<b>1,115,242</b>	<b>32,405</b>	<b>1,160,360</b>	<b>112,284</b>	<b>245,640</b>	<b>2,665,931</b>
<b>Fund balances:</b>						
Reserved - encumbrances	372,663	41,846	-	12,207	915,846	1,342,562
Reserved - other	-	4,569,212	-	-	7,528	4,576,740
Unreserved:						
Special Revenue funds	-	445,923	-	-	2,462,126	2,908,049
Capital Project funds	-	-	-	1,104,384	-	1,104,384
Debt Service funds	-	-	-	-	118,790	118,790
Undesignated	3,004,564	-	-	-	-	3,004,564
<b>Total fund balances</b>	<b>3,377,227</b>	<b>5,056,981</b>	<b>-</b>	<b>1,116,591</b>	<b>3,504,290</b>	<b>13,055,089</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,492,469</b>	<b>5,089,386</b>	<b>1,160,360</b>	<b>1,228,875</b>	<b>3,749,930</b>	<b>15,721,020</b>

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, 2004

Total fund balances for governmental funds \$ 13,055,089

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	\$	2,787,579	
Infrastructure		11,240,303	
Buildings and equipment		28,276,139	
Construction in progress		1,467,179	
Accumulated depreciation		<u>(10,580,445)</u>	33,190,755

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. 444,205

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		(16,115,000)	
Compensated absences		(589,610)	
Capital leases		<u>(308,110)</u>	<u>(17,012,720)</u>

Net assets of governmental activities \$ 29,677,329

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

CACHE COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2004

	Special Revenue			Capital Projects	Nonmajor Funds	Total Governmental Funds
	General	Municipal Services	Mental Health			
<b>Revenues:</b>						
Taxes	\$ 11,310,151	576,108	-	-	2,744,992	14,631,251
Intergovernmental	1,242,404	1,298,293	1,539,388	-	453,574	4,533,659
Charges for services	3,686,474	71,615	-	-	167,527	3,925,616
Licenses and permits	29,669	340,001	-	-	-	369,670
Fines and forfeitures	136,748	-	-	-	-	136,748
Miscellaneous	942,455	79,994	-	5,611	140,155	1,168,215
<b>Total revenues</b>	<b>17,347,901</b>	<b>2,366,011</b>	<b>1,539,388</b>	<b>5,611</b>	<b>3,506,248</b>	<b>24,765,159</b>
<b>Expenditures:</b>						
General government	5,115,374	178,752	-	-	148,328	5,442,454
Public safety	8,277,741	846,450	-	-	91,517	9,215,708
Highways and streets	664,599	1,175,017	-	-	-	1,839,616
Health	165,586	-	1,539,388	-	542,820	2,247,794
Welfare	46,268	-	-	-	-	46,268
Culture and recreation	525,954	-	-	-	1,511,728	2,037,682
Capital projects	-	-	-	2,526,815	-	2,526,815
Debt service:						
Principal	-	-	-	-	785,152	785,152
Interest and fiscal charges	-	-	-	-	779,425	779,425
<b>Total expenditures</b>	<b>14,795,522</b>	<b>2,200,219</b>	<b>1,539,388</b>	<b>2,526,815</b>	<b>3,858,970</b>	<b>24,920,914</b>
Excess (deficiency) of revenues over expenditures	2,552,379	165,792	-	(2,521,204)	(352,722)	(155,755)
<b>Other financing sources (uses):</b>						
Contributions	(3,215)	-	-	270,028	-	266,813
Operating transfer to component units	(121,529)	-	-	-	(610,000)	(731,529)
Transfers in (out):						
General fund	309,703	(299,703)	-	240,000	1,684,999	1,934,999
Special revenue funds	(134,120)	7,084	-	190,173	(7,084)	56,053
Capital projects fund	(240,000)	(90,589)	-	-	(89,584)	(420,173)
Debt service fund	(1,570,879)	-	-	-	-	(1,570,879)
<b>Total other financing sources (uses)</b>	<b>(1,760,040)</b>	<b>(383,208)</b>	<b>-</b>	<b>700,201</b>	<b>978,331</b>	<b>(464,716)</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	792,339	(217,416)	-	(1,821,003)	625,609	(620,471)
Fund balance - January 1	2,584,888	5,274,397	-	2,937,594	2,878,681	13,675,560
Fund balance - December 31	\$ 3,377,227	5,056,981	-	1,116,591	3,504,290	13,055,089

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, 2004

Net change in fund balance - Total governmental funds \$ (620,471)

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 (\$3,122,038) exceeded depreciation (\$1,990,725) and remaining basis of disposed assets (\$114,464) in the current period.

1,016,849

Net effect of revenues reported on the accrual basis in the Statement of Activities that do not provide current financial resources and thus are not reported as revenues in the funds until available.

112,205

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.

Payment of bond principal	\$ 600,000	
Payments on capital leases	185,198	
Increase in vacation payable	<u>(101,290)</u>	<u>683,908</u>

Change in net assets of governmental activities \$ 1,192,491

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, 2004

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 15,242,228
Equity in investment pool	118,833
Accounts receivable	34,689
Taxes receivable	<u>630,429</u>
Total assets	\$ <u>16,026,179</u>
<b>Liabilities:</b>	
Due to other taxing units	\$ 15,330,660
Due to employees	4,362
Over-collections payable	537,635
Other collections payable	<u>153,522</u>
Total liabilities	\$ <u>16,026,179</u>

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

CACHE COUNTY  
COMBINING STATEMENT OF NET ASSETS  
COMPONENT UNITS  
December 31, 2004

	Airport Authority	North Park Interlocal Cooperative	Bear River Health Department	Nonmajor Component Units	Total
<b>Assets:</b>					
Cash	\$ -	185,188	2,579,054	71,975	2,836,217
Equity in investment pool	997,964	66,845	-	23,508	1,088,317
Taxes receivable	-	48,033	-	-	48,033
Accounts receivable (net of allowance for uncollectibles)	2,925	14,396	787,042	-	804,363
Due from other governments	1,262	-	-	-	1,262
Pledges receivable	-	345,615	-	-	345,615
Restricted investments	-	244,457	-	-	244,457
Inventory	-	44,691	103,000	-	147,691
Other assets	-	12,417	-	-	12,417
Noncurrent pledges receivable, net	-	292,656	-	-	292,656
<b>Capital assets:</b>					
Land	1,125,689	-	188,568	-	1,314,257
Buildings and equipment	9,603,385	3,983,083	4,821,813	-	18,408,281
Less accumulated depreciation	(3,177,987)	(286,800)	(1,775,194)	-	(5,239,981)
<b>Total capital assets, net</b>	<u>7,551,087</u>	<u>3,696,283</u>	<u>3,235,187</u>	<u>-</u>	<u>14,482,557</u>
<b>Total assets</b>	<u>\$ 8,553,238</u>	<u>4,950,581</u>	<u>6,704,283</u>	<u>95,483</u>	<u>20,303,585</u>
<b>Liabilities:</b>					
Accounts payable	\$ 19,483	58,916	117,915	-	196,314
Deferred revenue	23,540	-	-	-	23,540
<b>Noncurrent liabilities:</b>					
Due within one year	-	160,000	166,000	-	326,000
Due in more than one year	-	1,419,000	154,592	-	1,573,592
<b>Total liabilities</b>	<u>43,023</u>	<u>1,637,916</u>	<u>438,507</u>	<u>-</u>	<u>2,119,446</u>
<b>Net assets:</b>					
Invested in capital assets, net of related debt	7,551,087	2,117,283	3,235,187	-	12,903,557
Restricted for debt payment	-	202,318	-	-	202,318
Restricted for capital improvements	-	680,410	-	-	680,410
Unrestricted	959,128	312,654	3,030,589	95,483	4,397,854
<b>Total net assets</b>	<u>\$ 8,510,215</u>	<u>3,312,665</u>	<u>6,265,776</u>	<u>95,483</u>	<u>18,184,139</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, 2004

	<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	\$ 123,516	659,350	6,359,103	800	7,142,769
Program revenues:					
Charges for services	80,753	331,947	1,754,934	-	2,167,634
Operating grants and contributions	134,708	223,810	4,946,693	15,308	5,320,519
Capital grants and contributions	71,048	370,729	-	-	441,777
Total program revenues	286,509	926,486	6,701,627	15,308	7,929,930
Net (expenses) revenues	162,993	267,136	342,524	14,508	787,161
General revenues:					
Sales taxes	-	179,905	-	-	179,905
Loss on disposal of assets	(2,420)	-	-	-	(2,420)
Interest	-	9,834	39,499	5,100	54,433
Total general revenues	(2,420)	189,739	39,499	5,100	231,918
Change in net assets	160,573	456,875	382,023	19,608	1,019,079
Net assets – beginning (as restated)	8,349,642	2,855,790	5,883,753	75,875	17,165,060
Net assets – ending	\$ 8,510,215	3,312,665	6,265,776	95,483	18,184,139

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

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

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.

**Financial Reporting Entity**

Cache County operates under a County Council/County Executive form of government. A brief description of this form of government follows:

1. The powers and duties of the government are divided between an elected seven member County Council and an elected County Executive.
2. The County Council exercises legislative and policy making powers and is composed of seven persons elected for four-year terms from different geographical districts in the County on a population basis.
3. The County Executive exercises administrative powers and fiscal control of the County and may exercise a veto upon enactment of the County Council which in turn may be overridden by the affirmative vote of five council persons. The Executive is elected to a four-year term by all voters of the County.

As required by generally accepted accounting principles, these financial statements present Cache County (the primary government) and its component units. In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units.

As defined by the Government Accounting Standards Board (GASB), component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A component unit may be a governmental organization, a nonprofit corporation, or a for-profit corporation.

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

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

*Blended component units:*

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 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. The District's operations are accounted for in the Municipal Services Special Revenue Fund, which is reported as a major governmental fund in the financial statements.

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.

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

*Discretely presented component units:*

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.

North Park Interlocal Cooperative (NPIC) - NPIC was organized to facilitate the construction and operation of a recreational ice arena facility and to finance the costs. The cooperative members are Cache County, Hyde Park City, the City of North Logan, and Logan City. NPIC is a separate legal entity created in accordance with Utah Law. Cache County appoints 3 board members and each city appoints 2 board members. NPIC receives funding from an allocation of restaurant tax collections from Cache County and from 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. NPIC could be included in the financial statements of another member, however, the County has elected to include NPIC as a component unit. The NPIC does not issue separate financial statements. NPIC, as presented in these financial statements, includes Bridgerland Community Ice Arena, Inc. (BCIA). During the year, the County evaluated BCIA in accordance with GASB Statement No. 39 and determined that BCIA should be presented as a discrete component unit of NPIC. BCIA operates as a nonprofit organization for the purpose of raising money for the construction, maintenance and operation of the ice arena. BCIA's primary sources of funding are donations and user fees. BCIA's fiscal year ends June 30<sup>th</sup> of each year. BCIA issues separate financial statements, which can be obtained from BCIA at 2825 North 200 East, North Logan, Utah, 84341.

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 is a separate legal entity created in accordance with Utah Law, and issues separate financial statements which can be obtained at 655 East 1300 North, Logan, Utah, 84341.

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.

The Roads Special Service District, Cache Airport Authority, and the NPIC have their books and records maintained by the County.

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

*Inter-local Agreements:*

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

Ambulance - Up to December 31, 2004, the County and the City of Logan provided joint ambulance services to citizens of the County and those services are reported in the Logan City financial statements. Effective January 1, 2005, a new interlocal agreement created a 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 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 Tax Agency Fund to these entities.

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

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

*Excluded organizations:*

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

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

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

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

Cache County Drainage Districts No. 3,4,5,6 - The Drainage Districts have been organized as separate corporate bodies under Utah law. The board of directors of each Drainage District is appointed by the County Council, however no County Council members serve on the boards. These entities do not issue separate financial statements and their activities were determined to be immaterial to the financial statements of the County.

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.



CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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.

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

*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.

*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.

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

*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.

*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, except for BCIA, a component unit of NPIC, which has a fiscal year end of June 30.

*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 the County employs an encumbrance system to record expenditures. All annual appropriations lapse at year end. Project-length financial plans are adopted for Capital Project Funds.

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

*Encumbrances*

Outstanding purchase orders (encumbrances) at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities as defined by generally accepted accounting principles. Encumbrances are treated as expenditures for budgetary purposes.

**Assets, Liabilities, and Net Assets/Fund Balances**

*Cash and Cash Equivalents*

Cash and cash equivalents represent petty cash or demand deposits or other liquid investments that are kept in separate accounts from the investment pool of the County.

*Equity In Investment Pool*

Cash of all funds, except the Treasurer's Tax Agency Fund and restricted bond funds, and some discrete component units are pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein. An individual fund's equity in the pooled cash accounts are available upon demand and are considered to be cash equivalents when preparing these financial statements. Negative balances incurred in pooled cash at year-end are treated as interfund payables of the deficit fund and receivable in other funds with positive equity. Investments of the pool are stated at fair value.

*Receivables*

All trade and property tax receivables are shown net of any allowance for uncollectible amounts. Property taxes are due by November 30<sup>th</sup> of each year, after which the applicable property is subject to lien and penalties and interest are assessed. At December 31, 2004, all receivables of the County were considered to be fully collectible and no allowance was established. The Bear River Health Department has estimated that approximately \$440,000 of their accounts receivable were uncollectible. These receivables result primarily from services for substance abuse counseling and treatment. BCIA, a component unit of NPIC, has estimated that \$82,000 of their accounts receivable were uncollectible. These receivables result primarily from charitable contribution pledges.

