



FINANCIAL STATEMENTS

Year Ended December 31, 2022

With Report of

Certified Public Accountants

WASHINGTON COUNTY

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WASHINGTON COUNTY

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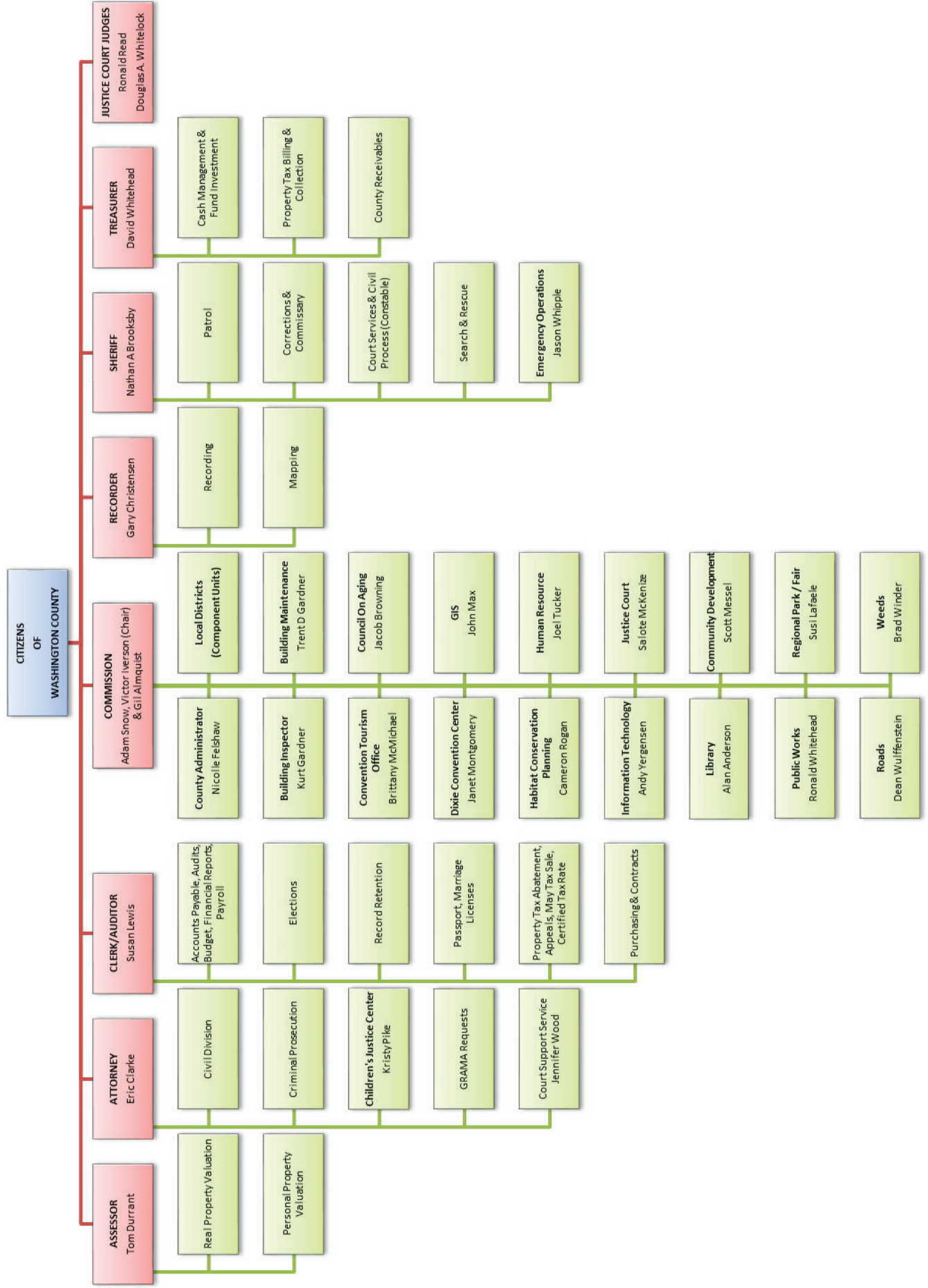
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INTRODUCTORY SECTION

WASHINGTON COUNTY ORGANIZATIONAL CHART

For the Year Ended December 31, 2022



WASHINGTON COUNTY
List of Elected and Appointed Officials
December 31, 2022

ELECTED OFFICIALS

Adam Snow Commissioner
Victor Iverson Chair Commissioner
Gil Almquist Commissioner
Tom Durrant Assessor
Eric Clarke Attorney
Susan Lewis Clerk/Auditor
Gary Christensen. Recorder
Nathan A. Brooksby Sheriff
David Whitehead Treasurer
Ronald Read Justice Court Judge
Douglas A. Whitlock Justice Court Judge

OTHER COUNTY APPOINTED OFFICIALS

Nicolle Felshaw County Administrator
Kurt G. Gardner Building Inspector
Trent D Gardner Building Maintenance
Kristy Pike Children’s Justice Center
Jennifer Wood Court Support Services
Brittany McMichael Convention & Tourism Office
Jacob Browning Council On Aging
Janet Montgomery Dixie Center
Jason Whipple Emergency Operations
Cameron Rogan Habitat Conservation Planning
Joel Tucker Human Resources
Andy Yergensen Information Technology
Salote McKenize Justice Court
Alan Anderson Library
Scott Messel Community Development
Ronald G. Whitehead Public Works
Susi Lafaele Regional Park/Fair
Dean Wulffenstein Roads
Brad Winder Weeds

We express our appreciation to all of the departmental staff throughout the County whose extra time and efforts made this report possible.

FINANCIAL SECTION



Independent Auditor's Report

The Honorable County Commissioners
Washington County
St. George, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Utah (the County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, in fiscal year 2022, the County implemented the provisions of GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a

going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the major component unit, Southwest Utah Public Health Department, which statements reflect total assets and deferred outflows of \$18,273,985 as of December 31, 2022 and total revenues of \$11,150,804 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the previously noted component units in the component unit columns, is based solely 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation

of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the proportionate share of the net pension liability, and the schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washington County's basic financial statements. The major capital projects fund schedule of revenues, expenditures, and changes in fund balances - budget and actual, and the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the major capital projects fund schedule of revenues, expenditures, and changes in fund balances - budget and actual the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, tax collection agency fund – cash receipts and disbursements, statement of taxes charged and collected and schedule of expenditures of transient room taxes and tourism, recreation, culture, and convention facilities taxes, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially

misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, Utah

August 30, 2023

WASHINGTON COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

The following is a discussion and analysis of Washington County's financial performance and provides an overview of the County's activities for the year ending December 31, 2022. This report is in conjunction with the County's financial statements that follow this section.

HISTORY AND BACKGROUND OF WASHINGTON COUNTY

Washington County is located in the Southwest corner of the State of Utah, with the State of Nevada bordering on the west and the State of Arizona on the south. Washington County was created in 1856 shortly after pioneers settled here in the early 1850's. It is known as Utah's Dixie because of mild winter weather and the fact that cotton was raised here in the early days of its existence. Not a lot of growth took place for the first 100 years. In the mid 1960's the county's population was about 10,000. Today it is over 190,000. National Parks, State Parks, championship golf, tennis, outdoor sports and water events, walking and biking trails, snow-free winters and yearlong low humidity all make living here attractive.

The purpose of Washington County is to provide general services to its residents. These include general government, judicial, public safety, health and sanitation, conservation, culture tourism & recreation, and public works. Additional services provided to residents in the unincorporated areas include road maintenance, building inspections, planning, and zoning, plus fire control.

FINANCIAL HIGHLIGHTS

- Washington County has consistently been one of the highest growth counties in the state. Although the Economy has slowed across the United States, building permits in Washington County remain steady.
- Sales Tax revenues during 2022 were \$18.4 million, which is an increase of \$2 million over the previous year.
- Transient Room Taxes held strong with \$15.2 million in 2022.
- Restaurant Taxes increased during 2022 from \$4.74 million to \$5.2 million.
- The County's unemployment rate at year-end 2022 was 2.4%. This is a full percent lower than the National unemployment rate is 3.6%.
- Washington County's General Fund balance increased to \$12.2 million.
- Total County assets and deferred outflows of resources, excluding component units, exceed total liabilities and deferred inflows of resources (net position) by \$199 million at the close of the fiscal year. Total net position increased by \$26 million.
- Total revenues from all sources, excluding component units, were \$128.0 million.
- Total expenditures excluding component units were \$101.6 million.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements, which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the County as a whole. (2) Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. (3) Notes to the financial statements.

Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities (Government-wide)

The government-wide financial statements are designed to provide readers with a board overview of Washington County's finances, in a manner similar to that of a private-sector business.

The statement of net position presents information on all of Washington County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Washington County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave or personal time off).

Both of the government-wide financial statements distinguish functions of Washington County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Washington County include general government, judicial, public safety, health and sanitation, culture tourism and recreation, conservation, and public works.

The government-wide financial statements include not only Washington County itself (known as the primary government, but also many legally separate special districts for which Washington County is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

Reporting the County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Washington County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Washington County can be divided into two major types of funds, governmental and proprietary. These two types of funds use different accounting approaches as explained below.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources, as well as resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand 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 between governmental funds and governmental activities.

Washington County maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, RAP Tax fund, Travel Board fund, and the Capital Projects fund all of which are considered major funds. Data from the other thirteen Governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual budget-to-actual reports.

Washington County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for each fund to demonstrate compliance with those budgets. Refer to the table of contents for the location of the governmental fund financial statements.

Proprietary Funds

The internal service fund accounts for the County's self-funded health insurance services provided to other funds and departments on a cost reimbursement basis. All of the other proprietary funds of the County are in the form of component units. Each of the component units of the county prepare their own financial statements but are summarized in Washington County's presentation because of their financial accountability. The basic, but not the only, criteria for including a component unit within the reporting entity is whether or not the County exercises significant influence over the component unit. Significant influence or accountability is based primarily on operational or financial relationships with 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. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Washington County.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or fiduciary, for certain amounts held on behalf of others and donations for a specific purpose. These fiduciary funds are reported in a separate Statement of Fiduciary Net Position and the activities or additions and deductions to the funds are reported in the Statement of Changes in Fiduciary Net Position. The County is responsible for ensuring that the assets are used for their intended purposes. Fiduciary activities are excluded from the County's other financial statements because the assets cannot be used to finance operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As previously, noted, net position may serve over time as a useful indicator of an entity's financial position. In the case of Washington County, net position was \$199.8 million at the close 2022.

A portion of the County's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any outstanding debt used to acquire those assets that is still outstanding. Washington County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Washington County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

A listing of the County's component units is included at footnote 1 of the financial statements.

The following table summarizes the County's governmental and business-type net position as well as the County's component unit net position at year-end.

WASHINGTON COUNTY, UTAH Statement of Net Position

	Governmental Activities		Component Unit Activities	
	2022	2021	2022	2021
Current and other assets	\$ 175,418,681	\$ 149,651,186	\$ 92,612,284	\$ 67,182,874
Capital assets	95,885,955	72,391,635	54,768,275	49,967,207
Total assets	<u>271,304,636</u>	<u>222,042,821</u>	<u>147,380,559</u>	<u>117,150,081</u>
Deferred outflows of resources	<u>7,846,893</u>	<u>7,064,008</u>	<u>2,231,332</u>	<u>1,686,664</u>
Long-term liabilities	8,435,427	15,334,507	35,393,489	14,064,010
Other liabilities	<u>49,346,020</u>	<u>30,860,434</u>	<u>4,227,914</u>	<u>2,882,864</u>
Total liabilities	<u>57,781,447</u>	<u>46,194,941</u>	<u>39,621,403</u>	<u>16,946,874</u>
Deferred inflows of resources	<u>21,559,312</u>	<u>8,481,894</u>	<u>3,932,191</u>	<u>1,872,822</u>
Net position:				
Net investment in				
capital assets	74,648,570	59,188,475	45,098,202	41,920,670
Restricted	63,956,425	62,715,310	20,602,084	19,068,847
Unrestricted	<u>61,205,775</u>	<u>52,526,209</u>	<u>40,358,011</u>	<u>39,027,532</u>
Total net position	<u>\$ 199,810,770</u>	<u>\$ 174,429,994</u>	<u>\$ 106,058,297</u>	<u>\$ 100,017,049</u>

The County's programs include General Government, Judicial, Public Safety, Public Works, Health and Sanitation, Conservation, and Culture, Tourism, and Recreation. Each program's revenues and expenditures are presented below.