*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.

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

*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. Purchased 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	15 - 40 years
Equipment	3 - 15 years
Infrastructure	80 - 100 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.

*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.

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

*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

The County implemented the following new accounting standard issued by the Governmental Accounting Standards Board (GASB) for the fiscal year ended December 31, 2004:

*Statement 39, Determining Whether Certain Organizations Are Component Units.*

Statement 39 amends Statement 14 regarding organizations that are required to be presented as component units in the financial statements of the County. The new standard expands the definition of potential component units to include nonprofit organizations. As a result of the implementation process, the Bridgerland Community Ice Arena (BCIA) was determined to be a component unit of the North Park Interlocal Cooperative (NPIC). These financial statements present the combined operations of both entities as NPIC.

In addition, the County determined that the Cache County Drainage Districts No. 3, 4, 5, and 6 were immaterial to the financial statements and those entities have been excluded from presentation as nonmajor discrete component units of the County.

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

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, 2004
Levy Date (State target date)	June 22, 2004
Property Valuation Disclosure Notice (target date)	July 22, 2004
Tax Bills Mailed	November 1, 2004
Taxes Due and Payable	Prior to November 30, 2004

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, 2004

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, 2004, the County's cash and cash equivalents, investment pool and restricted investments of the governmental activities included the following:

Cash and cash equivalents:	
Petty cash	\$ 505
Demand deposit accounts	<u>7,791</u>
Total cash and cash equivalents	\$ <u>8,296</u>
Investment pool (net of due to investment pool):	
Petty cash	\$ 3,185
Demand deposit account	1,051,644
Investments in State Treasurer's Investment Pool	<u>10,282,220</u>
Total investment pool	\$ <u>11,337,049</u>
Restricted investments:	
U.S. Treasury Mutual Funds	\$ <u>2,695</u>
Total cash and investments	\$ <u>11,348,040</u>

At December 31, 2004, the County's cash and cash equivalents, investment pool and restricted investments of the fiduciary funds included the following:

Cash and cash equivalents:	
Demand deposit accounts	\$ 8,371,495
Investments in State Treasurer's Investment Pool	<u>6,870,733</u>
Total cash and cash equivalents	\$ <u>15,242,228</u>
Investment pool (net of due to investment pool):	
Investments in State Treasurer's Investment Pool	\$ <u>118,833</u>
Total cash and investments	\$ <u>15,361,061</u>



CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

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

At December 31, 2004, the carrying amount per the books of the County's demand deposits was \$9,435,292 and the bank balance was \$9,913,689. Of the bank balance, approximately \$312,400 was covered by federal depository insurance (FDIC). Deposits are not collateralized nor are they required to be by state statute.

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

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

The County's 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, 2004, the cash and cash equivalents, investment pool and restricted investments of the County's discretely presented component units included the following:

Petty cash	\$ 1,200
Demand deposits	1,101,001
Deposit in State Treasurer's Investment Pool	1,734,016
Equity in investment pool:	
Investments in State Treasurer's Investment Pool	1,088,317
Restricted demand deposits	42,139
U.S. Treasuries Mutual Fund held by Trustee	<u>202,318</u>
Total	\$ <u>4,168,991</u>

At December 31, 2004, the carrying amount per the books of the component unit's demand deposits was \$1,143,140 and the bank balance was \$1,264,296. Of the bank balance, approximately \$325,500 was covered by federal depository insurance (FDIC). Deposits are not collateralized nor are they required to be by state statute.

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 5 - Interfund Receivables, Payables and Transfers

At December 31, 2004, the interfund balances of the investment pool were as follows:

	<u>Receivable</u>	<u>Payable</u>
Special Revenue Funds:		
Municipal Services Fund	\$ 38,093	-
Children's Justice Center Fund	<u>-</u>	<u>38,093</u>
Total	\$ <u>38,093</u>	<u>38,093</u>

At December 31, 2004, 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.

During the year, the County made the following interfund transfers:

<u>Purpose</u>	<u>Amount</u>	<u>Transfer in</u>	<u>Transfer out</u>
Debt payments	\$ 1,570,879	Non-major	General
Reimbursement	299,703	General Fund	Municipal Services
Fund capital purchases	240,000	Capital Projects	General
Operations	134,120	General Fund	Non-major
Fund capital purchases	90,589	Capital Projects	Municipal Services
Fund capital purchases	75,000	Capital Projects	Non-major
Fund capital purchases	14,584	Capital Projects	Non-major
Recreation improvements	10,000	General Fund	Non-major
Improvements	10,000	Non-major	Non-major
Recreation improvements	7,084	Municipal Services	Non-major

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 6 – Capital Assets

*Governmental Activities*

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>1/1/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>12/31/04</u>
Capital assets not being depreciated:					
Land	\$ 2,741,460	155,115	(108,996)	-	2,787,579
Construction in process	<u>11,144,227</u>	<u>1,176,633</u>	<u>-</u>	<u>(10,853,681)</u>	<u>1,467,179</u>
Total capital assets not being depreciated	<u>13,885,687</u>	<u>1,331,748</u>	<u>(108,996)</u>	<u>(10,853,681)</u>	<u>4,254,758</u>
Capital assets being depreciated:					
Buildings and improvements	12,663,232	884,738	(7,010,087)	10,853,681	17,391,564
Infrastructure	11,195,785	61,425	(16,907)	-	11,240,303
Machinery and equipment	<u>10,257,929</u>	<u>844,127</u>	<u>(217,481)</u>	<u>-</u>	<u>10,884,575</u>
Total capital assets being depreciated	<u>34,116,948</u>	<u>1,790,290</u>	<u>(7,244,475)</u>	<u>10,853,681</u>	<u>39,516,442</u>
Accumulated depreciation:					
Buildings and improvements	(8,076,742)	(687,950)	7,005,476	-	(1,759,216)
Infrastructure	(1,429,156)	(84,384)	-	-	(1,513,540)
Machinery and equipment	<u>(6,322,829)</u>	<u>(1,218,391)</u>	<u>233,531</u>	<u>-</u>	<u>(7,307,689)</u>
Total accumulated depreciation	<u>(15,828,727)</u>	<u>(1,990,725)</u>	<u>7,239,007</u>	<u>-</u>	<u>(10,580,445)</u>
Total capital assets, net	\$ <u>32,173,906</u>	<u>1,131,313</u>	<u>(114,464)</u>	<u>-</u>	<u>33,190,755</u>

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

General government	\$ 291,916
Public safety	840,928
Highways and streets	439,153
Health	128,165
Culture and recreation	<u>290,563</u>
Total depreciation expense	\$ <u>1,990,725</u>

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 6 – Capital Assets (continued)

Subsequent to year-end, the County sold a parcel of land for approximately \$700,000 to the State of Utah.

*Component Units*

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

	<u>Balance</u> <u>1/1/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>12/31/04</u>
Land	\$ 1,147,696	166,561	-	-	1,314,257
Buildings and improvements	17,096,942	84,045	(2,420)	-	17,178,567
Equipment and machinery	945,767	283,947	-	-	1,229,714
Accumulated depreciation	<u>(4,923,103)</u>	<u>(316,787)</u>	<u>-</u>	<u>-</u>	<u>(5,239,981)</u>
Total	\$ <u>14,267,302</u>	<u>217,675</u>	<u>(2,420)</u>	<u>-</u>	<u>14,482,557</u>

Note 7 - Long Term Obligations

Long-term liability activity for the year ended December 31, 2004, was as follows:

	<u>Balance</u> <u>1/1/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/04</u>	<u>Due Within</u> <u>One Year</u>
<b><u>Governmental Activities:</u></b>					
Revenue bonds	\$ 16,715,000	-	(600,000)	16,115,000	620,000
Capital leases	493,308	-	(185,198)	308,110	150,316
Compensated absences	<u>488,320</u>	<u>607,468</u>	<u>(506,178)</u>	<u>589,610</u>	<u>500,000</u>
Total governmental activity long-term liabilities	\$ <u>17,696,628</u>	<u>607,468</u>	<u>(1,291,376)</u>	<u>17,012,720</u>	<u>1,270,316</u>
<b><u>Component Units:</u></b>					
Revenue bonds	\$ 1,732,000	-	(153,000)	1,579,000	160,000
Compensated absences	<u>315,304</u>	<u>192,388</u>	<u>(187,100)</u>	<u>320,592</u>	<u>166,000</u>
Total component unit long-term liabilities	\$ <u>2,047,304</u>	<u>192,388</u>	<u>(340,100)</u>	<u>1,899,592</u>	<u>326,000</u>

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 7 - Long Term Obligations (continued)

*Primary Government*

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

Revenue bonds payable at December 31, 2004 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.	\$ 12,900,000
\$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	<u>3,215,000</u>
Total revenue bonds	\$ <u>16,115,000</u>

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, 2004

Note 7 - Long Term Obligations (continued)

The annual requirements to amortize all revenue bonds as of December 31, 2004 of the primary government, including interest payments, were as follows:

<u>Fiscal Year Ending</u> <u>December 31</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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	1,349,460	715,000	634,460
2010 - 2014	6,737,558	4,035,000	2,702,558
2015 - 2019	6,740,777	5,080,000	1,660,777
2020 - 2022	<u>4,039,920</u>	<u>3,675,000</u>	<u>364,920</u>
Total	\$ <u>24,253,357</u>	<u>16,115,000</u>	<u>8,138,357</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, 2004, 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.	\$ 19,125
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.	<u>288,985</u>
Total capital leases	\$ <u>308,110</u>

Lease-purchase agreements may be canceled at any time and the equipment returned; however, the likelihood of cancellation 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, 2004

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, 2004:

<u>Fiscal Year Ending</u> <u>December 31</u>	<u>Amount</u>
2005	\$ 165,647
2006	<u>165,689</u>
Total minimum lease payments	331,336
Less amount representing interest	<u>(23,226)</u>
Present value of future minimum lease payments	\$ <u>308,110</u>

*Component Units*

Revenue bonds at December 31, 2004, 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. \$ 1,579,000

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, 2004

Note 7 - Long Term Obligations (continued)

The annual requirements to amortize all revenue bonds as of December 31, 2004 of the component units, including interest payments, were as follows:

<u>Fiscal Year Ending</u> <u>December 31</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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	241,056	196,000	45,056
2010 - 2014	<u>799,062</u>	<u>691,000</u>	<u>108,062</u>
Total	\$ <u>2,002,437</u>	<u>1,579,000</u>	<u>423,437</u>

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 \$ 372,663

Municipal Services Fund:

Reserved for class B road funds \$ 4,569,212

Reserved for encumbrances \$ 41,846

Capital Projects Fund:

Reserved for encumbrances \$ 12,207

Non-major Funds:

Reserved for encumbrances \$ 915,845

Reserved for capital projects \$ 4,833

Reserved for debt service \$ 2,695

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 provide the necessary resources to balance each fund's budget.



CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

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) Firefighters - 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.

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.

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 10 - Pension Plans (continued)

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 5.61% for six months and 7.08% for six months of their annual covered salary. In the Local Governmental Noncontributory Retirement System, the County was required to contribute 9.62% for six months and 11.09% 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 4.52% for six months and 7.70% for six months of their annual covered salary and 16.24% for six months and 19.08% for six months of the annual covered salary of noncontributory division members. In the Firefighters Retirement System plan members were required to contribute 8.21% for six months and 8.61% 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, 2004, 2003, and 2002 were as follows:

A. Local Governmental System - Contributory

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Employer paid for employee contributions	\$ 5,883	5,700	5,621
Employer contributions	6,221	4,889	4,155

B. Local Governmental System - Noncontributory

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Employer contributions	\$ 382,722	312,276	290,246

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

Note 10 - Pension Plans (continued)

C. Public Safety - Contributory

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Employer paid for employee contributions	\$ 10,046	9,886	9,666
Employer contributions	4,985	2,692	1,081

D. Public Safety - Noncontributory

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Employer contributions	\$ 522,434	399,359	335,226

E. Firefighter's System

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Employer paid for employee contributions	\$ 10,794	10,160	8,820

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 \$524,983, \$469,151, and \$475,567 were made to the 401(k) plan during the years ended December 31, 2004, 2003, and 2002, respectively. Of this amount \$275,026, \$246,693, and \$266,458 was contributed by employees and \$249,957, \$222,458, and \$209,109 was contributed by the County on behalf of employees respectively.

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

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, 2004, 2003, and 2002 were as follows:

A. Local Governmental System - Contributory

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Employer paid for employee contributions	\$ 5,654	5,581	5,386
Employer contributions	5,992	4,788	3,983

B. Local Governmental System - Noncontributory

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Employer contributions	\$ 280,190	243,692	207,852

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 \$309,412, \$271,790, and \$245, were made to the 401(k) plan during the years ended December 31, 2004, 2003, and 2002, respectively. Of this amount \$133,481, \$104,333, and \$84,356 was contributed by employees and \$175,931, \$167,457, and \$160,735 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, 2004

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 Counties Insurance Pool, 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, 2004, there were no outstanding unpaid claims in excess of insurance coverage. Also, the County had no claim settlements over the past three years that exceeded its insurance coverage.

Note 13 - Commitments and Contingencies

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, 2004, the County was in the process of renovating the historic courthouse. The estimated costs to complete the project were approximately \$1,000,000.

As of December 31, 2004, the County had received invoices related to the construction of the new County Jail Complex in the amount approximately \$514,000. The County has notified the contractor that the County intends to withhold payment pending resolution of construction deficiencies. The future outcome of this dispute is unknown.

CACHE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004

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: Public Defender, Other and Contributions to Other Units.

Note 15 - Tax Anticipation Notes

In February, 2004, the County borrowed \$5,000,000 on tax anticipation notes to finance the operation of the County during 2004. The notes were paid in full in December, 2004. Subsequent to year-end, the County borrowed \$5,000,000 on tax anticipation notes to finance the County's operations for 2005.

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  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Year Ended December 31, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ 10,685,301	10,848,162	11,310,151	461,989
Intergovernmental	1,143,981	1,882,377	1,242,404	(639,973)
Charges for services	3,095,480	3,598,037	3,686,474	88,437
Licenses and permits	39,000	39,000	29,669	(9,331)
Fines and forfeitures	165,000	165,000	136,748	(28,252)
Miscellaneous	660,214	798,888	942,455	143,567
	<b>15,788,976</b>	<b>17,331,464</b>	<b>17,347,901</b>	<b>16,437</b>
<b>Expenditures:</b>				
General government	4,916,270	5,316,780	5,148,481	168,299
Public safety	7,671,311	9,209,066	8,291,722	917,344
Highways and streets	642,046	674,352	640,757	33,595
Health	165,586	165,586	165,586	-
Welfare	47,500	47,500	46,268	1,232
Culture and recreation	499,500	509,439	500,705	8,734
	<b>13,942,213</b>	<b>15,922,723</b>	<b>14,793,519</b>	<b>1,129,204</b>
<b>Excess of revenues over expenditures</b>	<b>1,846,763</b>	<b>1,408,741</b>	<b>2,554,382</b>	<b>1,145,641</b>
<b>Other financing sources (uses):</b>				
Contributions	(230,242)	4,000	1,521	(2,479)
Transfers to component units	(121,529)	(121,529)	(121,529)	-
Transfers in	215,141	309,703	309,703	-
Transfers out	(1,700,133)	(1,902,999)	(1,944,999)	(42,000)
	<b>(1,836,763)</b>	<b>(1,710,825)</b>	<b>(1,755,304)</b>	<b>(44,479)</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ 10,000</b>	<b>(302,084)</b>	<b>799,078</b>	<b>1,101,162</b>
<b>Adjust to GAAP:</b>				
Encumbrances (net change)			(6,740)	
<b>Excess of revenues and other financing sources over expenditures and other financing uses - GAAP basis</b>			<b>792,338</b>	
<b>Fund balance - January 1</b>			<b>2,584,888</b>	
<b>Fund balance - December 31</b>	<b>\$</b>		<b>3,377,226</b>	



CACHE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
MUNICIPAL SERVICES FUND  
Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ 545,000	565,000	576,108	11,108
Intergovernmental	1,524,570	1,786,678	1,298,293	(488,385)
Charges for services	67,400	70,900	71,615	715
Licenses and permits	263,500	334,015	340,001	5,986
Miscellaneous	55,500	55,500	79,994	24,494
<b>Total revenues</b>	<u>2,455,970</u>	<u>2,812,093</u>	<u>2,366,011</u>	<u>(446,082)</u>
<b>Expenditures:</b>				
General government	182,488	190,788	178,230	12,558
Public safety	854,828	868,089	835,760	32,329
Highways - Class B	1,218,828	1,475,912	1,172,729	303,183
<b>Total expenditures</b>	<u>2,256,144</u>	<u>2,534,789</u>	<u>2,186,719</u>	<u>348,070</u>
<b>Excess (deficiency) of revenues over expenditures</b>	199,826	277,304	179,292	(98,012)
<b>Other financing sources (uses):</b>				
Transfers in	-	7,084	7,084	-
Transfers out	(215,141)	(390,292)	(390,292)	-
<b>Total other financing sources (uses)</b>	<u>(215,141)</u>	<u>(383,208)</u>	<u>(383,208)</u>	<u>-</u>
<b>Deficiency of revenues and other financing sources over expenditures and other financing uses</b>	<u>\$ (15,315)</u>	<u>(105,904)</u>	<u>(203,916)</u>	<u>(98,012)</u>
<b>Adjust to GAAP:</b>				
Encumbrances (net change)			(13,500)	
<b>Deficiency of revenues and other financing sources over expenditures and other financing uses - GAAP basis</b>			(217,416)	
<b>Fund balance - January 1</b>			<u>5,274,397</u>	
<b>Fund balance - December 31</b>	\$		<u>5,056,981</u>	

CACHE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
MENTAL HEALTH FUND  
Year Ended December 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental:				
Federal and state grants	\$ 1,750,000	1,750,000	1,539,388	(210,612)
Total revenues	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,539,388</u>	<u>(210,612)</u>
Expenditures:				
Mental health	1,750,000	1,750,000	1,539,388	210,612
Total expenditures	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,539,388</u>	<u>210,612</u>
Excess of revenues over expenditures	<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, 2004  
 (With Comparative Totals for the Year Ended December 31, 2003)

	2004		Variance- Favorable (Unfavorable)	2003
	Budget	Actual		
<b>Revenues:</b>				
<b>Taxes:</b>				
General property	\$ 6,668,358	6,707,689	39,331	6,275,311
Sales tax	3,059,804	3,147,149	87,345	2,893,836
Fees in lieu of taxes	900,000	1,138,779	238,779	884,602
Delinquent prior years	145,000	197,729	52,729	131,873
Penalties and interest	75,000	118,805	43,805	66,470
<b>Total taxes</b>	<b>10,848,162</b>	<b>11,310,151</b>	<b>461,989</b>	<b>10,252,092</b>
<b>Intergovernmental revenues:</b>				
Federal grants	1,758,574	1,096,934	(661,640)	725,792
State grants	46,097	58,154	12,057	90,530
State shared revenue	50,000	52,690	2,690	36,940
Local shared revenue	27,706	34,626	6,920	15,328
<b>Total intergovernmental revenues</b>	<b>1,882,377</b>	<b>1,242,404</b>	<b>(639,973)</b>	<b>868,590</b>
<b>Charges for services:</b>				
General government	576,200	571,434	(4,766)	804,934
Public safety	2,779,937	2,886,561	106,624	1,305,243
Streets and public improvements	66,100	38,608	(27,492)	72,269
Other current services	175,800	189,871	14,071	181,348
<b>Total charges for services</b>	<b>3,598,037</b>	<b>3,686,474</b>	<b>88,437</b>	<b>2,363,794</b>
<b>Licenses and permits:</b>				
Marriage licenses	39,000	29,669	(9,331)	13,020
<b>Total licenses and permits</b>	<b>39,000</b>	<b>29,669</b>	<b>(9,331)</b>	<b>13,020</b>
<b>Fines and forfeitures:</b>				
Circuit court fines	165,000	136,748	(28,252)	153,887
<b>Total fines &amp; forfeitures</b>	<b>165,000</b>	<b>136,748</b>	<b>(28,252)</b>	<b>153,887</b>

(continued)

(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, 2004

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

	2004		Variance- Favorable (Unfavorable)	2003
	Budget	Actual		
Miscellaneous revenues:				
Interest	230,000	273,613	43,613	222,281
Rents and concessions	234,660	223,735	(10,925)	180,311
Sale of materials & supplies	20,440	174,448	154,008	10,765
County fair fees	56,830	56,798	(32)	53,645
Rodeo fees	33,239	33,239	-	32,729
Sundry	223,719	180,622	(43,097)	200,852
<b>Total miscellaneous revenues</b>	<b>798,888</b>	<b>942,455</b>	<b>143,567</b>	<b>700,583</b>
<b>Total revenues</b>	<b>17,331,464</b>	<b>17,347,901</b>	<b>16,437</b>	<b>14,351,966</b>
Expenditures:				
General government:				
Council	70,739	64,894	5,845	66,755
Water policy	56,409	53,727	2,682	54,416
Sanity hearings	15,500	14,698	802	8,795
Public defender	243,502	249,163	(5,661)	246,210
Law library	-	-	-	8,991
County executive	127,618	121,326	6,292	193,024
Data processing	316,673	287,453	29,220	200,910
Auditor	266,874	253,444	13,430	242,033
Clerk	109,444	105,437	4,007	109,751
Treasurer	198,106	191,459	6,647	184,190
Recorder	246,657	235,769	10,888	231,030
Human Resources	83,068	78,956	4,112	-
GIS	45,245	43,884	1,361	-
Attorney	798,942	773,905	25,037	688,313
Assessor	1,067,324	954,180	113,144	932,776
Surveyor	144,923	139,917	5,006	163,052
Victim services	125,170	114,187	10,983	156,423
Non-departmental	131,421	128,401	3,020	108,405
Insurance	169,010	168,045	965	129,774
Ambulance services	155,346	155,346	-	-
Central mail and copy	9,750	9,347	403	10,822
Building and grounds	162,994	148,841	14,153	141,991
Elections	188,907	182,452	6,455	78,429
Advertising & promotion	15,000	13,589	1,411	7,794
Resource & industrial dev.	35,000	35,000	-	35,000

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(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, 2004  
(With Comparative Totals for the Year Ended December 31, 2003)

	2004		Variance- Favorable (Unfavorable)	2003
	Budget	Actual		
Agricultural extension services	155,294	152,984	2,310	166,590
Agricultural promotion	45,150	45,150	-	39,451
Other	107,472	138,666	(31,194)	101,511
Contributions to other units	225,242	288,261	(63,019)	239,693
<b>Total general government</b>	<b>5,316,780</b>	<b>5,148,481</b>	<b>168,299</b>	<b>4,546,129</b>
<b>Public safety:</b>				
Sheriff	2,032,995	1,974,390	58,605	1,975,535
Fire	1,509,193	832,639	676,554	593,775
County jail	3,845,431	3,735,839	109,592	2,557,301
Emergency management	274,386	259,290	15,096	136,003
Liquor law enforcement	45,969	31,169	14,800	12,301
Civil process department	1,501,092	1,458,395	42,697	1,341,235
<b>Total public safety</b>	<b>9,209,066</b>	<b>8,291,722</b>	<b>917,344</b>	<b>6,616,150</b>
<b>Highways and streets:</b>				
Highways - general	520,778	490,801	29,977	577,131
Weed eradication	153,574	149,956	3,618	139,660
<b>Total highways and streets</b>	<b>674,352</b>	<b>640,757</b>	<b>33,595</b>	<b>716,791</b>
<b>Health:</b>				
Health services	165,586	165,586	-	165,586
<b>Total health</b>	<b>165,586</b>	<b>165,586</b>	<b>-</b>	<b>165,586</b>
<b>Welfare:</b>				
Welfare	47,500	46,268	1,232	40,213
<b>Total welfare</b>	<b>47,500</b>	<b>46,268</b>	<b>1,232</b>	<b>40,213</b>
<b>Culture and recreation:</b>				
Parks	252,568	252,568	-	252,568
Recreation	28,700	23,780	4,920	15,351
Library	107,449	107,448	1	108,102

(continued)

(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, 2004  
(With Comparative Totals for the Year Ended December 31, 2003)

	2004		Variance- Favorable (Unfavorable)	2003
	Budget	Actual		
Fairs	62,192	58,510	3,682	53,861
Rodeo	58,530	58,399	131	50,626
Total culture and recreation	509,439	500,705	8,734	480,508
Total expenditures	15,922,723	14,793,519	1,129,204	12,565,377
Excess of revenues over expenditures	1,408,741	2,554,382	1,145,641	1,786,589
Other financing sources (uses):				
Contributions	4,000	1,521	(2,479)	8,826
Operating transfer to component unit	(67,354)	(67,354)	-	(67,354)
Bear River Health Department	(54,175)	(54,175)	-	(56,878)
Transfers in (out):				
Municipal services fund	309,703	309,703	-	203,626
Debt service fund	(1,528,879)	(1,570,879)	(42,000)	(1,304,859)
Library fund	(17,100)	(17,100)	-	(17,100)
Capital Projects	(240,000)	(240,000)	-	(65,000)
Council on aging fund	(48,876)	(48,876)	-	(48,294)
County planner fund	(68,144)	(68,144)	-	(67,586)
Total other financing sources (uses)	(1,710,825)	(1,755,304)	(44,479)	(1,414,619)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (302,084)	799,078	1,101,162	371,970
Adjust to GAAP - encumbrances (net change)		(6,740)		96,372
Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		792,338		468,342
Fund balance - January 1		2,584,888		2,116,546
Fund balance - December 31	\$	3,377,226		2,584,888

CACHE COUNTY  
ANALYSIS OF EXPENDITURES  
GENERAL FUND  
Year Ended December 31, 2004

	<u>Total</u>	<u>Salary Wages and Benefits</u>	<u>Material, Supplies and Services</u>	<u>Other Charges</u>	<u>Capital Outlay</u>
General Government:					
Council	\$ 64,894	53,829	9,681	1,384	-
Water policy	73,678	13,671	1,029	58,978	-
Sanity hearing	14,698	-	14,698	-	-
Public defender	252,896	-	246,570	6,326	-
Law library	-	-	-	-	-
County executive	121,826	116,318	5,508	-	-
Data processing	281,559	215,599	53,457	-	12,503
Auditor	265,667	197,172	65,426	3,069	-
Clerk	105,193	84,237	19,906	1,050	-
Treasurer	193,090	163,673	18,131	11,286	-
Recorder	235,440	208,323	27,117	-	-
Human Resources	78,956	75,107	2,865	984	-
GIS	37,384	5,689	3,000	28,695	-
Attorney	773,905	660,051	113,854	-	-
Assessor	968,719	775,010	108,158	7,026	78,525
Surveyor	139,917	129,500	10,417	-	-
Victim services	117,080	99,298	17,782	-	-
Non-departmental	122,900	-	-	122,900	-
Insurance	168,045	-	-	168,045	-
Ambulance services	126,952	-	-	126,952	-
Central mail and copy	9,347	-	9,347	-	-
Building and grounds	148,841	52,338	78,622	17,881	-
Elections	187,163	82,385	104,778	-	-
Advertising and promotion	13,589	-	13,589	-	-
Resources and industrial development	17,500	-	17,500	-	-
Agricultural extension service	131,749	37,680	36,654	57,415	-
Agricultural promotion	41,934	-	41,934	-	-
Other	134,191	-	-	134,191	-
Contributions to other units	288,261	-	-	288,261	-
<b>Total general government</b>	<b>5,115,374</b>	<b>2,969,880</b>	<b>1,020,023</b>	<b>1,034,443</b>	<b>91,028</b>