WASHINGTON COUNTY, UTAH
Change in Net Position

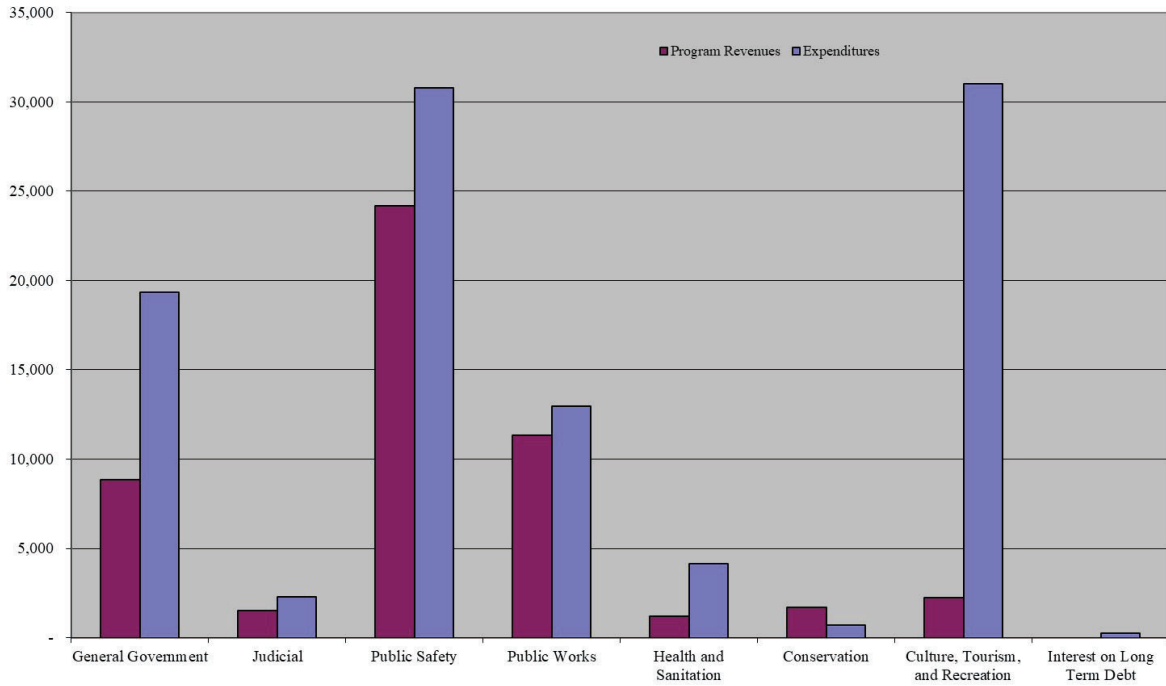
	Governmental Activities		Component Unit Activities	
	2022	2021	2022	2021
Revenues:				
Program revenues:				
Charges for services	\$ 22,488,570	\$ 22,897,661	\$ 29,595,360	\$ 26,520,870
Operating grants and contributions	18,941,737	18,711,919	9,202,818	9,496,279
Capital grants and contributions	9,769,544	1,243,306	2,693,418	3,662,407
General revenues:				
Taxes	74,745,547	70,084,023	4,631,325	4,258,299
Other	2,096,039	594,759	2,196,745	1,009,776
Total revenues	<u>128,041,437</u>	<u>113,531,668</u>	<u>48,319,666</u>	<u>44,947,631</u>
Expenses:				
General government	19,350,044	13,017,085	-	-
Judicial	2,296,961	2,337,243	-	-
Public safety	30,780,570	29,077,640	10,622,023	7,109,688
Public works	12,975,670	8,267,611	22,779,054	20,970,222
Health and sanitation	4,139,444	3,484,375	9,568,325	8,823,815
Conservation	714,384	4,544,781	-	-
Culture, tourism, and recreation	31,047,560	21,763,007	-	-
Interest on long term debt	271,016	528,030	-	-
Total expenses	<u>101,575,649</u>	<u>83,019,772</u>	<u>42,969,402</u>	<u>36,903,725</u>
Increase in net position	26,465,788	30,511,896	5,350,264	8,043,906
Net position, beginning	174,429,994	143,918,098	100,708,033	92,623,957
Restatement adjustment	(80,766)	-	-	-
Prior period adjustment	(1,004,246)	-	-	(650,814)
Net position, ending	<u>\$ 199,810,770</u>	<u>\$ 174,429,994</u>	<u>\$ 106,058,297</u>	<u>\$ 100,017,049</u>

The cost of all Governmental activities this year was \$101 million. As shown on the Statement above, \$22.3 million of this cost was paid for by those who directly benefited from the programs; \$28.6 million was subsidized by grants received from other governmental organizations for both capital and operating activities. Overall governmental program revenues, including intergovernmental aid and fees for services were \$51 million. General taxes, investment earnings, and other general revenues totaled \$76.8 million.

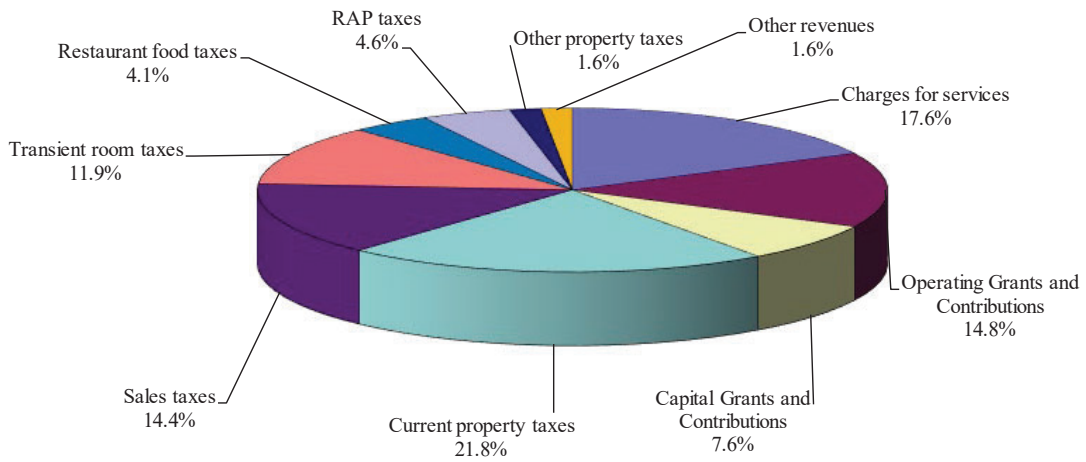
Total resources available during the year to finance operations were \$302 million consisting of net position at December 31, 2021 of \$174.4 million, program revenues of 51 million and general revenues of \$76.8 million. Total Governmental Activities during the year were \$101 million, thus net position increased by \$26 million to \$199 million.

The following graphs compare program revenues with program expenditures and provide a breakdown of revenues by source for governmental activities:

**Program Revenues and Expenditures - Governmental Activities
Primary Government (in Thousands)**



**Revenue By Source - Governmental Activities
Primary Government**



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is a brief discussion of financial highlights from the fund financial statements.

Governmental funds

The focus of the County's governmental fund financial statements (pages 14 to 19) is to provide information on near-term inflows, outflows, and balances of spendable resources. All major governmental funds are discretely presented in these financial statements, while the non-major funds are combined into a single column. Combining statements for the non-major funds are reported on pages 84 to 88.

For the year ended December 31, 2022, the governmental funds reflect a combined fund balance of \$116,817,575 million as reported on page 16 to 17. Of this, \$63,957,900 is not available for expenditure or is restricted and legally segregated for a specific future use. An additional \$25,768,927 has been committed to capital projects. The remaining \$26,929,174 may serve as a useful indicator of a government's net resources available for spending at the end of the year.

The General fund is the principal operating fund of the County and accounts for many functions of the government, including general administrative services, judicial, public safety, public works, health and sanitation, conservation, culture, tourism and recreation. In the General fund, Sales Tax revenue is the largest source. Revenues totaled \$41,622,629 and expenditures, before other financing sources and uses, totaled \$27,641,172. The net increase in fund balance before transfers was \$13,981,457. Transfers from the general fund totaling \$12,981,378 were made to the Capital Projects fund, Debt Service fund, Children's Justice Center fund, Library fund, Council on Aging fund, and Grant and Endowment fund for 2022. (See Page 16-17)

The RAP Tax fund is used for the collecting the Recreation, Arts, & Parks (RAP) tax. This is a tax with restricted use only allowed for Recreation, Cultural and Art projections and Park related projects. Revenues in 2022 were \$5,949,789 with expenditures of \$5,527,120. (See Page 17)

The Travel Board fund is used to account for transient room tax revenues used to promote travel within Washington County and assist the Washington County/St George Interlocal Agency. Revenues and expenditures excluding transfers totaled \$15,611,826 and \$13,557,723 in 2022, respectively. (See Page 17)

The Grants fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes which include federal and state assistance. Revenues in 2022 were \$6,348,477 excluding transfers with expenditures of \$6,009,587. (See Page 17)

The Capital Projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. In 2022, the groundbreaking for a Covered Parking Facility took place. This facility will provide covered parking for employees, and those visiting the New County Administration building to complete their County business. This parking facility will be completed without the need for bonding to pay for construction. The New County Administration building is almost complete, no bond was issued to pay for this new facility.

The non-major funds of the County consist of the following special revenue funds: Debt Service, Class "B" Roads, Municipal Services, Assessing & Collecting, Flood Damage, Children's Justice Center, Library, Habitat Conservation, Council on Aging, Recreation, and Corridor Preservation. The non-major funds are

combined into one column on the governmental fund statements. (See Pages 84-88 for non-major combining and individual fund statements)

General Fund Budgetary Highlights

The final appropriations for the General Fund at year-end, including transfers, increased the fund balance by \$1 million giving a final fund balance of \$12,213,948. The budget to actual variance in appropriations was the result of various departments slightly over, under, and due to estimates in contingency anticipated for miscellaneous services and supplies, which were not expended. Actual revenues totaled 3.1 million over the original budget. Budget amendments and supplemental appropriations were made during the year to prevent budget overruns and to increase appropriations from unanticipated revenues after the adoption of the original budget. (See Pages 75 - 77)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the County are those assets that are used in performance of County functions including infrastructure assets. Capital Assets include equipment, buildings, land, park facilities and roads. At the end of 2022, net capital assets of the government activities totaled \$95.8 million. Depreciation on capital assets is recognized in the Government-Wide financial statements. (See note 8 to the financial statements.)

Debt

At year-end 2022, the County had \$11.6 million in governmental type debt consisting of bonds payable, capital leases and accrued compensated absences. The debt is a liability of the government and amounts to approximately \$62.11 per capita. The net pension liability of \$1,067,341 decreased from the prior year balance of \$9,239,783. (See note 9 to the financial statements for detailed descriptions.)

At the end of 2022, the State of Utah, (CIB) contacted WCIA to obtain payment of a 30-year bond that was issued to the Dixie Center Special Service District, an entity that is no longer in existence. WICA will use fund balance as well as contributions from the City and County to accomplish the payoff of this bond. Washington County will use a portion of the transient room tax as contribution to WCIA to fulfill its portion of this previously unknown bond. It has been recorded as a prior period adjustment for \$1,004,246. (See note 17 to the financial statement)

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The County uses a conservative approach during the budgeting process to maintain a healthy fund balance. The economic condition of Washington County remains strong, knowing that forecasts are projecting a downturn, management is watching revenues and expenditure projections for 2023 closely.