(continued)



CACHE COUNTY  
ANALYSIS OF EXPENDITURES  
GENERAL FUND  
Year Ended December 31, 2004

	Total	Salary Wages and Benefits	Material, Supplies and Services	Other Charges	Capital Outlay
Public safety:					
Sheriff	1,987,224	1,621,979	243,986	7,904	113,355
Fire	805,480	165,533	322,200	228,613	89,134
County jail	3,757,494	2,836,088	881,371	17,282	22,753
Emergency management	234,224	101,910	86,762	24,356	21,196
Liquor law enforcement	31,169	17,101	14,068	-	-
Civil process department	1,462,150	1,254,675	184,971	5,184	17,320
Total public safety	<u>8,277,741</u>	<u>5,997,286</u>	<u>1,733,358</u>	<u>283,339</u>	<u>263,758</u>
Highways and streets:					
Highways - General	514,642	367,653	146,989	-	-
Weed eradication	149,957	94,008	55,949	-	-
Total highway and streets	<u>664,599</u>	<u>461,661</u>	<u>202,938</u>	<u>-</u>	<u>-</u>
Health:					
Health services	165,586	-	-	165,586	-
Welfare:					
Welfare	46,268	-	-	46,268	-
Culture and recreation:					
Parks	252,568	-	252,568	-	-
Recreation	49,341	-	49,341	-	-
Library	107,448	-	107,448	-	-
Fairs	58,510	1,128	57,382	-	-
Rodeo	58,087	576	57,511	-	-
Total culture and recreation	<u>525,954</u>	<u>1,704</u>	<u>524,250</u>	<u>-</u>	<u>-</u>
Total expenditures	\$ <u>14,795,522</u>	<u>9,430,531</u>	<u>3,480,569</u>	<u>1,529,636</u>	<u>354,786</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, 2004  
(With Comparative Totals for Year Ended December 31, 2003)

	2004		Variance- Favorable (Unfavorable)	2003 Actual
	Budget	Actual		
<b>Revenues:</b>				
Taxes	\$ 565,000	576,108	11,108	553,245
Intergovernmental	1,786,678	1,298,293	(488,385)	1,518,288
Charges for services	70,900	71,615	715	74,112
Licenses and permits	334,015	340,001	5,986	326,286
Miscellaneous	55,500	79,994	24,494	59,398
<b>Total revenues</b>	<b>2,812,093</b>	<b>2,366,011</b>	<b>(446,082)</b>	<b>2,531,329</b>
<b>Expenditures:</b>				
<b>General government:</b>				
<b>Planning:</b>				
Salary and fringe benefits	139,174	135,713	3,461	131,546
Other departmental expenses	15,614	13,433	2,181	16,183
<b>Total planning</b>	<b>154,788</b>	<b>149,146</b>	<b>5,642</b>	<b>147,729</b>
<b>Sanitation/waste collection:</b>				
Other departmental expenses	28,000	21,584	6,416	19,132
<b>Miscellaneous:</b>				
Other departmental expenses	8,000	7,500	500	7,500
<b>Total general government</b>	<b>190,788</b>	<b>178,230</b>	<b>12,058</b>	<b>174,361</b>
<b>Public safety:</b>				
<b>Sheriff:</b>				
Salary and fringe benefits	376,609	365,631	10,978	351,423
Other departmental expenses	47,915	45,340	2,575	88,152
Capital outlay	72,000	72,000	-	70,380
<b>Total sheriff</b>	<b>496,524</b>	<b>482,971</b>	<b>13,553</b>	<b>509,955</b>
<b>Fire:</b>				
Department allocations	116,031	106,805	9,226	131,365
<b>Total fire</b>	<b>116,031</b>	<b>106,805</b>	<b>9,226</b>	<b>131,365</b>

(continued)

(continued)

CACHE COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
MUNICIPAL SERVICES FUND  
Year Ended December 31, 2004  
(With Comparative Totals for Year Ended December 31, 2003)

	2004		Variance- Favorable (Unfavorable)	2003 Actual
	Budget	Actual		
Building inspection:				
Salary and fringe benefits	217,479	208,547	8,932	199,170
Other departmental expenses	20,954	20,974	(20)	18,203
Capital outlay	-	-	-	14,298
Total Building inspection	<u>238,433</u>	<u>229,521</u>	<u>8,912</u>	<u>231,671</u>
Animal control:				
Salary and fringe benefits	11,802	11,215	587	11,251
Other departmental expenses	5,299	5,248	51	3,242
Total animal control	<u>17,101</u>	<u>16,463</u>	<u>638</u>	<u>14,493</u>
Total public safety	<u>868,089</u>	<u>835,760</u>	<u>32,329</u>	<u>887,484</u>
Highways - Class B:				
Salary and fringe benefits	438,122	397,043	41,079	397,073
Other departmental expenses	697,986	436,172	261,814	306,983
Capital Outlay	332,720	332,430	290	64,252
Total Highways - Class B	<u>1,468,828</u>	<u>1,165,645</u>	<u>303,183</u>	<u>768,308</u>
Recreation:				
Other departmental expenses	7,084	7,084	-	-
Total Recreation	<u>7,084</u>	<u>7,084</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,534,789</u>	<u>2,186,719</u>	<u>347,570</u>	<u>1,830,153</u>
Excess of revenues over expenditures	<u>277,304</u>	<u>179,292</u>	<u>(98,012)</u>	<u>701,176</u>

(continued)

(continued)

CACHE COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
MUNICIPAL SERVICES FUND  
Year Ended December 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Actual</u>
Other financing uses:				
Transfer from special revenue fund	7,084	7,084	-	-
Transfer to general fund	(299,703)	(299,703)	-	(203,626)
Transfer to capital projects fund	(90,589)	(90,589)	-	-
 Total other financing uses	<u>(383,208)</u>	<u>(383,208)</u>	-	<u>(203,626)</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(105,904)</u>	(203,916)	<u>(98,012)</u>	497,550
 Adjust to GAAP - encumbrances		<u>(13,500)</u>		<u>14,510</u>
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		(217,416)		512,060
 Fund balance - January 1		<u>5,274,397</u>		<u>4,762,337</u>
 Fund balance - December 31	\$	<u>5,056,981</u>		<u>5,274,397</u>

CACHE COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
MENTAL HEALTH FUND  
Year Ended December 31, 2004  
(With Comparative Totals for Year Ended December 31, 2003)

	<u>2004</u>		Variance- Favorable (Unfavorable)	2003
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Intergovernmental:				
Federal and state grants	\$ 1,750,000	1,539,388	(210,612)	1,564,390
Total revenues	<u>1,750,000</u>	<u>1,539,388</u>	<u>(210,612)</u>	<u>1,564,390</u>
Expenditures:				
Mental health	1,750,000	1,539,388	210,612	1,564,390
Total expenditures	<u>1,750,000</u>	<u>1,539,388</u>	<u>210,612</u>	<u>1,564,390</u>
Excess of revenues over expenditures	<u>-</u>	-	<u>-</u>	-
Fund balance - January 1		-		
Fund balance - December 31	\$	<u>-</u>		<u>-</u>

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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, 2004  
(With Comparative Totals From Project Inception to December 31, 2003)

	<u>Project Length</u>			<u>2003</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	
Revenues:				
Intergovernmental	\$ 1,046,735	1,046,735	-	1,046,735
Other	331,718	164,898	(166,820)	159,287
Total revenues	<u>1,378,453</u>	<u>1,211,633</u>	<u>(166,820)</u>	<u>1,206,022</u>
Expenditures:				
Building improvement and other	22,973,280	20,353,043	2,620,237	17,902,970
Total expenditures	<u>22,973,280</u>	<u>20,353,043</u>	<u>2,620,237</u>	<u>17,902,970</u>
Deficiency of revenues over expenditures	<u>(21,594,827)</u>	<u>(19,141,410)</u>	<u>2,453,417</u>	<u>(16,696,948)</u>
Other financing sources (uses):				
Contributions	1,254,656	750,430	(504,226)	470,402
Bond proceeds	17,175,000	17,311,330	136,330	17,311,330
Transfers in	664,559	564,143	(100,416)	143,970
Transfers out	-	(519,323)	(519,323)	(519,323)
Total other financing sources (uses)	<u>19,094,215</u>	<u>18,106,580</u>	<u>(987,635)</u>	<u>17,406,379</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (2,500,612)</u>	<u>(1,034,830)</u>	<u>1,465,782</u>	<u>709,431</u>
Adjust to GAAP for fiscal year:				
Eliminate prior year balances		(709,431)		(9,438,125)
Encumbrances (net change)		(76,742)		(453,331)
Deficiency of revenues and other financing sources over expenditures and other financing uses - GAAP basis		<u>(1,821,003)</u>		<u>(9,182,025)</u>
Fund balance - January 1		<u>2,937,594</u>		<u>12,119,619</u>
Fund balance - December 31	\$	<u>1,116,591</u>		<u>2,937,594</u>

CACHE COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2004

<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>
Cash and cash equivalents	\$ -	275	40	-	25
Equity in investment pool	396,002	208,456	189,514	966,846	55,498
Receivables:					
Taxes	32,000	47,288	-	189,599	-
Accounts	-	1,008	2,677	-	-
Due from other governments	-	-	71,878	-	7,085
Restricted assets:					
Restricted investments	-	-	-	-	-
 Total assets	 \$ <u>428,002</u>	 <u>257,027</u>	 <u>264,109</u>	 <u>1,156,445</u>	 <u>62,608</u>
 <u>Liabilities and Fund Balance</u>					
Liabilities:					
Interfund payable - investment pool	\$ -	-	-	-	-
Accrued liabilities	-	14,210	12,096	-	2,122
Due to other funds	-	-	140,000	-	-
Deferred revenue	32,000	-	1,300	-	-
 Total liabilities	 <u>32,000</u>	 <u>14,210</u>	 <u>153,396</u>	 <u>-</u>	 <u>2,122</u>
Fund balances:					
Reserved - encumbrances	-	21,888	12,610	586,977	228
Reserved - debt service	-	-	-	-	-
Reserved - capital projects	-	-	-	-	-
Unreserved:					
Undesignated	396,002	220,929	98,103	569,468	60,258
 Total fund balances	 <u>396,002</u>	 <u>242,817</u>	 <u>110,713</u>	 <u>1,156,445</u>	 <u>60,486</u>
 Total liabilities and fund balances	 \$ <u>428,002</u>	 <u>257,027</u>	 <u>264,109</u>	 <u>1,156,445</u>	 <u>62,608</u>



Special Revenue					Total
Library	Children's Justice Center	RAPZ Tax	Community Foundation	Debt Service	Nonmajor Governmental Funds
25	100	-	7,791	-	8,256
5,342	-	1,096,995	-	121,290	3,039,943
-	-	287,789	-	-	556,676
-	600	-	-	-	4,285
16,743	42,369	-	-	-	138,075
-	-	-	-	2,695	2,695
<u>22,110</u>	<u>43,069</u>	<u>1,384,784</u>	<u>7,791</u>	<u>123,985</u>	<u>3,749,930</u>
-	38,093	-	-	-	38,093
1,906	1,253	160	-	2,500	34,247
-	-	-	-	-	140,000
-	-	-	-	-	33,300
<u>1,906</u>	<u>39,346</u>	<u>160</u>	<u>-</u>	<u>2,500</u>	<u>245,640</u>
-	-	294,143	-	-	915,846
-	-	-	-	2,695	2,695
-	-	-	4,833	-	4,833
<u>20,204</u>	<u>3,723</u>	<u>1,090,481</u>	<u>2,958</u>	<u>118,790</u>	<u>2,580,916</u>
<u>20,204</u>	<u>3,723</u>	<u>1,384,624</u>	<u>7,791</u>	<u>121,485</u>	<u>3,504,290</u>
<u>22,110</u>	<u>43,069</u>	<u>1,384,784</u>	<u>7,791</u>	<u>123,985</u>	<u>3,749,930</u>

CACHE COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended December 31, 2004

	Special Revenue				
	Health	Travel Council	Council on Aging	Recreation	Planning and Development
Revenues:					
Taxes	\$ 658,277	269,006	-	737,591	-
Intergovernmental	-	30,000	285,272	-	26,347
Charges for services	-	-	119,347	-	45,084
Miscellaneous	-	12,828	86,062	25,923	-
Total revenues	<u>658,277</u>	<u>311,834</u>	<u>490,681</u>	<u>763,514</u>	<u>71,401</u>
Expenditures:					
General government	-	-	-	-	148,311
Public safety	-	-	-	-	-
Health	-	-	538,055	-	-
Culture and recreation	-	329,344	-	689,252	-
Debt service:					
Principle	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>329,344</u>	<u>538,055</u>	<u>689,252</u>	<u>148,311</u>
Excess (deficiency) of revenues over expenditures	<u>658,277</u>	<u>(17,510)</u>	<u>(47,374)</u>	<u>74,262</u>	<u>(76,910)</u>
Other financing sources (uses):					
Transfer to component unit	(610,000)	-	-	-	-
Transfer from (to) general fund	-	-	48,876	(10,000)	68,144
Transfer from (to) special revenue fund	-	-	10,000	-	-
Transfer from (to) capital projects fund	-	-	-	(75,000)	-
Total other financing sources (uses)	<u>(610,000)</u>	<u>-</u>	<u>58,876</u>	<u>(85,000)</u>	<u>68,144</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	48,277	(17,510)	11,502	(10,738)	(8,766)
Fund balance - January 1	<u>347,725</u>	<u>260,327</u>	<u>99,211</u>	<u>1,167,183</u>	<u>69,252</u>
Fund balance - December 31	<u>\$ 396,002</u>	<u>242,817</u>	<u>110,713</u>	<u>1,156,445</u>	<u>60,486</u>

Special Revenue					Total
Library	Children's Justice Center	RAPZ Tax	Community Foundation	Debt Service	Nonmajor Governmental Funds
-	-	1,080,118	-	-	2,744,992
25,457	86,498	-	-	-	453,574
<u>3,126</u>	-	-	-	-	<u>167,527</u>
-	-	-	12,475	2,867	140,155
<u>28,583</u>	<u>86,498</u>	<u>1,080,118</u>	<u>12,475</u>	<u>2,867</u>	<u>3,506,248</u>
-	86,555	-	17	-	148,328
-	-	-	4,962	-	91,517
-	-	-	4,765	-	542,820
43,290	-	449,842	-	-	1,511,728
-	-	-	-	785,152	785,152
-	-	-	-	779,425	779,425
<u>43,290</u>	<u>86,555</u>	<u>449,842</u>	<u>9,744</u>	<u>1,564,577</u>	<u>3,858,970</u>
<u>(14,707)</u>	<u>(57)</u>	<u>630,276</u>	<u>2,731</u>	<u>(1,561,710)</u>	<u>(352,722)</u>
-	-	-	-	-	(610,000)
<u>17,100</u>	-	<u>(10,000)</u>	-	<u>1,570,879</u>	<u>1,684,999</u>
-	-	(17,084)	-	-	(7,084)
-	-	-	(14,584)	-	(89,584)
<u>17,100</u>	<u>-</u>	<u>(27,084)</u>	<u>(14,584)</u>	<u>1,570,879</u>	<u>978,331</u>
2,393	(57)	603,192	(11,853)	9,169	625,609
<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>20,204</u>	<u>3,723</u>	<u>1,384,624</u>	<u>7,791</u>	<u>121,485</u>	<u>3,504,290</u>

CACHE COUNTY  
HEALTH FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended December 31, 2004  
(With Comparative Totals for Year Ended December 31, 2003)

	<u>2004</u>		Variance- Favorable (Unfavorable)	2003
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes	\$ 644,415	658,277	13,862	630,265
Total revenues	<u>644,415</u>	<u>658,277</u>	<u>13,862</u>	<u>630,265</u>
Expenditures:				
Health	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>644,415</u>	<u>658,277</u>	<u>13,862</u>	<u>630,265</u>
Other financing uses:				
Transfer to Bear River Health Department	(610,000)	(610,000)	-	(591,000)
Total other financing uses	<u>(610,000)</u>	<u>(610,000)</u>	<u>-</u>	<u>(591,000)</u>
Excess of revenues over expenditures and other financing uses	\$ <u>34,415</u>	48,277	<u>13,862</u>	39,265
Fund balance - January 1		<u>347,725</u>		<u>308,460</u>
Fund balance - December 31	\$	<u>396,002</u>		<u>347,725</u>

CACHE COUNTY  
TRAVEL COUNCIL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended December 31, 2004  
(With Comparative Totals for Year Ended December 31, 2003)

	2004		Variance- Favorable (Unfavorable)	2003
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes:				
Transient room tax	\$ 235,000	269,006	34,006	222,491
Intergovernmental:				
Federal grants	67,800	-	(67,800)	-
Local grants	30,000	30,000	-	50,000
Total intergovernmental	97,800	30,000	(67,800)	50,000
Miscellaneous	8,000	12,828	4,828	13,201
Total revenues	340,800	311,834	(28,966)	285,692
Expenditures:				
Culture and recreation	401,434	307,670	93,764	306,944
Total expenditures	401,434	307,670	93,764	306,944
Excess (deficiency) of revenues over expenditures	\$ <u>(60,634)</u>	4,164	<u>64,798</u>	(21,252)
Adjust to GAAP - encumbrances		<u>(21,674)</u>		<u>38,192</u>
Excess (deficiency) of revenues over expenditures (GAAP basis)		(17,510)		16,940
Fund balance - January 1		<u>260,327</u>		<u>243,387</u>
Fund balance - December 31	\$	<u>242,817</u>		<u>260,327</u>

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, 2004  
(With Comparative Totals for Year Ended December 31, 2003)

	2004		Variance- Favorable (Unfavorable)	2003 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Federal and state grants	\$ 361,008	285,272	(75,736)	300,409
Local funding	1,800	-	(1,800)	-
<b>Total intergovernmental</b>	<b>362,808</b>	<b>285,272</b>	<b>(77,536)</b>	<b>300,409</b>
<b>Charge for services:</b>				
Nutrition donations	110,000	100,927	(9,073)	98,832
Tours and trips	2,500	1,583	(917)	27,824
Access transportation	5,000	3,970	(1,030)	4,953
Ceramics and crafts	4,241	4,815	574	3,260
Catering	11,500	8,052	(3,448)	-
<b>Total charges for services</b>	<b>133,241</b>	<b>119,347</b>	<b>(13,894)</b>	<b>134,869</b>
<b>Miscellaneous:</b>				
United Way donation	11,500	10,851	(649)	13,185
Other	78,680	75,211	(3,469)	22,927
<b>Total miscellaneous</b>	<b>90,180</b>	<b>86,062</b>	<b>(4,118)</b>	<b>36,112</b>
<b>Total revenues</b>	<b>586,229</b>	<b>490,681</b>	<b>(95,548)</b>	<b>471,390</b>
<b>Expenditures:</b>				
<b>Nutrition:</b>				
Salaries and fringe benefits	148,141	147,973	168	184,981
Supplies	32,371	32,692	(321)	36,583
Transportation	15,200	14,160	1,040	13,886
Occupancy	12,600	14,218	(1,618)	14,620
Meals	104,135	102,867	1,268	90,906
Capital outlay	-	-	-	7,135
<b>Total nutrition</b>	<b>312,447</b>	<b>311,910</b>	<b>537</b>	<b>348,111</b>
<b>Center:</b>				
Salaries and fringe benefits	56,428	54,695	1,733	57,981
Travel	4,856	5,438	(582)	6,214
Supplies	31,316	23,241	8,075	36,306
Improvements	62,000	7,610	54,390	-
Occupancy	15,064	13,579	1,485	9,940
<b>Total center</b>	<b>169,664</b>	<b>104,563</b>	<b>65,101</b>	<b>110,441</b>

(continued)

(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, 2004  
 (With Comparative Totals for Year Ended December 31, 2003)

	2004		Variance- Favorable (Unfavorable)	2003
	Budget	Actual		Actual
Access - Mandated:				
Salaries and fringe benefits	56,425	54,679	1,746	43,589
Supplies	2,800	3,131	(331)	7,538
Transportation	4,000	4,655	(655)	4,700
Occupancy	10,950	10,633	317	8,723
Total access - mandated	<u>74,175</u>	<u>73,098</u>	<u>1,077</u>	<u>64,550</u>
Retired service volunteer program:				
Salaries and fringe benefits	35,158	33,621	1,537	24,492
Travel	7,425	6,529	896	1,106
Occupancy	350	332	18	318
Volunteer insurance	919	918	1	900
Supplies	8,844	8,822	22	13,193
Volunteer travel	2,334	2,141	193	5,234
Total retired service volunteer program	<u>55,030</u>	<u>52,363</u>	<u>2,667</u>	<u>45,243</u>
Catering:				
Salaries and fringe benefits	2,044	1,316	728	-
Supplies	8,556	6,216	2,340	-
Total catering	<u>10,600</u>	<u>7,532</u>	<u>3,068</u>	-
Total expenditures	<u>621,916</u>	<u>549,466</u>	<u>72,450</u>	<u>568,345</u>
Deficiency of revenues over expenditures	(35,687)	(58,785)	(23,098)	(96,955)
Other financing sources:				
Transfer from general fund	48,876	48,876	-	-
Transfer from RAPZ Tax fund	10,000	10,000	-	48,294
Total other financing sources	<u>58,876</u>	<u>58,876</u>	<u>-</u>	<u>48,294</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ 23,189</u>	91	<u>(23,098)</u>	(48,661)
Adjust to GAAP - encumbrances (net change)		<u>11,411</u>		<u>1,199</u>
Excess (deficiency) of revenues and other financing sources over expenditures (GAAP basis)		11,502		(47,462)
Fund balance - January 1		<u>99,211</u>		<u>146,673</u>
Fund balance - December 31	\$	<u>110,713</u>		<u>99,211</u>

CACHE COUNTY  
RECREATION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
Year Ended December 31, 2004  
(With Comparative Totals for Year Ended December 31, 2003)

	<u>2004</u>		<u>Variance- Favorable (Unfavorable)</u>	<u>2003</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
Restaurant tax	\$ 710,000	737,591	27,591	649,708
<b>Total tax</b>	<u>710,000</u>	<u>737,591</u>	<u>27,591</u>	<u>649,708</u>
Miscellaneous	<u>2,000</u>	<u>25,923</u>	<u>23,923</u>	<u>-</u>
<b>Total revenues</b>	<u>712,000</u>	<u>763,514</u>	<u>51,514</u>	<u>649,708</u>
<b>Expenditures:</b>				
Culture and recreation	<u>720,600</u>	<u>657,419</u>	<u>63,181</u>	<u>656,608</u>
<b>Total expenditures</b>	<u>720,600</u>	<u>657,419</u>	<u>63,181</u>	<u>656,608</u>
Excess (deficiency) of revenues over expenditures	(8,600)	106,095	114,695	(6,900)
<b>Other financing uses:</b>				
Transfers out	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing uses	<u>\$ (93,600)</u>	21,095	<u>114,695</u>	(6,900)
Adjust to GAAP - encumbrances (net change)		<u>(31,833)</u>		<u>119,640</u>
Excess (deficiency) of revenues over expenditures and other financing uses (GAAP) basis		(10,738)		112,740
Fund balance - January 1		<u>1,167,183</u>		<u>1,054,443</u>
Fund balance - December 31	\$	<u>1,156,445</u>		<u>1,167,183</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, 2004**  
**(With Comparative Totals for Year Ended December 31, 2003)**

	2004		Variance- Favorable (Unfavorable)	2003 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:				
Federal and state grants	\$ 15,000	15,347	347	13,084
Local grants	11,000	11,000	-	8,000
Total intergovernmental	26,000	26,347	347	21,084
Charges for services:				
Entity user fee	68,144	37,835	(30,309)	99,885
Current services	6,649	7,219	570	5,181
Total charges for services	74,793	45,054	(29,739)	105,066
Total revenues	100,793	71,401	(29,392)	126,150
Expenditures:				
Salaries and benefits	122,445	119,398	3,047	118,846
Other expenses	45,682	29,141	16,541	48,021
Capital outlay	-	-	-	-
Total expenditures	168,127	148,539	19,588	166,867
Deficiency of revenues over expenditures	(67,334)	(77,138)	(9,804)	(40,717)
Other financing sources (uses):				
Transfer from general fund	68,144	68,144	-	67,586
Total other financing sources (uses)	68,144	68,144	-	67,586
Excess (deficiency) of revenues and other financing sources over expenditures	\$ 810	(8,994)	(9,804)	26,869
Adjust to GAAP - encumbrances (net change)		228		-
Excess (deficiency) of revenues and other financing sources over expenditures (GAAP basis)		(8,766)		26,869
Fund balance - January 1		69,252		42,383
Fund balance - December 31	\$	60,486		69,252

CACHE COUNTY  
LIBRARY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
Year Ended December 31, 2004  
 (With Comparative Totals for Year Ended December 31, 2003)

	2004		Variance- Favorable (Unfavorable)	2003
	Budget	Actual		Actual
Revenues:				
Intergovernmental:				
Federal and state grants	\$ 6,730	7,634	904	-
Local grants	17,823	17,823	-	14,121
Total intergovernmental	24,553	25,457	904	14,121
Charges for services:				
Library fees	1,550	3,126	1,576	1,165
Total revenues	26,103	28,583	2,480	15,286
Expenditures:				
Salaries and benefits	19,497	18,691	806	13,939
Other expenses	26,018	24,599	1,419	28,015
Total expenditures	45,515	43,290	2,225	41,954
Deficiency of revenues over expenditures	(19,412)	(14,707)	4,705	(26,668)
Other financing sources:				
Transfer from general fund	17,100	17,100	-	17,100
Total other financing sources	17,100	17,100	-	17,100
Excess (deficiency) of revenues and other financing sources over expenditures	\$ (2,312)	2,393	4,705	(9,568)
Adjust to GAAP - encumbrances (net change)		-		-
Deficiency of revenues and other financing sources over expenditures (GAAP basis)		2,393		(9,568)
Fund balance - January 1		17,811		27,379
Fund balance - December 31	\$	20,204		17,811