The Washington County ¼% option sales tax has continued to increase as visitors flock to Washington County to enjoy the amenities offered here. The County has strongly maintained that no tax increases will occur in the County without public input. The County budgets are closely monitored by Administration.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Washington County Auditor at 111 East Tabernacle, St. George, UT 84770. www.washco.utah.gov

BASIC FINANCIAL STATEMENTS

WASHINGTON COUNTY
Statement of Net Position
December 31, 2022

	<u>Primary Government</u>	
	<u>Governmental</u>	<u>Component</u>
	<u>Activities</u>	<u>Units</u>
Assets		
Cash and investments	\$ 141,797,561	\$ 46,073,522
Receivables (net of allowance for uncollectibles)	15,866,647	4,901,603
Inventory	-	24,312
Prepaid assets	677,737	372,659
Restricted cash and investments	2,793,004	37,979,295
Note receivable	561,710	-
Lease receivable	4,482,239	-
Net pension asset	9,239,783	3,260,893
Capital assets not being depreciated	50,135,296	14,202,831
Capital assets being depreciated, net of accumulated depreciation	<u>45,750,659</u>	<u>40,565,444</u>
Total assets	<u>271,304,636</u>	<u>147,380,559</u>
Deferred Outflows of Resources		
Deferred charge on refunding	237,806	-
Deferred outflows related to pensions	<u>7,609,087</u>	<u>2,231,332</u>
Total deferred outflows of resources	<u>7,846,893</u>	<u>2,231,332</u>
Liabilities		
Accounts payable and other current liabilities	10,116,345	2,761,298
Unearned revenue	32,314,554	-
Accrued interest payable	295,704	379,982
Noncurrent liabilities:		
Due within one year	6,619,417	1,086,634
Due in more than one year	<u>8,435,427</u>	<u>35,393,489</u>
Total liabilities	<u>57,781,447</u>	<u>39,621,403</u>
Deferred Inflows of Resources		
Deferred inflows related to leases	4,482,239	76,695
Deferred inflows related to pensions	<u>17,077,073</u>	<u>3,855,496</u>
Total deferred inflows of resources	<u>21,559,312</u>	<u>3,932,191</u>
Net Position		
Net investment in capital assets	74,648,570	45,098,202
Restricted for:		
Class "B" roads	14,573,019	-
Debt Service	227,000	-
Public works	7,268,181	-
Health and sanitation	946,214	-
Conservation	4,642,844	-
Culture, tourism, and recreation	32,180,514	-
Other purposes	4,118,653	20,602,084
Unrestricted	<u>61,205,775</u>	<u>40,358,011</u>
Total net position	<u>\$ 199,810,770</u>	<u>\$ 106,058,297</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Activities
For the Year Ended December 31, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Component Units
				Governmental Activities	Total	
Functions/Programs						
Primary government:						
Governmental activities:						
General government	\$ 19,350,044	\$ 5,903,072	\$ 2,947,964	\$ (10,499,008)	\$ (10,499,008)	\$ -
Judicial	2,296,961	325,940	1,182,818	(788,203)	(788,203)	-
Public safety	30,780,570	11,278,182	4,815,275	(6,586,692)	(6,586,692)	-
Public works	12,975,670	512,295	9,230,744	(1,626,029)	(1,626,029)	-
Health and sanitation	4,139,444	920,125	276,245	(2,943,074)	(2,943,074)	-
Conservation	714,384	1,707,588	60	993,264	993,264	-
Culture, tourism, and recreation	31,047,560	1,841,368	488,631	(28,655,040)	(28,655,040)	-
Interest on long-term debt	271,016	-	-	(271,016)	(271,016)	-
Total governmental activities	101,575,649	22,488,570	18,941,737	(50,375,798)	(50,375,798)	-
Total primary government	101,575,649	22,488,570	18,941,737	(50,375,798)	(50,375,798)	-
Component units:						
Public safety	\$ 10,622,023	\$ 2,391,225	\$ 166,387	\$ -	\$ -	(7,449,002)
Public works	22,779,054	24,847,419	443,821	-	-	4,590,195
Health and sanitation	9,568,325	2,356,716	8,592,610	-	-	1,381,001
Total component units	\$ 42,969,402	\$ 29,595,360	\$ 9,202,818	\$ -	\$ -	(1,477,806)
General revenues:						
Current property taxes				27,884,921	27,884,921	4,631,325
Sales taxes				18,446,140	18,446,140	-
Transient room taxes				15,238,626	15,238,626	-
Restaurant food taxes				5,203,377	5,203,377	-
RAP taxes				5,929,368	5,929,368	-
Other property taxes				2,043,115	2,043,115	-
Unrestricted investment earnings				2,095,980	2,095,980	511,072
Gain on the sale of assets				59	59	61,809
Other revenues				-	-	1,623,864
Total general revenues and transfers				76,841,586	76,841,586	6,828,070
Change in net position				26,465,788	26,465,788	5,350,264
Net position - beginning				174,429,994	174,429,994	100,708,033
Restatement adjustment				(80,766)	(80,766)	-
Prior period adjustment				(1,004,246)	(1,004,246)	-
Net position - ending				\$ 199,810,770	\$ 199,810,770	\$ 106,058,297

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Balance Sheet
Governmental Funds
December 31, 2022

	General Fund	Special Revenue			Grants Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
		RAP Tax	Travel Board					
Assets								
Cash and investments	\$ 7,566,864	\$ 1,656,032	\$ 18,830,051	\$ 12,646,944	\$ 48,475,385	\$ 50,296,755	\$ 139,472,031	
Property taxes receivable	2,706,756	-	-	-	-	730,831	3,437,587	
Due from other governments	2,957,296	1,012,239	1,619,583	717,913	1,016,687	4,563,349	11,887,067	
Other receivables	81,832	-	-	-	-	148	81,980	
Prepaid assets	5,000	-	-	-	-	156,574	161,574	
Lease receivable	4,482,239	-	-	-	-	-	4,482,239	
Restricted cash and investments	-	-	-	-	-	2,793,004	2,793,004	
Total assets	\$ 17,799,987	\$ 2,668,271	\$ 20,449,634	\$ 13,364,857	\$ 49,492,072	\$ 58,540,661	\$ 162,315,482	
Liabilities								
Accounts payable	\$ 824,065	\$ 887,671	\$ 1,613,997	608,246	\$ 3,372,835	\$ 953,541	\$ 8,260,355	
Accrued liabilities	180,339	-	8,242	9,093	-	243,085	440,759	
Unearned revenue	99,396	-	-	11,813,996	20,350,310	50,852	32,314,554	
Total liabilities	1,103,800	887,671	1,622,239	12,431,335	23,723,145	1,247,478	41,015,668	
Deferred Inflows of Resources								
Deferred inflows related to leases	4,482,239	-	-	-	-	-	4,482,239	
Total deferred inflows of resources	4,482,239	-	-	-	-	-	4,482,239	
Fund balances								
Nonspendable: Prepaid assets	5,000	-	-	-	-	156,574	161,574	
Restricted for:								
Class "B" roads	-	-	-	-	-	14,573,019	14,573,019	
Debt service fund	-	-	-	-	-	227,000	227,000	
Public works	-	-	-	-	-	7,268,181	7,268,181	
Health and sanitation	-	-	-	-	-	946,214	946,214	
Conservation	-	-	-	-	-	4,642,844	4,642,844	
Culture, tourism, and recreation	-	1,780,600	18,827,395	-	-	11,572,519	32,180,514	
Other purposes	-	-	-	600,456	-	3,519,672	4,120,128	
Committed to capital projects	75,516	-	-	-	-	-	75,516	
Assigned to debt service	-	-	-	-	-	2,693,521	2,693,521	
Assigned to special revenue funds	-	-	-	333,066	-	11,693,639	12,026,705	
Assigned to capital projects	-	-	-	-	25,768,927	-	25,768,927	
Unassigned	12,133,432	-	-	-	-	-	12,133,432	
Total fund balances	12,213,948	1,780,600	18,827,395	933,522	25,768,927	57,293,183	116,817,575	
Total liabilities, deferred inflows of resources and fund balances	\$ 17,799,987	\$ 2,668,271	\$ 20,449,634	\$ 13,364,857	\$ 49,492,072	\$ 58,540,661	\$ 162,315,482	

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	Special Revenue				Capital Projects	Other Governmental Funds	Total Governmental Funds
	General Fund	RAP Tax Fund	Travel Board	Grants Fund			
Revenues							
Taxes	\$ 30,274,334	\$ 5,929,368	\$ 15,238,626	\$ -	\$ -	\$ 23,137,601	\$ 74,579,929
Licenses and permits	32,404	-	-	-	-	256,436	288,840
Intergovernmental	5,231,045	-	-	6,348,477	3,702,691	18,215,087	33,497,300
Charges for services	3,633,610	-	-	-	-	1,240,251	4,873,861
Fines and forfeitures	1,022,449	-	-	-	-	148,808	1,171,257
Interest	586,401	20,421	253,189	-	541,555	694,414	2,095,980
Other revenue	842,386	-	120,011	-	2,854,594	641,707	4,458,698
Total revenues	41,622,629	5,949,789	15,611,826	6,348,477	7,098,840	44,334,304	120,965,865
Expenditures							
Current:							
General government	6,435,739	-	-	-	-	8,913,500	15,349,239
Judicial	2,254,247	-	-	-	-	-	2,254,247
Public Safety	15,109,526	-	-	6,009,587	-	8,909,753	30,028,866
Public Works	1,233,603	-	-	-	-	11,589,563	12,823,166
Health and Sanitation	1,843,380	-	-	-	-	2,047,122	3,890,502
Conservation	-	-	-	-	-	1,043,360	1,043,360
Culture, tourism, and recreation	614,082	5,527,120	13,557,723	-	-	9,802,694	29,501,619
Matching Funds & contributions	150,595	-	-	-	-	-	150,595
Capital outlay	-	-	-	-	27,730,894	-	27,730,894
Debt service:							
Principal	-	-	-	-	-	2,083,000	2,083,000
Interest	-	-	-	-	-	489,106	489,106
Total expenditures	27,641,172	5,527,120	13,557,723	6,009,587	27,730,894	44,878,098	125,344,594
Excess revenues over (under) expenditures	13,981,457	422,669	2,054,103	338,890	(20,632,054)	(543,794)	(4,378,729)
Other financing sources (uses)							
Transfers in	-	-	200,000	175,000	13,834,928	7,206,378	21,416,306
Transfers out	(12,981,378)	-	(1,835,038)	-	-	(6,599,890)	(21,416,306)
Total other financing sources and uses	(12,981,378)	-	(1,635,038)	175,000	13,834,928	606,488	-
Net change in fund balances	1,000,079	422,669	419,065	513,890	(6,797,126)	62,694	(4,378,729)
Fund balances - beginning of year	11,213,869	1,357,931	18,408,330	419,632	32,566,053	57,230,489	121,196,304
Fund balances - end of year	\$ 12,213,948	\$ 1,780,600	\$ 18,827,395	\$ 933,522	\$ 25,768,927	\$ 57,293,183	\$ 116,817,575

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2022

Total governmental fund balances		\$ 116,817,575
Amounts reported for governmental activities in the statement of net position are different because:		
Some receivables are not available in the current period and therefore are not reported in the funds.		(3,920,529)
Net pension asset is not an available resource and, therefore, is not reported in the funds.		9,239,783
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 182,320,456	
Accumulated depreciation	<u>(86,434,501)</u>	95,885,955
Some liabilities, including bonds payable and leases, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	(8,899,000)	
Less: Deferred charge on refunding (to be amortized)	237,806	
Net unamortized premiums	(661,701)	
Notes payable	(3,230,111)	
Leases payable	(6,306)	
Compensated absences	(2,257,726)	
Accrued interest payable	<u>(295,704)</u>	(15,112,742)
Deferred outflows and inflows of resources related to pensions and leases are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows	7,609,087	
Deferred inflows	<u>(12,594,834)</u>	(4,985,747)
Assets and liabilities of the internal service fund included in governmental activities.		<u>1,886,475</u>
Total net position of governmental activities		<u>\$ 199,810,770</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON 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, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds		\$ (4,378,729)
<p>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 and reported as depreciation expense.</p>		
Capital outlay	\$ 29,520,800	
Depreciation expense	<u>(4,036,928)</u>	25,483,872
<p>The statement of activities only reports the gain or loss on the sale of capital assets. In the governmental funds, only the proceeds from the sale are reported.</p>		
		(1,989,553)
<p>Sub-lease revenues reported in the funds that provide current financial resources are reported as a reduction of notes receivable in the statement of net position.</p>		
		52,521
<p>The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Principal payments on bonds payable	1,941,000	
Principal payments on leases	74,460	
Amortization of bond premiums	166,918	
Amortization of deferred charge on refunding	<u>(129,191)</u>	2,053,187
<p>Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured a year before the County's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pension, is reported in the Statement of Activities.</p>		
Pension contributions	5,195,370	
Pension expense	<u>284,542</u>	5,479,912
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences	(324,070)	
Accrued interest	<u>25,013</u>	(299,057)
<p>Internal service funds are used by management to charge costs of certain activities to individual funds. This amount represents the net revenue (expense) of the internal service fund reported as governmental activities</p>		
		<u>63,635</u>
Change in net position of governmental activities		<u>\$ 26,465,788</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Net Position
Proprietary Funds
December 31, 2022