CACHE COUNTY  
CHILDREN'S JUSTICE CENTER  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended December 31, 2004  
(With Comparative Totals for the Year Ended December 31, 2003)

	2004		Variance- Favorable (Unfavorable)	2003 Actual
	Budget	Actual		
Revenues:				
Intergovernmental:				
Federal grants	\$ 1,200	877	323	-
State grants	93,150	85,621	7,529	83,304
Total revenues	<u>94,350</u>	<u>86,498</u>	<u>7,529</u>	<u>83,304</u>
Expenditures:				
Salaries and benefits	70,107	66,871	3,236	54,839
Other center expenses	24,243	19,684	4,559	28,535
Total expenditures	<u>94,350</u>	<u>86,555</u>	<u>7,795</u>	<u>83,374</u>
Deficiency of revenues over expenditures	\$ <u>-</u>	(57)	<u>(57)</u>	(70)
Fund balance - January 1		<u>3,780</u>		<u>3,850</u>
Fund balance - December 31	\$	<u>3,723</u>		<u>3,780</u>

CACHE COUNTY  
RAPZ TAX  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended December 31, 2004  
(With Comparative Totals for the Year Ended December 31, 2003)

	<u>2004</u>		<u>Variance- Favorable (Unfavorable)</u>	<u>2003 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Revenues:				
Taxes:				
Sales tax	\$ <u>1,000,000</u>	<u>1,080,118</u>	<u>(80,118)</u>	<u>781,432</u>
Total revenues	<u>1,000,000</u>	<u>1,080,118</u>	<u>(80,118)</u>	<u>781,432</u>
Expenditures:				
Miscellaneous	<u>972,916</u>	<u>743,985</u>	<u>228,931</u>	<u>-</u>
Total expenditures	<u>972,916</u>	<u>743,985</u>	<u>228,931</u>	<u>-</u>
Excess of revenues over expenditures	<u>27,084</u>	<u>336,133</u>	<u>309,049</u>	<u>781,432</u>
Other financing sources (uses):				
Transfers out	<u>(27,084)</u>	<u>(27,084)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(27,084)</u>	<u>(27,084)</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures and other financing uses	\$ <u><u>-</u></u>	<u>309,049</u>	<u>309,049</u>	<u>781,432</u>
Adjust to GAAP - encumbrances (net change)		<u>294,143</u>		<u>-</u>
Excess of revenues over expenditures and other financing uses (GAAP) basis		<u>603,192</u>		<u>781,432</u>
Fund balance - January 1		<u>781,432</u>		<u>-</u>
Fund balance - December 31	\$	<u><u>1,384,624</u></u>		<u><u>781,432</u></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, 2004  
(With Comparative Totals for Year Ended December 31, 2003)

	2004		Variance- Favorable (Unfavorable)	2003 Actual
	Budget	Actual		
Revenues:				
Miscellaneous:				
Interest	\$ -	2,867	2,867	1,582
Total revenues	-	2,867	2,867	1,582
Expenditures:				
Principal	780,155	785,152	(4,997)	636,079
Interest and fiscal charges	790,724	779,425	11,299	771,430
Total expenditures	1,570,879	1,564,577	6,302	1,407,509
Deficiency of revenues over expenditures	(1,570,879)	(1,561,710)	9,169	(1,405,927)
Other financing sources:				
Transfer from capital projects	-	-	-	178,259
Transfer from general fund	1,570,879	1,570,879	-	1,304,859
Total other financing sources	1,570,879	1,570,879	-	1,483,118
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	9,169	9,169	77,191
Adjust to GAAP - encumbrances (net change)		-		-
Excess (deficiency) of revenues and other financing sources over expenditures (GAAP basis)		9,169		77,191
Fund balance - January 1		112,316		35,125
Fund balance - December 31	\$	121,485		112,316

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CACHE COUNTY  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
December 31, 2004

<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	\$ -	4,362	15,237,866	15,242,228
Equity in investment pool	118,833	-	-	118,833
Accounts receivable	34,689	-	-	34,689
Taxes receivable	-	-	630,429	630,429
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ <u>153,522</u>	<u>4,362</u>	<u>15,868,295</u>	<u>16,026,179</u>
 <u>Liabilities</u>				
Liabilities:				
Due to other taxing units	\$ -	-	15,330,660	15,330,660
Due to employees	-	4,362	-	4,362
Over-collections payable	-	-	537,635	537,635
Other collections payable	153,522	-	-	153,522
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	\$ <u>153,522</u>	<u>4,362</u>	<u>15,868,295</u>	<u>16,026,179</u>

**CACHE COUNTY**  
**TREASURER'S TAX FUND**  
**SCHEDULE OF TAXES CHARGED, COLLECTED AND DISBURSED - CURRENT AND PRIOR**  
**Year Ended December 31, 2004**

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 RDA Value	Total Personal Property Assessed Value	Total Adjusted Value	Real Property Tax Rate	Personal Property Tax Rate	Real Property Taxes Charged
General	\$ 2,926,119,505	120,035,233	(92,378,184)	2,953,776,554	318,269,475	(40,859,177)	277,410,298	3,231,186,852	0.001773	0.001756	\$ 5,237,046
Health	2,926,119,505	120,035,233	(92,378,184)	2,953,776,554	318,269,475	(40,859,177)	277,410,298	3,231,186,852	0.001773	0.001756	511,003
Assessing & collecting - State	2,926,119,505	120,035,233	(92,378,184)	2,953,776,554	318,269,475	(40,859,177)	277,410,298	3,231,186,852	0.001773	0.001756	548,308
Assessing & collecting - County	2,926,119,505	120,035,233	(92,378,184)	2,953,776,554	318,269,475	(40,859,177)	277,410,298	3,231,186,852	0.001773	0.001756	459,969
<b>Total Cache County</b>	<b>2,926,119,505</b>	<b>120,035,233</b>	<b>(92,378,184)</b>	<b>2,953,776,554</b>	<b>318,269,475</b>	<b>(40,859,177)</b>	<b>277,410,298</b>	<b>3,231,186,852</b>	<b>0.002277</b>	<b>0.002258</b>	<b>6,756,326</b>
<b>Cities &amp; Towns:</b>											
Amalgam	18,510,860	857,304	-	19,368,164	5,480,986	-	5,480,986	24,849,150	0.000510	0.000506	9,878
Clarkston	13,175,710	598,039	-	13,773,749	3,034	-	3,034	13,776,783	0.001520	0.000901	20,936
Cornish	6,964,910	1,461,627	-	8,426,537	6,648	-	6,648	8,433,185	0.002179	0.002081	18,361
Hyrum	146,199,040	3,648,362	-	149,847,402	5,657,202	-	5,657,202	155,504,604	0.001105	0.001117	165,581
Lewiston	54,084,170	3,612,038	-	57,696,208	8,027,108	-	8,027,108	65,723,316	0.002190	0.002107	126,355
Logan	1,223,427,050	31,087,403	(80,604,530)	1,173,909,923	208,337,015	(34,886,258)	173,450,757	1,347,360,680	0.002296	0.002297	2,695,297
Millville	43,796,490	1,306,791	-	45,103,281	1,078,043	-	1,078,043	46,181,324	0.000890	0.000892	40,142
Newton	16,157,975	597,302	-	16,755,277	168,825	-	168,825	16,924,102	0.000780	0.000775	13,069
Nibley	81,019,640	1,902,471	-	82,922,111	2,889,034	-	2,889,034	85,811,145	0.001667	0.001661	138,231
North Logan	304,763,985	4,059,483	-	308,823,468	22,883,467	-	22,883,467	331,706,935	0.001779	0.001798	589,397
Paradise	22,105,480	727,263	-	22,832,743	154,352	-	154,352	22,987,095	0.000940	0.000961	21,463
Providence	191,699,160	2,495,798	-	194,194,958	3,806,996	-	3,806,996	198,001,954	0.001227	0.001235	238,277
Richmond	48,269,185	3,242,217	-	51,511,402	3,246,669	-	3,246,669	54,758,071	0.001439	0.001453	74,125
South Logan	15,094,635	859,897	-	15,954,532	90,940	-	90,940	16,045,472	0.001550	0.001576	21,209
Smithfield	214,285,760	7,038,498	(11,773,654)	209,550,604	15,147,558	(5,972,918)	9,175,040	218,725,644	0.001943	0.001952	407,157
Trenton	12,017,610	2,746,260	-	14,763,870	570,342	-	570,342	15,334,212	0.000887	0.000865	13,096
Wellsville	79,695,800	2,715,128	-	82,410,928	2,217,557	-	2,217,557	84,628,485	0.001413	0.001408	116,447
<b>Total cities &amp; towns</b>	<b>2,650,034,285</b>	<b>71,753,293</b>	<b>(92,378,184)</b>	<b>2,629,409,394</b>	<b>282,160,946</b>	<b>(40,859,176)</b>	<b>241,301,770</b>	<b>2,870,711,164</b>			<b>4,887,109</b>
<b>Irrigation, Drainage &amp; Misc. Districts:</b>											
Drainage #3	-	-	-	-	-	-	-	-	1.000000	1.000000	-
Drainage #4	-	-	-	-	-	-	-	-	3.000000	3.000000	-
Drainage #5	-	-	-	-	-	-	-	-	0.500000	0.500000	-
Drainage #6	-	-	-	-	-	-	-	-	0.250000	0.250000	-
Wellsville-Mendon	-	-	-	-	-	-	-	-	17.000000	15.250000	-
Nonxious weeds	-	-	-	-	-	-	-	-	-	-	-
Logan City garbage	-	-	-	-	-	-	-	-	-	-	-
Powder Mountain	598,170	138,407	-	736,577	1,541,742	-	1,541,742	2,278,319	0.000721	0.000688	531
Mosquito Abatement	31,403,535	1,651,038	-	33,054,593	429,254	-	429,254	33,483,847	0.000264	0.000264	8,726
Benson Culinary Water	15,889,265	1,454,713	-	17,343,978	-	-	-	17,343,978	-	-	-
<b>Total irrigation, drainage &amp; misc. districts</b>	<b>\$ 47,890,970</b>	<b>3,244,178</b>	<b>-</b>	<b>51,135,148</b>	<b>1,970,996</b>	<b>-</b>	<b>1,970,996</b>	<b>53,106,144</b>			<b>\$ 9,257</b>

Continued



County Funds:	Personal Property Taxes Charged	Total Taxes Charged	Treasurer's Relief			Total Relief	Net Tax Collected	Percent Collected	Fee in Lieu	Other Collections		Delinquencies Tax	Inf' Pcm.
			Unpaid Taxes	Abate-ments	Other					Miscell. Collect.			
General	486,832	5,723,878	165,061	32,956	-	198,017	5,525,861	96.54%	958,168	141,806	160,899	87,472	
Health	47,438	558,441	16,106	3,215	-	538,441	558,441	100.00%	93,307	13,889	18,187	931	
Assessing & Collecting - State	57,604	605,912	16,757	3,346	-	20,103	585,809	96.68%	96,763	14,619	19,381	1,019	
Assessing & Collecting - County	47,741	507,710	14,058	2,807	-	16,865	490,845	96.68%	81,848	12,236	15,659	771	
<b>Total Cache County</b>	<b>639,615</b>	<b>7,395,941</b>	<b>211,982</b>	<b>42,324</b>	<b>-</b>	<b>218,120</b>	<b>6,670,111</b>	<b>90.19%</b>	<b>1,232,086</b>	<b>182,550</b>	<b>214,126</b>	<b>90,193</b>	
<b>Cities &amp; Towns:</b>													
Amalgam	2,773	12,651	134	15	5	154	12,497	98.78%	1,773	19	150	4	
Clarkston	3	20,939	296	391	29	716	20,223	96.58%	4,252	76	245	4	
Corinth	14	18,375	610	109	12	731	17,644	96.02%	1,203	86	332	8	
Hiram	6,321	171,902	8,015	1,056	71	9,142	162,760	94.68%	53,045	1,733	4,166	178	
Lewiston	16,913	143,268	2,567	1,277	(2)	3,842	139,426	97.32%	22,147	984	1,027	10	
Logan	398,335	3,093,632	73,566	16,967	34,279	124,812	2,968,820	95.97%	438,880	25,515	85,274	2,770	
Millville	962	41,104	643	286	8	937	40,167	97.72%	10,075	905	258	7	
Newton	131	13,200	442	87	3	532	12,668	95.97%	4,675	136	394	15	
Nibley	4,799	143,030	3,831	708	56	4,595	138,435	96.79%	29,432	5,513	2,437	117	
North Logan	41,144	590,541	19,560	1,323	142	21,025	569,516	96.44%	80,073	12,211	13,876	1,148	
Paradise	148	21,611	823	165	4	992	20,619	95.41%	9,455	(15)	873	38	
Providence	4,703	242,980	5,011	2,136	14	7,161	235,819	97.05%	50,725	3,270	1,883	51	
Richmond	4,718	78,843	1,554	1,087	83	2,724	76,119	96.55%	23,145	867	1,852	115	
Rocky Mountain	98	71,268	3,439	698	7	4,144	68,154	95.59%	7,933	250	1,305	39	
Smithfield	17,910	425,067	17,304	3,749	51	21,104	403,963	95.04%	101,623	3,030	21,165	1,441	
Trenton	493	13,589	320	185	6	511	13,078	96.24%	2,385	120	128	4	
Wellsville	3,122	119,569	3,101	647	23	3,771	115,798	96.85%	39,595	4,188	26,950	1,872	
<b>Total cities &amp; towns</b>	<b>503,321</b>	<b>5,392,430</b>	<b>146,860</b>	<b>32,084</b>	<b>34,823</b>	<b>213,767</b>	<b>5,178,663</b>	<b>96.04%</b>	<b>921,730</b>	<b>64,683</b>	<b>165,740</b>	<b>7,966</b>	
<b>Irrigation, Drainage &amp; Misc. Districts:</b>													
Drainage #3	-	1,610	5	-	-	5	1,605	99.69%	-	-	-	-	
Drainage #4	-	2,786	50	-	-	50	2,736	98.21%	-	-	10	-	
Drainage #5	-	1,114	10	-	-	10	1,104	99.10%	-	-	35	-	
Wellsville-Mendon	-	121,999	2,237	-	-	2,237	119,762	98.17%	-	-	3,737	-	
Noxious weeds	-	293	-	-	-	293	293	100.00%	-	-	-	-	
Logan City garbage	-	23,895	13,965	-	-	13,965	9,930	41.56%	-	-	3,669	-	
Mosquito Abatement	1061	779	-	-	-	779	779	100.00%	-	-	-	-	
Benton Culinary Water	113	8,840	171	104	3	278	8,562	96.86%	60	241	167	7	
Penalty attached	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total irrigation, drainage &amp; misc. districts</b>	<b>\$ 1,174</b>	<b>163,380</b>	<b>16,466</b>	<b>104</b>	<b>3</b>	<b>16,573</b>	<b>146,807</b>	<b>89.86%</b>	<b>60</b>	<b>250</b>	<b>7,618</b>	<b>7</b>	