	<u>Internal Service Fund</u>
Assets	
Cash	\$ 2,325,530
Accounts receivable	460,013
Prepaid expenses	<u>516,163</u>
Total Assets	<u>3,301,706</u>
Liabilities	
Accounts payable	<u>1,415,231</u>
Total Liabilities	<u>1,415,231</u>
Net Position	
Unrestricted	<u>1,886,475</u>
Total Net Position	<u>\$ 1,886,475</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Internal Service Fund
Operating Revenues	
Charges for services	
County contributions	\$ 6,001,988
Employee contributions	1,053,863
Total operating revenues	7,055,851
Operating Expenses	
Claims expense	6,304,354
Premium expense	687,862
Total operating expenses	6,992,216
Operating income (loss)	63,635
Net position, beginning of the year	1,822,840
Net position, end of the year	\$ 1,886,475

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Internal Service Fund
Cash Flows From Operating Activities	
Cash received from customers, service fees	\$ 6,740,971
Cash paid to suppliers	(6,847,369)
Cash flows from operating activities	(106,398)
Net Change in Cash and Cash Equivalents	(106,398)
Cash and cash equivalents including restricted cash, beginning of year	2,431,928
Cash and cash equivalents including restricted cash, end of year	\$ 2,325,530
Reconciliation of operating income (loss) to cash flows from operating activities:	
Net operating income (loss)	\$ 63,635
Adjustments to reconcile net income (loss) to cash flows from operating activities:	
Changes in operating assets and liabilities	
(Increase)/Decrease in receivables	(314,880)
(Increase)/Decrease in prepaid expenses	(2,163)
Increase/(Decrease) in accounts payable	147,010
Net cash flows from operating activities	\$ (106,398)

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Custodial Funds				Total
	Tax Collection	Deposits	Washington County Interlocal Agency	Washington County Flood Control	
Assets					
Cash and cash equivalents	\$ 27,581,716	\$ 1,207,058	\$ 1,987,089	\$ 5,952,306	\$ 36,728,169
Accounts receivable	-	-	508,999	-	508,999
Intergovernmental receivable	-	1,000	435	116,375	117,810
Inventory	-	-	30,527	-	30,527
Total assets	\$ 27,581,716	\$ 1,208,058	\$ 2,527,050	\$ 6,068,681	\$ 37,385,505
Liabilities					
Accounts Payable	\$ -	\$ -	\$ 346,215	\$ 12,526	\$ 358,741
Accrued liabilities	-	-	161,913	-	161,913
Due to governments	27,581,716	-	-	-	27,581,716
Total Liabilities	27,581,716	-	508,128	12,526	28,102,370
Net Position					
Held in trust for individuals, organizations, and other governments	\$ -	\$ 1,208,058	\$ 2,018,922	\$ 6,056,155	\$ 9,283,135

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022

	Custodial Funds					Total
	Tax Collection	Deposits	Washington County Interlocal Agency	Washington County Flood Control	Washington County	
Additions						
Governmental contributions	\$ -	\$ -	\$ 1,585,430	\$ 1,118,010	\$ -	\$ 2,703,440
Tax collections and penalties	269,546,244	-	-	-	-	269,546,244
Other contributions/collections	-	9,694,645	623	-	-	9,695,268
Event revenues	-	-	1,713,203	-	-	1,713,203
Interest income	-	-	70,034	77,195	-	147,229
Total Additions	269,546,244	9,694,645	3,369,290	1,195,205	-	283,805,384
Deductions						
Payments for salaries	-	-	1,425,757	-	-	1,425,757
Payments for supplies, service and other	-	9,657,888	701,793	490,073	-	10,849,754
Payment of taxes to other governments	269,546,244	-	-	-	-	269,546,244
Payments for capital outlay	-	-	1,020,179	-	-	1,020,179
Payments for debt service	-	-	3,870,431	-	-	3,870,431
Total Deductions	269,546,244	9,657,888	7,018,160	490,073	-	286,712,365
Net increase (decrease in fiduciary net position)	-	36,757	(3,648,870)	705,132	-	(2,906,981)
Net position - beginning	-	1,171,301	5,667,792	5,351,023	-	12,190,116
Net position - ending	\$ -	\$ 1,208,058	\$ 2,018,922	\$ 6,056,155	\$ -	\$ 9,283,135

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Combining Statement of Net Position
Component Units
December 31, 2022

	Southwest Utah Public Health Dept.	Ash Creek SSD	Washington County Solid Waste SSD	Nonmajor Component Units	Total Component Units
Assets					
Current assets:					
Cash and investments	\$ 10,575,755	\$ 8,841,519	\$ 18,401,230	\$ 8,255,018	\$ 46,073,522
Due from other governments	816,779	-	-	733,805	1,550,584
Due from other sources	-	1,142,231	1,591,281	617,507	3,351,019
Inventory	-	17,500	-	6,812	24,312
Prepaid assets	144,551	9,362	60,706	158,040	372,659
Total current assets	<u>11,537,085</u>	<u>10,010,612</u>	<u>20,053,217</u>	<u>9,771,182</u>	<u>51,372,096</u>
Noncurrent assets:					
Restricted cash and investments	-	29,036,785	6,536,793	2,405,717	37,979,295
Net pension asset	1,216,942	576,230	335,620	1,132,101	3,260,893
Capital assets not being depreciated	925,000	11,438,696	227,833	1,611,302	14,202,831
Capital assets being depreciated, net of accumulated depreciation	3,724,545	22,636,744	1,672,191	12,531,964	40,565,444
Total noncurrent assets	<u>5,866,487</u>	<u>63,688,455</u>	<u>8,772,437</u>	<u>17,681,084</u>	<u>96,008,463</u>
Total assets	<u>17,403,572</u>	<u>73,699,068</u>	<u>28,825,654</u>	<u>27,452,266</u>	<u>147,380,559</u>
Deferred Outflows of Resources					
Deferred outflows related to pensions	870,414	386,351	218,718	755,849	2,231,332
Liabilities					
Current liabilities:					
Accounts payable	\$ 295,458	\$ 275,038	\$ 1,313,715	\$ 472,754	\$ 2,356,962
Accrued liabilities	-	42,527	84,238	277,571	404,336
Compensated absences	-	83,830	83,028	116,332	283,190
Accrued interest payable	-	281,859	-	98,123	379,982
Total current liabilities	<u>295,458</u>	<u>683,254</u>	<u>1,480,980</u>	<u>964,780</u>	<u>3,424,470</u>
Noncurrent liabilities:					
Due within one year	-	623,000	-	463,634	1,086,634
Due in more than one year	224,345	22,924,256	6,403,478	5,558,220	35,110,299
Total noncurrent liabilities	<u>224,345</u>	<u>23,547,256</u>	<u>6,403,478</u>	<u>6,021,854</u>	<u>36,196,933</u>
Total liabilities	<u>519,803</u>	<u>24,230,509</u>	<u>7,884,458</u>	<u>6,986,634</u>	<u>39,621,403</u>
Deferred Inflows of Resources					
Deferred inflows related to leases	-	76,695	-	-	76,695
Deferred inflows related to pensions	1,692,062	793,314	476,863	893,257	3,855,496
Total deferred inflows of resources	<u>1,692,062</u>	<u>870,009</u>	<u>476,863</u>	<u>893,257</u>	<u>3,932,191</u>
Net Position:					
Net investment in capital assets	4,649,545	30,444,892	1,806,341	8,197,424	45,098,202
Restricted	7,424,946	9,379,374	1,098,084	2,699,680	20,602,084
Unrestricted	3,987,630	9,160,635	17,778,626	9,431,120	40,358,011
Total net position	<u>\$ 16,062,121</u>	<u>\$ 48,984,901</u>	<u>\$ 20,683,051</u>	<u>\$ 20,328,224</u>	<u>\$ 106,058,297</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2022

	Southwest Utah Public Health Dept.	Ash Creek SSD	Washington County Solid Waste SSD	Nonmajor Component Units	Total Component Units
Expenses:					
Public safety:					
Fire and emergency services	\$ -	\$ -	\$ -	\$ 10,622,023	\$ 10,622,023
Public works					
Sewer services	-	4,441,099	-	-	4,441,099
Solid waste services	-	-	17,576,795	-	17,576,795
Water services	-	-	-	535,008	535,008
Transportation services	-	-	-	226,152	226,152
Health and sanitation					
Health services	9,568,325	-	-	-	9,568,325
Total expenses	<u>9,568,325</u>	<u>4,441,099</u>	<u>17,576,795</u>	<u>11,383,183</u>	<u>42,969,402</u>
Program revenues:					
Charges for services	2,356,716	4,684,350	19,589,090	2,965,204	29,595,360
Operating grants and contributions	8,592,610	-	-	610,208	9,202,818
Capital grants and contributions	-	2,008,517	-	684,901	2,693,418
Total program revenues	<u>10,949,326</u>	<u>6,692,867</u>	<u>19,589,090</u>	<u>4,260,313</u>	<u>41,491,596</u>
Net (expense) revenue	<u>1,381,001</u>	<u>2,251,768</u>	<u>2,012,295</u>	<u>(7,122,870)</u>	<u>(1,477,806)</u>
General revenues:					
Property taxes	-	-	-	4,631,325	4,631,325
Unrestricted investment earnings	133,343	86,408	174,470	116,851	511,072
Miscellaneous	68,136	328,985	-	1,226,743	1,623,864
Gain on sale of assets	-	-	61,809	-	61,809
Total general revenues and transfers	<u>201,479</u>	<u>415,393</u>	<u>236,279</u>	<u>5,974,919</u>	<u>6,828,070</u>
Change in net position	1,582,480	2,667,161	2,248,574	(1,147,951)	5,350,264
Total net position - beginning	<u>14,479,641</u>	<u>46,317,740</u>	<u>18,434,477</u>	<u>21,476,175</u>	<u>100,708,033</u>
Total net position - ending	<u>\$ 16,062,121</u>	<u>\$ 48,984,901</u>	<u>\$ 20,683,051</u>	<u>\$ 20,328,224</u>	<u>\$ 106,058,297</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 1. Summary of Significant Accounting Policies

Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting Entity

Washington County, Utah (the County) is a political subdivision of the State of Utah with a County Commission comprised of three commissioners elected at large. The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

The following **blended component unit** transactions are blended into the audit report issued by the County. No separate audit report is issued:

The Municipal Building Authority of Washington County, Utah (the Authority) was formally recognized by the State of Utah as an incorporated entity in 1998. The Authority was formed for the purpose of accomplishing the public purposes for which Washington County exists by acquiring, improving, or extending one or more projects and financing the cost of such projects on behalf of Washington County. The Authority is governed by a board of trustees comprised of the elected officials of Washington County.

The following **discretely presented component units** had separately issued audited financial statements:

Southwest Utah Public Health Department (Major Special Revenue Fund) - The Department provides health related services to the citizens and government units in Washington, Iron, Kane, Beaver, and Garfield counties. The department is funded by state and federal financial assistance, county contributions and charges for services. The District issued separate audited financial statements dated June 12, 2023.

Ash Creek Special Service District (Major Enterprise Fund) - The District provides sewer service to the communities of Hurricane, LaVerkin and Toquerville and is funded mainly through user fees. The District was created by the County under the Utah Special Service District Act. The District issued separate audited financial statements dated June 28, 2023.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

Washington County Solid Waste Special Service District No. 1 (Major Enterprise Fund) - The District provides solid waste disposal service to the residents of the various municipalities within the County and to the unincorporated areas of the County. The District is funded entirely by charges for services. The County appoints one of twenty board members and provides no financial support to the District. The District issued separate audited financial statements dated June 12, 2023.

The Hurricane Valley Fire Special Service District (Non-major General Fund) - The District provides fire protection to the communities of Hurricane, Leeds, LaVerkin, Toquerville, Virgin, Rockville, Springdale and unincorporated areas of western Washington county, funded through property taxes, user fees and other revenues. The District issued separate audited financial statements dated July 12, 2023.

The following **discretely presented component units** did not have separately issued audited financial statements. All of the following were created by the County under the Utah Special Service District Act:

Angell Springs Special Service District (Non-major Enterprise Fund) - The District provides water for the Angell Springs Subdivision and is funded through user fees and grants and loans.

Dammeron Valley Special Service District (Non-major Enterprise Fund) - The District provides water and other services to the community of Dammeron Valley funded through user fees and other revenues.

Diamond Valley Fire Special Service District (Non-major General Fund) - The District provides fire protection to the communities of Diamond Valley funded through user fees and other revenues.

Dixie Deer Special Service District (Non-major Enterprise Fund) - The District provides water, sewer services and fire protection to the Dixie Deer Estates and is funded through user fees.

Gunlock Special Service District (Non-major Enterprise Fund) - The District provides water, street lights and park services to the community of Gunlock funded through user fees and other revenues.

New Harmony Valley Special Service District (Non-major General Fund) – The District provides fire protection for the community of New Harmony and the surrounding area funded through user fees and other revenues.

North Central Fire Special Service District (Non-major General Fund) - The District provides funding to Enterprise City for fire protection for the surrounding areas around Enterprise. The District has contracted with Enterprise City to help cover costs of fire protection in the outlying areas of the County around Enterprise.

Northwestern Special Service District (Non-major Enterprise Fund) - The District provides fire protection to the community of Veyo, Gunlock, Central and Brookside, Utah funded through user fees and other revenues.

Pine Valley Local District (Non-major Enterprise Fund) - The District provides police protection for the Pine Valley area.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

Pine Valley Special Service District (Non-major Enterprise Fund) - The District provides water for the Pine Valley area and is funded through user fees.

Specially Funded Transportation Special Service District (Non-major General Fund) - The District provides road maintenance on county roads and is funded through federal Secure Rural School Funds.

Southwestern Special Service District (Non-major General Fund) - The District provides fire protection to the communities of Winchester Hills funded through user fees and other revenues.

Separately issued financial reports are available for the discretely presented component units. These reports may be obtained by searching the Utah State Auditor's website.

A **related organization** for which the County is accountable because it appoints a voting majority of the board, but is not financially accountable based on the previously mentioned criteria is:

Washington County Water Conservancy District.

Organizations which are considered as **jointly governed organizations** based on the criteria set forth by the GASB are as follows:

Southwest Behavioral Health Center - the Center provides mental health and drug and alcohol services to the five counties of southwestern Utah. One of the County's commissioners serves on the center's authority board. The Center is funded through state and federal government grants and contracts, fees for services and contributions from the five counties served. In 2022, the County provided \$617,578 in funding to the Center. The County does not retain an ongoing financial interest or responsibility in the Center.

Five County Association of Governments - The Association provides various services to the various governmental and educational units in the five counties of southwestern Utah. One of the County's commissioners serves on the steering committee of the association. The Association is funded through state and federal government grants and contracts and through contributions from the participating entities. In 2022 the County contributed \$150,595 to the Association. The County does not retain an ongoing financial interest or responsibility in the Association.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

Washington County/St. George Interlocal Agency (WCIA) - The Agency constructs, operates and maintains convention and regional park facilities for the County and St. George City (the City), Three of the County's commissioners serve on the Agency's governing body along with three representatives appointed by the City along with an at-large member appointed by the WCIA. The County leases the convention center and regional park facilities from the WCIA and subleases an undivided 38% interest in the convention center to the City. See Long-Term Debt footnote for additional disclosures.

Southwestern Mosquito Abatement District – The District provides mosquito abatement and control services for Washington County and the municipalities of Enterprise, Hildale, Hurricane, Ivins, LaVerkin, Leeds, New Harmony, Rockville, Santa Clara, St. George, Toquerville, Virgin and Washington City funded by tax revenues.

Washington County Flood Control Authority – The Authority provides planning, coordination, and the integration of activities necessary to maintain a comprehensive, cooperative, and continuing multi-agency flood control program in the areas around the cities of St. George, Santa Clara, and Washington.

Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the County's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the County has several discretely presented component units. The Southwest Utah Public Health Department, the Ash Creek Special Service District, and the Washington County Solid Waste Special Service District No. 1 are considered to be major component units and are shown in separate columns on the Combining Statements of Net Position and Activities. All remaining discretely presented component units are aggregated and reported as nonmajor component units. All component units are aggregated and presented in a single column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of presentation – fund financial statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

The County reports the following major governmental funds:

The **General Fund** is used to account for all financial resources applicable to the general operations of County government which are not accounted for in other funds. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

The **RAP Tax Fund** is used to account for recreation, arts, and parks taxes collected that are legally restricted to expenditure for cultural and recreational facilities and cultural organizations.

The **Travel Board Fund** is used to account for transient room tax revenues used to promote travel within the County and assist the Washington County/St. George Interlocal Agency.

The **Grants fund** accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes which include federal and state assistance such as CDBG, Drug Court, LLEBG, SCAAP, VOCA, WMD, and other grants.

The **Capital Projects Fund** is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds and trust funds.

The County's **non-major governmental funds** include the debt service fund and special revenue funds that account for specific revenue sources that are legally restricted to expenditures for specific purposes. Non-major special revenue funds are the Class "B" Roads, Municipal Services, Assessing and Collecting, Flood Damage, Children's Justice Center, Library, Habitat Conservation, Council on Aging, Recreation, Grants, Sports and Outdoor Recreation, and Corridor Preservation.

The County reports the following fiduciary funds:

Custodial Funds account for assets held by the County as an agent for individuals, private organizations and other governmental units. These funds are custodial in nature.

Additionally, the County reports the following fund type:

The Internal Service Fund accounts for the self-funded health insurance services provided to other funds and departments, on a cost reimbursement basis.

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. 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.

The governmental fund financial statements 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the County the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, room taxes, licenses, 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

The internal service fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

Cash and cash equivalents and investments

Cash and cash equivalents are general considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No.72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to” or “due from other funds.” The County does not have any trade accounts receivable, all other receivables are deemed collectible and an allowance for uncollectible accounts is deemed immaterial and has not been recorded. Component Unit proprietary fund receivables are recorded net of allowances as determined by each respective component unit.

Inventories and prepaid items

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the County as assets with an individual cost of more than \$10,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease assets). Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	7 to 40 years
Treatment facilities and improvements	40 years
Machinery and equipment	3 to 10 years
Storm drains and inlets	40 years
Streets and sidewalks	20 years
Signs	40 years

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The County has two items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is pension related items reported on the government-wide financial statements. See footnote 10 for more information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category. The first arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: special assessments. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The second is pension related items reported on the government-wide financial statements. See footnote 11 for more information. The third is lease related items reported on the government-wide financial statements and the governmental funds balance sheet. See note 10 for more information.

Pensions

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

Net position flow assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County’s highest level of decision-making authority. The County Commission is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The County Auditor is authorized to assign fund balance when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Leases

Lessee: The County is a lessee for a noncancellable lease of a building. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The County is a lessor for noncancellable leases of buildings. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term.

Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

Revenues and expenditures/expenses

Program revenues

Amounts reported as 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 or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes

The property taxes of Washington County are levied, collected, and distributed by the County as required by Utah State law. Utah statutes established the process by which taxes are levied and collected. The County Assessor is required to assess real property as of January 1 and complete the tax rolls by May 22. By July 22, the County Auditor is to mail notices of assessed value and tax changes to property owners. A taxpayer may then petition the County Board of Equalization on specified dates in August and September for a revision of the assessed value.

Approved changes in assessed value are made by the County Auditor by November 1, who also delivers the completed assessment rolls to the County Treasurer on that same date. September 1, is the approximate levy date with a due date of November 30. The penalty for delinquent taxes is the greater of 2.5% or \$10 for each parcel. The penalty will be reduced to the greater of 1% or \$10 if all delinquent taxes and the 1% penalty are paid on or before January 31, of the following year. If delinquent taxes are paid after January 31, of the following year interest will be charged beginning January 1, of the following year. These delinquent taxes, including penalties, are subject to an interest charge at a rate equal to the federal discount rate plus 6%; with a minimum interest rate of 7% and a maximum rate of 11%; the interest period is from January 1 until date paid. If in May of the fifth year, the taxes remain delinquent, the County will advertise and sell the property at a tax sale. As of January 1, all unpaid property taxes are considered to have liens against the property.

Compensated absences

For governmental funds, amounts vested or accumulated vacation that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements unless they have matured, for example, as a result of employee resignations and retirements. Vested or accumulated vacation in the proprietary fund are recorded as an expense and a liability of that fund as the benefits accrued to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 1. Summary of Significant Accounting Policies (Continued)

Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are County and employee contributions. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncements

For the year ended December 31, 2022, the County implemented the provisions of GASB Statement No. 87, *Leases*. GASB Statement No. 87 improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Implementation of this new statement resulted in a restatement of beginning net position in the government-wide financial statements of \$(80,766).

NOTE 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 18.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 2. Reconciliation of Government-Wide and Fund Financial Statements, Continued

Explanation of differences between governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 19.

NOTE 3. Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

Stewardship, compliance, and accountability are key concepts in defining the responsibilities of the County. The use of budgets and monitoring of equity status facilitate the County's compliance with legal requirements.

The County uses the following procedures to establish, modify and control the budgetary data presented in the financial statements.

The County Commission adopts a budget for all of the County's funds except trust and agency funds. The Boards of the component units adopt their own budgets independent of the County. All budget amounts presented in the accompanying financial statements and supplementary information have been adjusted for legally authorized revisions of the annual budgets during the year. During the current fiscal year there were amendments to the budget. Procedures followed for amending the budgets were in accordance with State laws.

All Governmental Fund budgets are maintained on the modified accrual basis of accounting.

The actual results of operations are presented in accordance with GAAP.

Expenditures over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level. The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual reports as listed in the table of contents present all of the departments which incurred an excess of expenditures/expenses over appropriations for the year ended December 31, 2022, if any.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 4. Deposits and Investments

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

The County follows the requirements of the Utah Money Management Act (*Utah code*, Section 51, chapter 7) in handling its depository and investment transactions. The Act 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 State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

A reconciliation of cash and investments as shown on the statement of net position is as follows:

Cash and cash equivalents	\$ 141,797,561
Restricted cash and investments	2,793,004
Custodial fund monies	<u>36,728,169</u>
	<u>\$ 181,318,734</u>

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposit may not be returned to it. The County does not have a formal policy for custodial credit risk. At December 31, 2022, cash on hand was \$6,045 and the carrying amount of the County's deposits was \$8,498,784. As of December 31, 2022, \$11,372,775 of the County's bank balance of \$12,122,775 was exposed to custodial credit risk because it was uninsured and uncollateralized. No deposits are collateralized, nor is it required by state statute.

As of December 31, 2022, \$16,433,817 of the Washington County Solid Waste Special Service District bank balance of \$16,933,817, \$2,839,329 of the Southwest Utah Public Health Department bank balance of \$3,260,336, and \$24,499 of Ash Creek Special Service District bank balance of \$274,499 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Washington County/St. George Interlocal Agency is a jointly governed organization. The organization's cash and investments are reported in the County's Agency Fund and are pooled with the County's and deposited and invested in accordance with the policies of the County.

Investments

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 4. Deposits and Investments (Continued)

Washington County follows the requirements of the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of Washington 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 State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act defines the types of securities authorized as appropriate investments for Washington County’s funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, certified investment advisors, or directly with issuers of the investment securities.

Statutes authorize Washington County to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers’ Investment Fund.

The Utah State Treasurer’s Office operates the Public Treasurers’ Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

At December 31, 2022, Washington County had the following invested in the PTIF:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Maturity (2)</u>
Local Government Pooled Investment Fund	\$ 109,250,698	N/A	90.83

(1) Ratings are provided where applicable to indicate associated Credit Risk.

N/A indicates not applicable.

(2) Interest Rate Risk is estimated using the weighted average days to maturity.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 4. Deposits and Investments (Continued)

Fair Value of Investments

Washington County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Valuations based on quoted prices in active markets for identical assets or liabilities that the County has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail any significant degree of judgment. Securities classified as Level 1 inputs include U.S. Government securities and certain other U.S. Agency and sovereign government obligations.;
- *Level 2:* Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 include: corporate and municipal bonds, and “brokered” or securitized certificates of deposit; and,
- *Level 3:* Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

At December 31, 2022, Washington County had the following recurring fair value measurements.

Security Type Category	Level 1	Level 2	Level 3	Other	Total
Agency	\$ 912,910	\$ -	\$ -	\$ -	\$ 912,910
CD	-	12,416,491	-	-	12,416,491
Corporate	-	24,483,472	-	-	24,483,472
Currency	(198,073)	-	-	-	(198,073)
MMFund	677,877	-	-	-	677,877
U.S. Gov	22,655,186	-	-	-	22,655,186
Total	\$ 24,047,900	\$ 36,899,963	\$ -	\$ -	\$ 60,947,863

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 4. Deposits and Investments (Continued)

For securities that generally have market prices from multiple sources, it can be difficult to select the best individual price, and the best source one day may not be the best source on the following day. The solution is to report a “consensus price” or a weighted average price for each security. Washington County receives market prices for these securities from a variety of industry standard data providers (e.g., Bloomberg), security master files from large financial institutions, and other third-party sources. Through the help of an investment advisor, Washington County uses these multiple prices as inputs into a distribution-curve based algorithm to determine the daily market value.