**CACHE COUNTY**  
**TREASURER'S TAX FUND**  
**SCHEDULE OF TAXES CHARGED, COLLECTED AND DISBURSED - CURRENT AND PRIOR**  
**Year Ended December 31, 2004**

Continued

	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
<b>Cemetery Districts:</b>											
Avon	23,649,720	670,969	-	24,320,689	1,564,100	-	1,564,100	25,884,789	0.000177	0.000174	\$ 4,305
Cornish	8,319,935	3,192,811	-	11,512,746	6,648	-	6,648	11,519,394	0.000380	0.000366	4,375
Hyde Park	1,472,113,395	3,017,118	-	150,228,513	2,261,067	-	2,261,067	152,489,580	0.000286	0.000288	42,965
Newton	24,170,240	4,889,968	-	29,060,208	168,825	-	168,825	29,229,033	0.000107	0.000107	3,139
Paradise	45,386,450	4,439,441	-	49,825,891	154,352	-	154,352	49,980,243	0.000107	0.000109	5,331
Richmond	84,780,335	6,544,488	-	91,324,823	15,260,493	-	15,260,493	106,585,316	0.000147	0.000147	13,425
<b>Total cemetery districts</b>	<b>453,608,715</b>	<b>27,343,397</b>	<b>-</b>	<b>480,952,112</b>	<b>23,382,563</b>	<b>-</b>	<b>23,382,563</b>	<b>504,334,675</b>			<b>89,374</b>
<b>School Districts:</b>											
Cache County School District:											
Cache Co. Schools	1,702,692,455	88,947,830	(11,773,654)	1,779,866,631	109,932,460	(5,972,918)	103,959,542	1,883,826,173	0.0005195	0.004652	9,246,407
Cache Co. Statewide Levy	1,702,692,455	88,947,830	(11,773,654)	1,779,866,631	109,932,460	(5,972,918)	103,959,542	1,883,826,173	0.001800	0.001825	3,203,580
<b>Total Cache Co. School Dist.</b>	<b>1,702,692,455</b>	<b>88,947,830</b>	<b>(11,773,654)</b>	<b>1,779,866,631</b>	<b>109,932,460</b>	<b>(5,972,918)</b>	<b>103,959,542</b>	<b>1,883,826,173</b>	<b>0.006995</b>	<b>0.006477</b>	<b>12,449,987</b>
Logan City School District:											
Logan City Schools	1,223,427,050	31,087,403	(80,604,530)	1,173,909,923	208,337,015	(34,886,258)	173,450,757	1,347,360,680	0.005504	0.005101	6,461,200
Logan City Schools Statewide Levy	1,223,427,050	31,087,403	(80,604,530)	1,173,909,923	208,337,015	(34,886,258)	173,450,757	1,347,360,680	0.001800	0.001825	2,113,038
<b>Total Logan City School Dist.</b>	<b>1,223,427,050</b>	<b>31,087,403</b>	<b>(80,604,530)</b>	<b>1,173,909,923</b>	<b>208,337,015</b>	<b>(34,886,258)</b>	<b>173,450,757</b>	<b>1,347,360,680</b>	<b>0.007304</b>	<b>0.006926</b>	<b>8,574,238</b>
<b>Total School Districts</b>	<b>2,926,119,505</b>	<b>120,035,233</b>	<b>(92,378,184)</b>	<b>2,953,776,554</b>	<b>318,269,475</b>	<b>(40,859,176)</b>	<b>277,410,299</b>	<b>3,231,186,853</b>			<b>21,024,225</b>
<b>Redevelopment District: (1)</b>											
Logan City	-	-	80,604,530	80,604,530	-	34,886,258	34,886,258	115,490,788			185,068
Cache County	-	-	92,378,184	92,378,184	-	40,859,177	40,859,177	133,237,361			179,768
Cache County Schools	-	-	80,604,530	80,604,530	-	34,886,258	34,886,258	115,490,788			588,735
Smithfield City	-	-	11,773,654	11,773,654	-	5,972,918	5,972,918	17,746,572			82,357
<b>Total Redevelopment district</b>	<b>-</b>	<b>-</b>	<b>277,134,552</b>	<b>277,134,552</b>	<b>-</b>	<b>122,577,529</b>	<b>122,577,529</b>	<b>399,712,081</b>			<b>\$ 1,058,804</b>

(1) The Logan River Redevelopment District received \$580,994 of taxes from new growth in the district.  
 The Logan South Main Redevelopment District received \$228,359 of taxes from new growth in the district.  
 The Logan Downtown Redevelopment District was reorganized and received \$0 of taxes from new growth in the district.  
 The Smithfield Redevelopment District received \$190,000 of taxes from new growth in the district.  
 North Main Street Redevelopment District received \$75,626 of taxes from new growth in the district.  
 North Retail Redevelopment District received \$286,709 of taxes from new growth in the district.  
 Incremental property valuation for the Redevelopment Districts was \$133,237,361. The property valuation of \$133,237,361 is a recalculation based upon taxes requested by the Districts.

	Personal Property Taxes Charged	Total Taxes Charged	Treasurer's Relief				Total Relief	Net Tax Collected	Percent Collected	Other Collections								
			Unpaid Taxes	Abate-ments	Other	Fee in Lieu				Miscell. Collect.	Tax	Delinquencies						
												Int/Pen.						
<b>Cemetery Districts:</b>																		
Avon	\$ 272	4,577	257	11	1	269	4,308	94.12%	347	22	778	20						
Comish	2	4,377	106	19	9	134	4,243	96.94%	227	22	59	1						
Hyde Park	651	43,616	1,909	285	8	2,202	41,414	94.95%	6,114	1,369	949	70						
Newton	18	3,157	75	12	2	89	3,068	97.18%	656	29	55	2						
Paradise	17	5,348	246	19	1	266	5,082	95.03%	1,252	197	190	9						
Richmond	2,243	15,668	215	128	9	352	15,316	97.75%	2,368	174	335	17						
<b>Total cemetery districts</b>	<b>3,711</b>	<b>93,085</b>	<b>3,237</b>	<b>564</b>	<b>36</b>	<b>3,837</b>	<b>89,248</b>	<b>95.88%</b>	<b>14,685</b>	<b>2,375</b>	<b>2,613</b>	<b>130</b>						
<b>School Districts:</b>																		
Cache County School District:																		
Cache Co. Schools	483,689	9,750,096	317,186	58,172	3,205	378,564	9,351,532	96.11%	1,649,540	246,687	304,246	18,115						
Cache Co. Statewide Levy	189,719	3,393,299	109,901	20,156	1,148	131,204	3,262,095	96.13%	647,122	87,462	117,736	7,025						
<b>Total Cache Co. School Dist.</b>	<b>673,408</b>	<b>13,123,395</b>	<b>427,087</b>	<b>78,328</b>	<b>4,353</b>	<b>509,768</b>	<b>12,613,627</b>	<b>96.12%</b>	<b>2,296,662</b>	<b>334,149</b>	<b>421,982</b>	<b>25,140</b>						
Logan City School District:																		
Logan City Schools	884,771	7,345,971	176,354	40,673	77,140	294,167	7,051,804	96.00%	974,630	73,931	206,591	7,527						
Logan City Schools Statewide Levy	316,544	2,429,582	57,674	13,302	27,175	98,151	2,331,431	95.96%	348,696	25,243	73,691	2,674						
<b>Total Logan City School Dist.</b>	<b>1,201,315</b>	<b>9,775,553</b>	<b>234,028</b>	<b>53,975</b>	<b>104,315</b>	<b>392,318</b>	<b>9,383,235</b>	<b>95.99%</b>	<b>1,323,326</b>	<b>99,174</b>	<b>280,282</b>	<b>10,201</b>						
<b>Total School Districts</b>	<b>1,874,723</b>	<b>22,898,948</b>	<b>661,115</b>	<b>132,303</b>	<b>108,668</b>	<b>902,086</b>	<b>21,996,862</b>	<b>96.06%</b>	<b>3,619,988</b>	<b>433,323</b>	<b>702,264</b>	<b>35,341</b>						
<b>Redevelopment District (1)</b>																		
Logan City	80,134	265,202	-	-	-	265,202	265,202	100.00%	-	-	-	-						
Cache County	78,736	258,504	-	-	-	258,504	258,504	100.00%	-	-	-	-						
Logan City Schools	241,622	830,357	-	-	-	830,357	830,357	100.00%	-	-	-	-						
Cache County Schools	38,686	121,043	-	-	-	121,043	121,043	100.00%	-	-	-	-						
Smithfield City	11,659	34,535	-	-	-	34,535	34,535	100.00%	-	-	-	-						
<b>Total Redevelopment district</b>	<b>\$ 450,837</b>	<b>1,509,641</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,509,641</b>	<b>1,509,641</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>						
<b>Grand totals</b>	<b>\$ 3,475,381</b>	<b>\$ 37,453,425</b>	<b>1,039,660</b>	<b>207,379</b>	<b>143,530</b>	<b>1,354,383</b>	<b>35,591,332</b>	<b>95.03%</b>	<b>\$ 5,788,549</b>	<b>683,181</b>	<b>1,092,361</b>	<b>133,637</b>						

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Component Units

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**CACHE COUNTY**  
**AIRPORT AUTHORITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**Year Ended December 31, 2004**

	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 949,991	168,411	(781,580)
Charges for services	70,740	80,753	10,013
Total revenues	1,020,731	249,164	(771,567)
Expenditures:			
Capital outlay	491,859	190,792	301,067
General	759,367	102,609	656,758
Total expenditures	1,251,226	293,401	957,825
Other financing sources:			
Transfers from primary government	67,354	67,354	-
Total other financing sources	67,354	67,354	-
Excess (deficiency) of revenues and other financing sources over expenditures	\$ (230,495)	23,117	(1,729,392)
Adjustments to GAAP basis:			
Net change in encumbrances		(9,739)	
Excess of revenues and other financing sources over expenditures - modified accrual basis	\$	13,378	

CACHE COUNTY  
NORTH PARK INTERLOCAL COOPERATIVE  
COMBINING STATEMENT OF NET ASSETS  
December 31, 2004

<u>Assets</u>	<u>North Park Interlocal Cooperative</u>	<u>Bridgerland Community Ice Arena</u>	<u>Total</u>
Cash	\$ -	185,188	185,188
Equity in investment pool	66,845	-	66,845
Taxes receivable	48,033	-	48,033
Accounts receivable	-	14,396	14,396
Pledges receivable, net	-	345,615	345,615
Due from other governments	-	-	-
Restricted investments	202,318	42,139	244,457
Inventory	-	44,691	44,691
Other assets	-	12,417	12,417
Noncurrent assets:			-
Pledges receivable, net	-	292,656	292,656
Buildings and equipment	3,804,102	178,981	3,983,083
Less: accumulated depreciation	(216,146)	(70,654)	(286,800)
 Total assets	 \$ <u>3,905,152</u>	 <u>1,045,429</u>	 <u>4,950,581</u>
 <u>Liabilities</u>			
Accounts payable	-	58,916	58,916
Noncurrent liabilities:			-
Due within one year	160,000	-	160,000
Due in more than one year	\$ <u>1,419,000</u>	<u>-</u>	<u>1,419,000</u>
 Total liabilities	 <u>1,579,000</u>	 <u>58,916</u>	 <u>1,637,916</u>
 <u>Net assets</u>			
Invested in capital assets, net of related debt	2,008,956	108,327	2,117,283
Restricted for debt payment	202,318	-	202,318
Restricted for capital improvements	-	680,410	680,410
Unrestricted	<u>114,878</u>	<u>197,776</u>	<u>312,654</u>
 Total net assets	 \$ <u>2,326,152</u>	 <u>986,513</u>	 <u>3,312,665</u>