- U.S. Treasuries, Money Markets, U.S. Agencies: quoted prices for identical securities in markets that are active;

Debt securities classified in Level 2 are valued using the following approaches

- Corporate and Municipal Bonds and Commercial Paper: quoted prices for similar securities in active markets;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities’ relationship to benchmark quoted prices;
- Bond Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers’ Investment Fund: application of the December 31, 2022 fair value factor, as calculated by the Utah State Treasurer, to Washington County’s average daily balance in the Fund; and,
- Donated Real Estate: recent appraisals of the real estate’s value.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Washington County’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State’s Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 4. Deposits and Investments (Continued)

As of December 31, 2022, Washington County's investments had the following maturities:

Final Maturity	Security	Final Maturity	Description	CUSIP	Ending Market Value +	Ending Book	Book Value +
0 to 1 Year	YANKE	04/11/2023	BARCLAYS BANK PLC	06747PKW8	764,136.42	754,240.88	765,047.30
1 to 3 Years	YANKE	08/29/2025	BARCLAYS BANK PLC	06748XQ61	501,531.22	500,000.00	502,186.22
---	YANKE	03/21/2024	BARCLAYS BANK PLC	---	1,265,667.64	1,254,240.88	1,267,233.52
US GOV							
Final Maturity	Security	Final Maturity	Description	CUSIP	Ending Market Value +	Ending Book	Book Value +
1 to 3 Years	US GOV	12/27/2024	UNITED STATES	---	13,452,608.07	14,306,519.06	14,357,902.13
3 to 5 Years	US GOV	07/23/2026	UNITED STATES	---	6,244,435.46	6,886,480.43	6,910,648.39
0 to 1 Year	US GOV	08/24/2023	UNITED STATES	---	3,043,049.51	3,119,900.96	3,129,256.46
---	US GOV	03/29/2025	UNITED STATES	---	22,740,093.03	24,312,900.45	24,397,806.99
MMFUND							
Final Maturity	Security	Final Maturity	Description	CUSIP	Ending Market Value +	Ending Book	Book Value +
0 to 1 Year	MMFUN	12/31/2022	ALLSPRING:TRS+ MM I	94975H296	677,877.07	677,877.07	677,877.07
0 to 1 Year	MMFUN	12/31/2022	ALLSPRING:TRS+ MM I	94975H296	677,877.07	677,877.07	677,877.07
CORP							
Final Maturity	Security	Final Maturity	Description	CUSIP	Ending Market Value +	Ending Book	Book Value +
1 to 3 Years	CORP	06/29/2024	---	---	17,351,421.92	17,384,671.69	17,497,554.30
0 to 1 Year	CORP	05/29/2023	---	---	6,026,058.73	6,010,852.01	6,044,653.42
---	CORP	03/19/2024	---	---	23,377,480.65	23,395,523.69	23,542,207.72
CD							
Final Maturity	Security	Final Maturity	Description	CUSIP	Ending Market Value +	Ending Book	Book Value +
1 to 3 Years	CD	02/20/2025	---	---	6,480,207.13	6,675,898.60	6,703,255.33
0 to 1 Year	CD	08/17/2023	---	---	2,856,609.96	2,908,014.62	2,913,809.31
3 to 5 Years	CD	02/21/2027	---	---	3,123,551.80	3,251,226.10	3,261,952.76
---	CD	04/18/2025	---	---	12,460,368.89	12,835,139.32	12,879,017.40
CASH							
Final Maturity	Security	Final Maturity	Description	CUSIP	Ending Market Value +	Ending Book	Book Value +
0 to 1 Year	CASH	12/31/2022	---	CCYUSD	(198,073.19)	(198,073.19)	(198,073.19)
0 to 1 Year	CASH	12/31/2022	---	CCYUSD	(198,073.19)	(198,073.19)	(198,073.19)
AGCY BOND							
Final Maturity	Security	Final Maturity	Description	CUSIP	Ending Market Value +	Ending Book	Book Value +
1 to 3 Years	AGCY	04/29/2025	FEDERAL HOME LOAN	3130AM2V3	462,147.78	500,000.00	500,602.78
3 to 5 Years	AGCY	01/22/2026	FEDERAL HOME LOAN	3130AN3T5	453,573.33	500,000.00	502,208.33
---	AGCY	09/09/2025	FEDERAL HOME LOAN	---	915,721.11	1,000,000.00	1,002,811.11
Summary							
Final Maturity	Security	Final Maturity	Description	CUSIP	Ending Market Value +	Ending Book	Book Value +
---	---	10/29/2024	---	---	61,239,135.21	63,277,608.23	63,568,880.63

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 4. Deposits and Investments (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Washington County's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, as previously discussed. At December 31, 2022, Washington County's investments had the following quality ratings:

Rating	Security Type	Description	CUSIP	Ending Book Value	Moody's Rating	DBRS Rating	Rating (CD's NA)	Ending Market Value +	Book Value + Accrued
AAA	---	---	---	25,792,704.34	Aaa	AAA	AAA	24,135,618.03	25,880,421.98
AA+	---	---	---	1,994,443.36	Aa2	AA	---	1,994,766.01	2,002,492.33
AA	CORP	---	---	1,204,737.32	Aa3	NA	AA	1,210,868.74	1,211,919.02
AA-	---	---	---	2,396,162.24	Aa3	NA	---	2,402,457.37	2,416,310.81
A+	---	---	---	8,558,795.07	A1	A	---	8,566,557.91	8,621,354.80
A	---	---	---	8,445,764.84	A2	AA (low)	---	8,363,288.92	8,486,266.90
A-	---	---	---	5,438,252.40	A3	A (high)	---	5,410,697.26	5,479,572.21
BBB-	CD	State Bank of India - New York	856285RS2	239,783.31	Baa3	NA	NA (CD)	229,378.98	240,255.10
NA	---	---	---	8,966,965.34	NA	NA	---	8,692,032.00	8,988,112.68
NR	CD	Capital One Bank (USA), National	14042TBQ9	240,000.00	WR	NA	NA (CD)	233,469.99	242,174.79
A+	---	---	---	63,277,608.23	A1	AA	---	61,239,135.21	63,568,880.63

Concentration of Credit Risk

The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Washington County's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations at the time of purchase to 5-10% depending upon the total dollar amount held in the portfolio.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, Washington County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Washington County does have a formal policy for custodial credit risk. All investments other than bank deposits or funds invested in the state treasurer's fund are to be held by a third party with securities delivered on a delivery vs. purchase basis.

As of December 31, 2022, Washington County safe-kept all investments with custodian counterparty Principal Financial Group, and **all investments** which was/were held by the counterparty's trust department or agent are registered in Washington County's name.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 4. Deposits and Investments (Continued)

Component Units

Significant investments of the discretely presented **component units** below are with the State Treasurer's Investment Pool which are categorized the same as the County PTIF above and are as follows:

	Carrying Amount	Quality Rating	Investment Maturity (in years)
Southwest Utah Public Health Department	\$ 7,424,946	Unrated	Less than 1
Ash Creek Special Service District	\$ 27,908,759	Unrated	Less than 1
Wash. County Solid Waste Special Svc. Dist. No. 1	\$ 8,004,206	Unrated	Less than 1

In addition to the PTIF investments above, the Washington County Solid Waste Special Service District has the following investments:

Investment Type	Fair Value	Credit Rating (1)	Investment Maturities (in years)	
			less than 1	1-5
CD	\$ 4,841,706	Various	\$1,255,654	\$ 3,586,052
Corporate	1,745,214	Various	711,830	1,033,384
Currency	(239,217)	AAA	(239,217)	-
Money Market Fund	326,403	AAA	326,403	-
US Gov	571,163	AAA	24,592	546,571

Ash Creek Special Service District also has the following investments:

Investment Type	Fair Value	Credit Rating (1)	Investment Maturities (in years)	
			less than 1	1-5
Money Market Fund	\$ 76,871	AAA	\$ 76,871	\$ -
US Gov Bonds	997,744	AAA	195,325	802,419
Corporate Bonds, CDs	7,684,765	Various	850,567	6,834,198
Foreign Bonds	997,706	A	349,933	647,773

(1) Ratings are provided where applicable to indicate associated Credit Risk.

N/A indicates unrated.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 5. Receivables

Property taxes receivable in the governmental funds represent property taxes collected by the County and held in the Treasurer's Trust Fund at December 31, 2022. These monies were distributed to the various County funds in January 2023 and thereafter. Amounts not distributed within 60 days of year-end are reported as deferred revenue in the funds. Assessing and collecting receivables are also included in taxes receivable. The County is allowed by state statute to set a tax rate to cover the costs of assessing and collecting property taxes. For 2022, the County's combined tax rate for assessing and collecting was .000314. Property taxes receivable that are shown in the Trust Funds represent accruals for property taxes collected by the County subsequent to year end through January 15, 2023.

Notes receivable that are shown on the Statement of Net Position include \$561,710 receivable from St. George City for payments due on the Convention Center and the Museum subleases. See Note 9 also.

NOTE 6. Interfund Receivables, Payables and Transfers

Transfers between funds occur primarily to finance programs accounted for in one fund with resources collected in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended December 31, 2022 are shown in the following table:

	Transfers out reported in:						Total
	Nonmajor Special Revenue Funds						
Transfers in reported in:	General Fund	Recreation Fund	Travel Board Fund	Assessing and Collecting Fund	Municipal Services Fund	Habitat Conservation Fund	
Travel Board Fund	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Grants Fund	175,000	-	-	-	-	-	175,000
Capital Projects Fund	5,600,000	2,221,875	1,835,038	2,394,088	1,331,301	452,626	13,834,928
Nonmajor Special Revenue Funds:							
Debt Service Fund	443,200	-	-	-	-	-	443,200
Municipal Service Fund	5,829,479	-	-	-	-	-	5,829,479
Children's Justice Center Fund	88,722	-	-	-	-	-	88,722
Library Fund	112,000	-	-	-	-	-	112,000
Council on Aging Fund	732,977	-	-	-	-	-	732,977
Total Transfers	<u>\$ 12,981,378</u>	<u>\$ 2,421,875</u>	<u>\$ 1,835,038</u>	<u>\$ 2,394,088</u>	<u>\$ 1,331,301</u>	<u>\$ 452,626</u>	<u>\$ 21,416,306</u>

There were no interfund receivables and payables at December 31, 2022.

NOTE 7. Due to Taxing Districts

Due to taxing districts shown in the combined statement of fiduciary net position represents property taxes collected by the County for the various taxing districts in the County and held in the treasurer's Trust Fund at December 31, 2022. These monies were distributed in January of 2023 and thereafter.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 8. Capital Assets

The following table summarizes the changes to capital assets during the year.

Governmental Activities:	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Capital assets, not being depreciated:				
Land	10,563,348	\$ -	\$ (1,295,862)	\$ 9,267,485
Construction in progress	14,870,238	25,997,572	-	40,867,810
Total capital assets, not being depreciated:	<u>25,433,586</u>	<u>25,997,572</u>	<u>(1,295,862)</u>	<u>50,135,295</u>
Capital assets, being depreciated:				
Buildings and improvements	58,719,458	-	-	58,719,458
Convention center	12,344,835	-	-	12,344,835
Regional park	7,417,408	-	-	7,417,408
Museum	2,279,863	-	-	2,279,863
Autos and trucks	6,802,698	3,085,448	(654,079)	9,234,067
Equipment	9,286,819	431,567	(661,803)	9,056,583
Furniture and fixtures	885,486	-	(73,823)	811,664
Bridges, towers, trails, infrastructure	5,642,875	-	-	5,642,875
Streets and sidewalks	26,672,195	-	-	26,672,195
Right to use assets	-	6,213	-	6,213
Total capital assets, being depreciated:	<u>130,051,637</u>	<u>3,523,228</u>	<u>(1,389,705)</u>	<u>132,185,161</u>
Less accumulated depreciation for:				
Buildings and improvements	(28,693,230)	(2,136,096)	-	(30,829,326)
Convention Center	(7,949,276)	(306,992)	-	(8,256,268)
Regional Park	(2,744,792)	111,357	-	(2,633,435)
Museum	(1,461,348)	(59,223)	-	(1,520,571)
Autos and trucks	(4,802,962)	(862,365)	447,613	(5,217,714)
Equipment	(6,111,171)	(646,305)	174,578	(6,582,898)
Furniture and fixtures	(805,393)	(26,386)	73,823	(757,956)
Bridges, Towers, Trails, Infrastructure	(4,027,453)	(89,358)	-	(4,116,811)
Streets and sidewalks	(26,497,962)	(21,560)	-	(26,519,522)
Total accumulated depreciation	<u>(83,093,587)</u>	<u>(4,036,928)</u>	<u>696,014</u>	<u>(86,434,501)</u>
Total capital assets, being depreciated, net	<u>46,958,050</u>	<u>(513,700)</u>	<u>(693,691)</u>	<u>45,750,660</u>
Governmental activities capital assets, net	<u>\$ 72,391,636</u>	<u>\$ 25,483,872</u>	<u>\$ (1,989,553)</u>	<u>\$ 95,885,955</u>

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

Governmental Activities:	
General government	\$ 1,295,817
Public safety	974,410
Public works	541,042
Health and sanitation	170,173
Culture, tourism, and recreation	1,050,486
Judicial	5,000
Total depreciation expense - governmental activities	<u>\$ 4,036,928</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 9. Long-Term Liabilities

The following is a summary of changes in long-term debt for the year ended December 31, 2022.

Governmental activities:	Balance **		Balance		Current
	12/31/2021	Additions	Retirements	12/31/2022	Portion
Direct Placement - General Obligation Bonds:					
Refunding G.O. bonds					
Series 2010 Refunding G.O. bonds	\$ 2,325,000	\$ -	\$ (1,225,000)	\$ 1,100,000	\$ 535,000
Series 2016 Refunding G.O. bonds	1,685,000	-	(315,000)	1,370,000	325,000
Net unamortized premiums	233,919		(127,272)	106,647	-
Direct Placement - Revenue Obligation Bonds:					
Sales tax revenue refunding bonds, series 2016	5,035,000		(255,000)	4,780,000	270,000
Net unamortized premiums	594,700	-	(39,646)	555,054	-
MBA lease revenue bonds, series 2010	1,795,000	-	(146,000)	1,649,000	153,000
Total Bonds	11,668,619	-	(2,107,918)	9,560,701	1,283,000
Note Payable - Convention Center*	2,410,727	-	(2,410,727)	-	-
Note Payable	3,230,111	-	-	3,230,111	3,230,111
Leases payable**	80,766	-	(74,460)	6,306	6,306
Net pension liability (asset)	3,923,232	-	(13,163,015)	(9,239,783)	-
Accrued Compensated Absences	1,933,656	2,300,000	(1,975,930)	2,257,726	2,100,000
Total Governmental activity					
long-term liabilities	<u>\$ 23,247,111</u>	<u>\$ 2,300,000</u>	<u>\$ (19,732,050)</u>	<u>\$ 5,815,061</u>	<u>\$ 6,619,417</u>

* The County implemented the provisions of GASB statement No. 87 in 2022. With the implementation, debt reported as leases payable in 2021 are reported as notes payable in 2022 (not leases under GASB 87).

** As restated for the implementation of GASB statement No. 87

Debt service requirements to maturity for bonds payable are as follows:

Period Ending	Principal	Interest	Total
December 31			
2023	4,513,111	535,442	5,048,553
2024	1,334,000	296,245	1,630,245
2025	802,000	240,565	1,042,565
2026	829,000	207,450	1,036,450
2027	492,000	180,620	672,620
2028-2032	2,544,000	596,950	3,140,950
2033-2036	1,615,000	164,800	1,779,800
	<u>\$ 12,129,111</u>	<u>\$ 2,222,072</u>	<u>\$ 14,351,183</u>

See note 16 regarding conduit debt obligations outstanding and related lease receivables.

The County has no unused line of credit as of December 31, 2022.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 9. Long-Term Liabilities (Continued)

Bonds, notes, and leases payable at December 31, 2022, consist of the following:

General Obligation Bonds:

Refunding G. O. Bonds Series 2010 for the purpose of partially refunding Library Bonds Series 2002 and Series 2004B, payable in amounts ranging from \$515,000 to \$1,225,000 plus interest ranging from 2% to 5%, maturing October 1, 2024.	\$ 1,100,000
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Refunding G. O. Bonds Series 2016 for the purpose of partially refunding G.O. Bonds, Series 2007, payable in amounts ranging from \$290,000 to \$360,000 including interest ranging from 2.0% to 4.0%, maturing April 1, 2026.	1,370,000
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Revenue Obligation Bonds:

Refunding Sales Tax Series 2016 for the purpose of partially refunding Sales Tax Revenue Bonds, Series 2006, payable in amounts ranging from \$230,000 to \$430,000 including interest ranging from 3.0% to 4.0%, maturing September 1, 2036.	4,780,000
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MBA Lease Revenue Bonds, Series 2010, for the purpose of paying the cost of building acquisitions and improvements, payable in amounts ranging from \$107,000 to \$217,000 plus interest at 4.5%, maturing September 15, 2031.	1,649,000
	8,899,000

Net unamortized premiums	661,701
	9,560,701

Total Bonds Payable	9,560,701
	9,560,701

Notes Payable:

Note payable for the Dixie Center Special Service District, matures December of 2023, estimated interest at 5.13%	3,230,111
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Leases Payable:

Lease payable for the right to use of office space, payable in monthly installments of \$6,322, matures January of 2023, estimated interest at 3.0%	6,306
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Accrued Compensated Absences	2,257,726
	2,257,726

Total Long-Term Debt	\$ 15,054,844
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Less: Current Portion	(6,619,417)
	(6,619,417)

Net Long-Term Debt	\$ 8,435,427
	8,435,427

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 9. Long-Term Liabilities (Continued)

Notes payable (Agency):

Convention Center and Regional Park:

The Washington County/St. George City Interlocal Agency (the Agency) and Washington County entered into a direct financing lease agreement, dated November 1, 1997, for the lease of the convention facilities constructed by the Agency. The lease term commenced on the date of delivery of the Series 1998A Bonds and ended December 31, 1998 and was amended December 27, 2007, and again on November 27, 2012. The lease term has been continued, and may be continued, solely at the option of the County, beyond the first “renewal term” and for 16 consecutive additional renewal terms thereafter each of one year in duration (except that the final renewal term shall commence January 1, 2022 and end on December 31, 2022). The County pays base rentals which correspond with the debt service on the Agency’s \$16,945,000 Lease Revenue Bonds. During 2022 the underlying debt related to the lease agreement was retired. Thus this agreement also ended.

The County has entered into a sub-lease agreement with St. George City, whereby the City has leased a 38% undivided interest in the Agency’s convention center facilities. The terms of that agreement were changed with the refinancing of the bonds in 2012. Under the new terms, the Agency will receive from the City sublease payments totaling \$3,944,750 over the 10 year period with annual payments ranging from \$292,640 to \$552,460. During 2022 the underlying debt related to the sub-lease agreement was retired. Thus, the sub-lease agreement has also ended.

The parties involved have not determined if the Agency's right and interest in the facilities will be transferred to the County and St. George City upon payment by the County and the City of the then applicable purchase option price, or all the base rentals, or upon the discharge of the lien on the Indenture.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 9. Long-Term Liabilities (Continued)

Museum:

The Agency and Washington County entered into a direct financing lease agreement, dated May 15, 2000, for the lease of the natural museum facilities constructed by the Agency. The museum (approximately 20,000 square feet) was built as an addition to the Dixie Center.

The lease term commenced on the date of delivery of the Series 2000 Bonds and ended December 31, 2000; however, the lease term was continued for 19 consecutive additional renewal terms thereafter each of one year in duration with the final renewal term commencing January 1, 2020 and ending on December 31, 2020. The County paid the base rentals which corresponded with the debt service on the Agency's \$2,968,000 Series 2000A&B and \$800,000 Series 2000C Lease Revenue Bonds. During 2020, the Series 2000 Bonds were paid in full.

Washington County has entered into a sub-lease agreement with St. George City, whereby the City has leased a 38% undivided interest in the Agency's natural museum facilities. The Agency received from the City sublease payments totaling \$2,516,582 over the 20 year period with annual payments ranging from \$55,140 to \$56,970.

The parties involved have not determined if the Agency's right and interest in the facilities will be transferred to the County and St. George City upon payment by the County and the City of the then applicable purchase option price, or all the base rentals, or upon the discharge of the lien on the remaining Indenture.

Washington County and St. George City have entered into a sub-lease agreement with the Rosenbruch Foundation, Inc. (DBA World Wildlife Heritage Foundation), whereby the Rosenbruch Foundation has leased a 100% undivided interest in the Agency's natural museum facilities. The sub-lease requires that the Rosenbruch Foundation, Inc., as sub-lessee, pay all museum sublease rentals directly to the Trustee and that such payments are assigned by the County and the City to the Trustee for the benefit of the bond holders. In the event the Rosenbruch Foundation, Inc. fails to pay all or any portion of the museum sub-lease rentals, the County and the City are obligated to pay all base rentals, subject to non-appropriation. However, Jim and MaryAnn Rosenbruch, as individuals, have executed a guaranty agreement whereby they guarantee payment of all museum sub-lease payments.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 10. Leases

Lease Receivable

During the current fiscal year, Washington County began leasing office space for various third parties. The leases range from 0.5 years to 15.75 years and Washington County will receive monthly payments ranging from \$4,653 to \$16,566. Washington County recognized \$145,151 in lease revenue and \$145,151 in interest revenue during the current fiscal year related to these leases. As of December 31, 2022, Washington County's receivable for lease payments was \$4,482,239. Also, Washington County has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2022, the balance of the deferred inflow of resources was \$4,482,239.

Lease Payable

During the current fiscal year, Washington County entered into a one-year lease agreement as lessee for the acquisition and use of office space for the tourism office. An initial lease liability was recorded in the amount of \$80,766 during the current fiscal year. As of December 31, 2022, the value of the lease liability was \$6,306. Washington County was required to make monthly principal and interest payments of \$6,322. The lease had an interest rate of 3%.

The future principal and interest lease payments as of December 31, 2022, were as follows:

Period Ending December 31	Principal	Interest	Total
2023	6,306	16	6,322
	\$ 6,306	\$ 16	\$ 6,322

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 11. Pension Plans

General Information about the Pension Plan

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

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

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

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

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 11. Pension Plans (Continued)

Benefits provided: URS provides retirement, disability, and death benefits.

Retirement benefits are as follows:

System	Final average salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020 and 2.00% per year July 1, 2020 to present	Up to 2.5%

* Actuarial reductions are applied

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

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2022 are as follows:

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 11. Pension Plans (Continued)

Utah Retirement Systems

	Employee	Employer	Employer 401(k)
Contributory System			
111 – Local Governmental Division Tier 2	N/A	16.01%	0.18%
Noncontributory System			
15 – Local Governmental Division Tier 1	N/A	17.97%	N/A
Public Safety System			
Contributory			
122 – Tier 2 DB Hybrid Public Safety	2.59	25.83%	N/A
Noncontributory			
43 – Other Division A with 2.5% COLA	N/A	34.04%	N/A
Tier 2 DC Only			
211 – Local Government	N/A	6.19%	10.00%
222 – Public Safety	N/A	11.83%	14.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For the fiscal year ended December 31, 2022, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 1,499,870	N/A
Public Safety System	1,697,605	-
Tier 2 Public Employees System	910,998	4
Tier 2 Public Safety and Firefighter	899,128	84,474
Tier 2 DC Only System	152,939	N/A
Tier 2 DC Public Safety and Firefighter System	34,829	N/A
Total Contributions	\$ 5,195,370	\$ 84,478

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 11. Pension Plans (Continued)

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions

At December 31, 2022, the County reported a net pension asset of \$9,239,783 and a net pension liability of \$0.

	Proportionate Share		Change (Decrease)	(Measurement Date): December 31, 2021	
	December 31, 2020	December 31, 2021		Net Pension Asset	Net Pension Liability
	Noncontributory System	1.0336143%		1.0499175%	0.0163032 %
Public Safety System	3.9075814%	3.7658219%	(0.1417595) %	3,058,385	-
Tier 2 Public Employees System	0.2392658%	0.2497592%	0.0104934 %	105,707	-
Tier 2 Public Safety and Firefighter	1.2754241%	1.2405716%	(0.0348525) %	62,701	-
				<u>\$ 9,239,783</u>	<u>\$ -</u>

The net pension asset and liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2022, the County recognized pension expense of \$(288,673).

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 995,183	\$ 23,921
Changes in assumptions	1,269,467	82,767
Net difference between projected and actual earnings on pension plan investments	-	16,815,221
Changes in proportion and differences between contributions and proportional share of contributions	149,067	155,164
Contributions subsequent to the measurement date	5,195,370	-
	<u>\$ 7,609,087</u>	<u>\$ 17,077,073</u>

\$5,195,370 reported as deferred outflows of resources related to pension results from contributions made by the County prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 11. Pension Plans (Continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2022	\$ (2,905,425)
2023	(5,114,137)
2024	(4,082,119)
2025	(2,768,032)
2026	29,455
Thereafter	176,902

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2022, the County recognized pension expense of \$(903,515).