CACHE COUNTY  
NORTH PARK INTERLOCAL COOPERATIVE  
COMBINING STATEMENT OF ACTIVITIES  
Year Ended December 31, 2004

	North Park Interlocal Cooperative	Bridgerland Community Ice Arena	Total
Expenses	\$ 154,935	504,415	659,350
Program revenues:			
Charges for services	-	331,947	331,947
Operating grants and contributions	92,853	130,957	223,810
Capital grants and contributions	-	370,729	370,729
Total revenues	92,853	833,633	926,486
Net (expenses) revenues	(62,082)	329,218	267,136
General revenues:			
Sales taxes	179,905	-	179,905
Interest	7,380	2,454	9,834
Total general revenues	187,285	2,454	189,739
Change in net assets	125,203	331,672	456,875
Net assets - beginning	2,200,949	654,841	2,855,790
Net assets - ending	\$ 2,326,152	986,513	3,312,665

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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Taxes	\$ 161,470	179,905	18,435
Intergovernmental	92,853	92,853	-
Interest	1,001	7,380	6,379
<b>Total revenues</b>	<u>255,324</u>	<u>280,138</u>	<u>24,814</u>
<b>Expenditures:</b>			
Debt service:			
Principal	152,000	153,000	(1,000)
Interest	99,324	89,027	10,297
Miscellaneous	4,000	1,982	2,018
<b>Total expenditures</b>	<u>255,324</u>	<u>244,009</u>	<u>11,315</u>
<b>Excess of revenues over expenditures</b>	<u>\$ -</u>	<u>36,129</u>	<u>36,129</u>

CACHE COUNTY  
SINGLE AUDIT REPORTS

December 31, 2004

CACHE COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2004

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	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 04-05	\$ 29,227
Passed through State Dept of Health:			
Special Supplemental Food Program for Women, Infants and Children:			
Food Vouchers	10.557	04-C7	1,730,315
	10.557	05-C7	584,283
Administrative Costs	10.557	04-C7	538,476
	10.557	05-C7	141,014
Summer Food Program for Children	10.559	05-C6-11	300
Total DOA			<u>3,023,615</u>
<u>U.S. Department of Housing and Urban Development (HUD)</u>			
Passed through State Dept of Community and Economic Development:			
Community Development Block Grant	14.228	02-0311	7,500
Community Development Block Grant	14.228	03-2044	5,225
Community Development Block Grant	14.228	03-2106	17,999
Community Development Block Grant	14.228	04-2221	105,000
Community Development Block Grant	14.228	05-0017	21,373
Community Development Block Grant	14.228	04-0991	23,979
Total HUD			<u>181,076</u>
<u>U.S. Department of Justice (DOJ)</u>			
Passed through the Utah Department of Public Safety:			
State Criminal Alien Assistance Program	16.606	2004-AP-BX-0305	37,177
Bulletproof Vest Partnership Grant Act	16.607	1007225	3,499
Emerging Techonology Implementation	16.579	2D25	40,530

CACHE COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2004

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Expenditures
<u>Passed through the Utah Office of Crime Victims Reparations:</u>			
Violence Against Women Grant (S.T.O.P.)	16.588	03-VAWA-01-2W01	38,581
Victim Assistance Services Grant	16.588	03-VOCA-02	73,013
Victim Assistance Services Grant	16.588	04-VOCA-02-1v70	45,399
Total DOJ			<u>238,199</u>
<u>U.S. Department of Transportation (DOT)</u>			
Direct Programs:			
Airport Improvement Aid #14	20.106	DOT-FA04NM-1011	101,058
<u>Passed Through Utah Highway Safety Office:</u>			
BC Occupant Protection	20.600	CP04-02-15	18,875
Total DOT			<u>119,933</u>
<u>National Foundation on the Arts and the Humanities (NFAH)</u>			
Direct Programs:			
Library Services & Technology Act	45.310	04-1757	4,230
Total NFAH			<u>4,230</u>
<u>U.S. Department of Environmental Protection Agency (EPA)</u>			
<u>Passed through State Department of Environmental Quality:</u>			
LHD Environmental Services	66.605	050580	12,500
DEQ Environmental Services 2004	66.468	040146	5,590
DEQ Environmental Services 2005	66.468	050580	5,590
Total EPA			<u>23,680</u>
<u>Federal Emergency Management Agency (FEMA)</u>			
<u>Passed through State Department of Emergency Management:</u>			
Emergency Management Assist Allocation	83.534	EMD-97-PA-2229	22,500
Total FEMA			<u>22,500</u>

CACHE COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2004

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Expenditures
<u>U.S. Department of Education (ED)</u>			
Passed through the Logan School District:			
Twenty-First Century Community Learning	84.287	FY04	17,920
Total ED			17,920
<u>U.S. Department of Health &amp; Human Services (HHS)</u>			
Passed through St. Dept. of Health:			
Medical Reserve Corp 2004	93.008	US2G03091-01	33,025
Medical Reserve Corp 2005	93.008	MRCSG030133-02-0	4,566
Special Programs for Aging, Title III, Part B	93.044	FY 04-05	46,437
Special Programs for Aging, Title III, Part C	93.045	FY 03-04	
	93.045	FY 04-05	68,853
TB Elimination	93.116	C5-I	4,000
SICA	93.230	02-0930	118,131
Abstinence Education	93.235	C4-1	53,238
Immunization Vaccines-Syrum	93.268	99-2272(9)	144,000
Immunization 2004	93.268	C4-II	27,830
Immunization 2005	93.268	C4-II	27,830
Bioterrorism-Han Grant	93.283	2004	343,863
Bioterrorism-Han Grant	93.283	2005	68,806
Tobacco Control - CORE Capacity Bldg	93.283	C3-V	57,158
Election Assistance for Individuals with Disabilities	93.617	FY04	670
Title XX Discretionary Fund	93.667	FY 04-05	3,520
Case Management	93.778	CI-II	101,861
Medicaid/Title XIX	93.778	CI-I	36,867

CACHE COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2004

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Expenditures
Health Insurance Counseling	93.779	FY 04-05	651
Cancer Control	93.919	C3-I	51,561
AIDS/HIV	93.940	C-5III	4,000
Cardiovascular 2003	93.945	II	960
General Federal Block MHF	93.958	02-3004	103,300
Federal Block Children MHX	93.958	02-3004	28,400
Substance Abuse - SAPT Block Grant	93.959	02-3003	115,089
Substance Abuse - SAPT Block Grant	93.959	02-3003	693,383
STD Control Program	93.977	C5-II	900
Diabetes	93.988	C3-VI	7,728
Injury Prevention 2004	93.991	C3-III	2,102
Injury Prevention 2005	93.991	C3-III	8,768
Preventative Block Grant	93.991	C3-II	13,232
Home Visitation	93.994	C4-1	16,501
Maternal & Child Health	93.994	C4-I	94,199
MCH Community Injury	93.994	C3-III	26,809
Total HHS			<u>2,308,238</u>
<u>Corporation for National and Community Service (CNCS)</u>			
Direct Programs:			
Retired Service Volunteer Program	94.002	440PO52-21	<u>40,206</u>
Total CNCS			<u>40,206</u>

CACHE COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2004

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Expenditures
<u>Department of Homeland Security</u>			
Direct Programs:			
2002 Homeland Security	97.004	FY 2002	41,902
2003 Homeland Security	97.004	FY 2003	159,105
State Homeland Security	97.004	FY 2004	347,183
Law Enforcement Terrorism Prevention	97.004	FY 2004	110,300
2004 LEPC Hazardous Materials Planning			
HEMP-USA-2004	20.703	FY 2004	2,449
			<hr/>
Total Department of Homeland Security			660,939
			<hr/>
<u>Other Federal Assistance</u>			
Direct Programs:			
U.S. Department of the Interior:			
Federal Forest Reserve	10.665	N/A	60,662
			<hr/>
Total Other			60,662
			<hr/>
Total Federal Assistance			\$ 6,701,198
			<hr/> <hr/>



CACHE COUNTY  
Notes to the Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2004

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, 2004

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	\$ 76,076

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

To the Cache County Council  
Logan, 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, 2004, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 17, 2005. 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.

**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 an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

## 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that we reported to the County Council in a separate letter dated August 17, 2005.

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 17, 2005



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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, 2004. 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 of 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, 2004.

## Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, 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 17, 2005

CACHE COUNTY  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2004

A. Summary of Audit Results:

1.	Type of Report issued	Unqualified
2.	Reportable Conditions in Internal Control	None
3.	Material Non-compliance discovered	None
4.	Reportable Conditions in Internal Control Over Major Programs	None
5.	Compliance Report Issued	Unqualified
6.	Reportable findings under A-133	None
7.	Federal programs tested as major programs	10.557 93.044 93.045 97.004
8.	Dollar threshold used to distinguish between Type A and Type B programs	\$ 300,000
9.	Auditee qualification as High or Low Risk	Low

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

None

C. Findings and Questioned Costs for Federal Awards

None



CACHE COUNTY  
Summary Schedule of Prior Year Audit Findings  
(Client Submitted Document)  
Year Ended December 31, 2004

Finding 03-01

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

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.

Current Status: The County hired a Deputy Executive to assist with the accumulating, processing and summarizing of financial data.

CACHE COUNTY  
Corrective Action Plan  
(Client Submitted Document)  
Year Ended December 31, 2004

None required because there were no findings in the current year.

CACHE COUNTY  
STATE COMPLIANCE REPORT

December 31, 2004



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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 for the year ended December 31, 2004 and have issued our report thereon dated August 17, 2005. As part of our audit, we have audited Cache County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2004. 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 the following general compliance requirements identified in the State of Utah Legal Compliance Audit Guide:

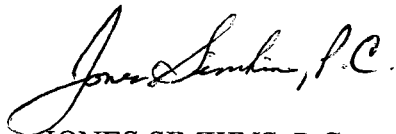
- Public Debt
- Cash Management
- Purchasing Requirements
- Budgetary Compliance
- Property Tax Limitations
- Liquor Law Enforcement
- B&C Road Funds
- General Compliance - Special Districts
- Other Compliance Issues
- Uniform Building Codes
- Statement of Taxes Charged, Collected and Disbursed
- Assessing and Collecting of Property Taxes
- Transient Room Tax
- Impact Fees and Other Development Fees
- Asset Forfeiture

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 unallowed; 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, 2004.



JONES SIMKINS, P.C.  
August 17, 2005



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To the Cache County Council  
Logan, UT 84321

We have audited the financial statements of Cache County, Utah for the year ended December 31, 2004, and have issued our report thereon dated August 17, 2005.

**Communications Required Under Professional Standards**

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

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

As stated in our engagement letter dated April 14, 2005, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

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

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

### Significant Accounting Policies and Audit Adjustments

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. During the year, the County adopted Government Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units*. As a result, the County determined that the Bridgerland Community Ice Arena (BCIA) is a discrete component unit of the North Park Interlocal Cooperative (NPIC). As a result, the financial statements of the BCIA have been combined with the NPIC for presentation in the County's financial statements. In addition, the County determined that the presentation of the Drainage Districts was immaterial to the County's financial statements and discontinued their presentation as discrete component units.

For the purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. Audit adjustments were made to cash, taxes receivable, due from other governments, fixed assets, accounts payable, accrued liabilities, deferred revenue, encumbrances, fund balance, and transfers. We also made several entries to adjust account balances for proper presentation at the entity-wide reporting level based on information provided by management.

### Significant Difficulties in Performing the Audit

We recognize that management made improvements in the timeliness of information provided to us to audit as compared to the prior year. However, there were certain key areas that were not completed within the agreed-upon time frame. Therefore, improvements must continue to be made to comply with the State's reporting deadlines.

### **Internal Control**

In planning and performing our audit of the financial statements of Cache County for the year ended December 31, 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control elements does not reduce to a relatively low level the risk that errors or irregularities, including fraud, in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.



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

Council

We suggest the following:

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

Council Response:

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

Compliance Issues

We noted the following:

- \* 1. The Roads Special Service District, which is a component unit of the County, has fund balance in excess of the legal limits. We suggest that the board of this district ensure that it complies with state law.
- \* 2. Some public funds were not deposited within 3 business days as required by State law. We recommend that the County follow its policy of depositing funds within 3 business days.
3. The following departments exceeded their final adopted budget: Public Defender, Other and Contributions to Other Units.
4. Due to the County's decentralized grant management policy, compliance with grant requirements is monitored by several individuals within the County. Each individual must be familiar with all the compliance regulations and requirements. We recommend that the County develop procedures to train each person responsible for grant administration on grant compliance, specifically as it relates to the fourteen compliance requirements listed in the Single Audit Act.

Management Response:

1. Several years of funding are needed before a project can be undertaken and funded. The officers of the Roads Special Service District will be made aware of the finding and Cache County will encourage compliance.
2. We will continue to train each department on the State Law requiring that funds received be deposited within 3 business days.
3. Continued efforts will be made to avoid exceeding budgets.
4. In addition to requiring that all grants be approved through the grants approval process, Cache County will provide grants compliance training on an annual or semi-annual basis.

Auditor's Office

We noted the following:

1. Improvements were made in the timeliness of information provided to us for the audit. However, several adjustments were made to budget basis accounting information and several adjustments were necessary to draft the financial statements at the fund and entity-wide levels. We recommend that the County Auditor continue to work with the new Deputy County Executive to improve procedures to ensure that accounting information is properly accumulated, processed and summarized.

Management Response:

1. The County Auditor's Office will continue its efforts to improve procedures so that the data is properly accumulated and processed and summarized.

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

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



JONES SIMKINS, P.C.  
August 17, 2005