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 629,796	\$ -
Changes in assumptions	564,341	38,813
Net difference between projected and actual earnings on pension plan investments	-	8,095,684
Changes in proportion and differences between contributions and proportional share of contributions	53,526	10,214
Contributions subsequent to the measurement date	1,499,870	-
	\$ 2,747,533	\$ 8,144,711

\$1,499,870 reported as deferred outflows of resources related to pension results from contributions made by the County prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 11. Pension Plans (Continued)

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2022	\$ (1,304,650)
2023	(2,289,618)
2024	(1,957,652)
2025	(1,345,127)
2026	-
Thereafter	-

Public Safety System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2022, the County recognized pension expense of \$(83,672).

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 260,302	\$ -
Changes in assumptions	536,200	31,811
Net difference between projected and actual earnings on pension plan investments	-	8,266,696
Changes in proportion and differences between contributions and proportional share of contributions	12,065	142,976
Contributions subsequent to the measurement date	1,697,605	-
	\$ 2,506,172	\$ 8,441,483

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 11. Pension Plans (Continued)

\$1,697,605 reported as deferred outflows of resources related to pension results from contributions made by the County prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2022	\$ (1,510,422)
2023	(2,711,716)
2024	(2,040,236)
2025	(1,370,542)
2026	-
Thereafter	-

Tier 2 Public Employees System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2022, the County recognized pension expense of \$367,127.

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 11. Pension Plans (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 51,355	\$ 13,620
Changes in assumptions	98,564	999
Net difference between projected and actual earnings on pension plan investments	-	261,189
Changes in proportion and differences between contributions and proportional share of contributions	58,536	-
Contributions subsequent to the measurement date	1,063,937	-
	\$ 1,272,392	\$ 275,808

\$1,063,937 reported as deferred outflows of resources related to pension results from contributions made by the County prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2022	\$ (49,007)
2023	(62,846)
2024	(45,571)
2025	(26,209)
2026	20,571
Thereafter	95,709

Tier 2 Public Safety and Firefighter Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2022, the County recognized pension expense of \$331,387.

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 11. Pension Plans (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 53,730	\$ 10,301
Changes in assumptions	70,362	11,144
Net difference between projected and actual earnings on pension plan investments	-	191,652
Changes in proportion and differences between contributions and proportional share of contributions	24,940	1,974
Contributions subsequent to the measurement date	933,958	-
	\$ 1,082,990	\$ 215,071

\$933,958 reported as deferred outflows of resources related to pension results from contributions made by the County prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2022	\$ (41,345)
2023	(49,958)
2024	(38,660)
2025	(26,154)
2026	8,884
Thereafter	81,193

Actuarial assumptions

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.25 – 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 11. Pension Plans (Continued)

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actual assumptions used in the January 1, 2021, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	37%	6.58%	2.43%
Debt securities	20%	(0.28)%	(0.06)%
Real assets	15%	5.77%	0.87%
Private equity	12%	9.85%	1.18%
Absolute return	16%	2.91%	0.47%
Cash and cash equivalents	0%	(1.01)%	0.00%
Totals	100%		4.89%
	Inflation		2.50%
	Expected arithmetic nominal return		7.39%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95 percent to 6.85 percent from the prior measurement date.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 11. Pension Plans (Continued)

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1percentage-point lower (5.85 percent) or 1percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 3,233,366	\$ (6,012,990)	\$ (13,727,271)
Public Safety System	7,542,981	(3,058,385)	(11,667,427)
Tier 2 Public Employees System	629,828	(105,707)	(670,446)
Tier 2 Public Safety and Firefighter	503,023	(62,701)	(511,809)
Total	\$ 11,909,198	\$ (9,239,783)	\$ (26,576,953)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

The County participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan
- Traditional IRA Plan

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 11. Pension Plans (Continued)

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended December 31 were as follows:

<i>401(k) Plan</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Employer Contributions	\$ 304,732	\$ 244,849	\$ 215,743
Employee Contributions	830,534	700,687	579,534
<i>457 Plan</i>			
Employer Contributions	-	-	-
Employee Contributions	126,279	126,441	111,645
<i>Roth IRA Plan</i>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	157,718	147,410	129,672
<i>Traditional IRA</i>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	6,515	7,057	6,162

The Southwest Utah District Health Department, Ash Creek Special Service District, and Washington County Solid Waste District No. 1, discretely presented component units of the County, are all members of the Utah Retirement Systems. Participation, eligibility and contribution rates and requirements are the same as the County's. See each entity's separately issued financial statement for further entity specific information.

NOTE 12. Risk Management

The County is exposed to various risks of loss to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries individual policies of insurance and joint venture protection agreements with the Utah Association of Counties Insurance Mutual. The County is insured by Utah State Workers Compensation Insurance Fund for potential job-related accidents. There were no significant reductions in insurance coverage from the previous year and the amount of settlements did not exceed insurance coverage for each of the past three fiscal years.

The County, effective January 1, 2013 is partially self-insured up to \$135,000 per insured for health and prescription drug coverage, with an additional aggregating deductible of \$200,000. The excess loss insurance is provided by Companion Life Insurance Company and administered by Alternative Risk Solutions LLC. The County also has aggregate excess loss insurance for medical, prescription drugs and dental claims based on a factor of \$1,011.83 per employee per month.

	<u>12/31/22</u>
Unpaid claims beginning of year	\$ -
Incurred claims	7,225,738
Claim payments	<u>(7,225,738)</u>
Unpaid claims, end of year	<u>\$ -</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 13. Commitments and Contracts

Washington County/St. George City Interlocal Agency (Agency):

As discussed in Note 9, the County has entered into a direct financing lease with the Agency. Note 9 discloses the base rental payments on the lease. In addition to the base rent payments, the County will pay other costs including trustee fees, maintenance and repairs, utilities, promotion and marketing, taxes, and liability insurance.

St. George City Sub-Lease Agreement:

The County has entered into a sub-lease agreement with St. George City, whereby the City has leased a 38% undivided interest in the Agency's convention center facilities. The sub-lease is associated with the County's direct financing lease described at Note 9 and above.

Washington County/St. George City Interlocal Agreement:

The County has entered into an interlocal cooperation agreement with St. George City. Under the terms of the agreement the County is to remit to St. George City \$700,000 a year from taxes collected on short-term leases and rental of motor vehicles and restaurant sales. St. George City is required to use those funds to make debt payments on bonds issued to fund the construction of the St. George Municipal Airport.

NOTE 14. Contingencies

The County is involved in various matters of litigation. It is the opinion of County officials that none of the cases should have a material effect on the County's financial condition.

The County receives state and federal funding for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in disallowances under the terms of the grants. There are no required disbursements identified or recorded at the date of these financial statements.

NOTE 15. Component Unit Disclosures

Additional required disclosures of the component units are included in separately issued audited financial statements as noted in Note 1.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 16. Conduit Debt Obligations

To provide for the purchase and improvements to an existing building for the Northwestern Special Service District (a component unit of the County), the Municipal Building Authority of Washington County, Utah issued \$300,000 Lease Revenue Bonds Series, 2005. The County leases the property from the Authority and subleases the property to the Northwestern Special Service District.

To provide for the construction of a building for the Southwestern Special Service District (a component unit of the County), the Municipal Building Authority of Washington County, Utah issued \$535,000 Lease Revenue Bonds Series, 2009. The County leases the property from the Authority and subleases the property to the Southwestern Special Service District.

To provide for the construction of a firehouse for the Southwestern Special Service District (a component unit of the County), the Municipal Building Authority of Washington County, Utah issued \$568,000 Lease Revenue Bonds Series, 2013. The County leases the property from the Authority and subleases the property to the Southwestern Special Service District.

To provide for the purchase of a fire truck for the Hurricane Valley Fire Special Service District (a component unit of the County), the Municipal Building Authority of Washington County, Utah issued \$995,000 Lease Revenue Bonds Series, 2016. The County leases the property from the Authority and subleases the property to the Hurricane Valley Special Service District.

To provide for the construction of a new campus building the Dixie Applied Technology College, the Municipal Building Authority of Washington County, Utah issued \$8,510,000 Lease Revenue Bonds Series, 2017. The County leases the property from the Authority and subleases the property to the Dixie Applied Technology College.

To provide for the construction of a fire station for the Hurricane Valley Fire Special Service District (a component unit of the County), the Municipal Building Authority of Washington County, Utah issued \$1,638,000 Lease Revenue Bonds Series, 2017. The County leases the property from the Authority and subleases the property to the Hurricane Valley Special Service District.

To provide for the purchase of a fire truck for the Hurricane Valley Fire Special Service District (a component unit of the County), the Municipal Building Authority of Washington County, Utah issued \$200,000 Lease Revenue Bonds Series, 2018. The County leases the property from the Authority and subleases the property to the Hurricane Valley Special Service District.

The lease payments coincide with the debt service payments on the bonds. The bonds are payable from and secured by the lease payments and do not constitute a pledge of the faith and credit of the County and have not been reported in the accompanying financial statements. At December 31, 2022, the principal amount outstanding on the bonds was \$76,000, \$352,000, \$440,000, \$790,000, \$7,055,000, \$1,484,000 and \$168,000 respectively.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2022

NOTE 17. Prior Period Adjustment

In 2021, the Washington County/St. George Interlocal Agency (WCIA) received approximately \$3,610,000 of funds from a debt sinking fund. WCIA was not aware of any outstanding debt issues except for the Series 2012A Bonds. Therefore, the funds received from the sinking fund were used to retire the Series 2012A bond issue (see Notes 1, 9 and 13 for descriptions of Washington County's relationship with WCIA).

In 2023, WCIA received a notice from the Utah State Division of Finance that an existing debt of \$3,606,880, plus accrued interest had matured and was due. This debt was related to the Dixie Center Special Service District (a predecessor entity to WCIA). WCIA had no knowledge of this existing debt. After consulting with their attorney and the State, it was determined the debt was going to have to be paid.

After recording the retirement of the County's share of the Convention Center note payable, and recording the County's share of the outstanding liability for the debt issue describe above, it was necessary for the County to restate net position by \$1,004,246.

REQUIRED SUPPLEMENTARY INFORMATION

WASHINGTON COUNTY
Schedule of the Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*

As of fiscal year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Noncontributory System					
2015	1.0894576%	\$ 4,730,681	\$ 9,455,509	50.03%	90.2%
2016	1.0917112%	\$ 6,177,433	\$ 9,445,406	65.40%	87.8%
2017	1.0874790%	\$ 6,982,947	\$ 9,507,848	73.44%	87.3%
2018	1.0436110%	\$ 4,572,373	\$ 8,816,860	51.86%	91.9%
2019	1.0126180%	\$ 7,456,641	\$ 8,580,008	86.91%	87.0%
2020	1.0359246%	\$ 3,904,264	\$ 8,852,445	44.10%	93.7%
2021	1.0336143%	\$ 530,185	\$ 8,716,997	6.08%	99.2%
2022	1.0499175%	\$ (6,012,990)	\$ 8,600,539	-69.91%	108.7%
Public Safety System					
2015	3.9374732%	\$ 4,951,700	\$ 5,931,668	83.48%	90.5%
2016	4.0018025%	\$ 7,168,234	\$ 5,923,953	121.00%	87.1%
2017	4.0071950%	\$ 8,131,705	\$ 5,830,056	139.48%	86.5%
2018	3.6842591%	\$ 5,779,343	\$ 5,373,861	107.55%	90.2%
2019	3.6907337%	\$ 9,494,726	\$ 5,311,885	178.74%	84.7%
2020	3.8827563%	\$ 6,234,222	\$ 5,699,531	109.38%	90.9%
2021	3.9075814%	\$ 3,244,235	\$ 5,761,660	56.31%	95.5%
2022	3.7658219%	\$ (3,058,385)	\$ 5,416,305	-56.47%	104.2%
Tier 2 Public Employees System					
2015	0.1945078%	\$ (5,894)	\$ 954,897	-0.62%	103.5%
2016	0.1908972%	\$ (417)	\$ 1,233,200	-0.03%	100.2%
2017	0.2318750%	\$ 25,866	\$ 1,901,571	1.36%	95.1%
2018	0.2649517%	\$ 23,361	\$ 2,593,231	0.90%	97.4%
2019	0.2495727%	\$ 106,887	\$ 2,917,427	3.66%	90.8%
2020	0.2355702%	\$ 52,982	\$ 3,274,454	1.62%	96.5%
2021	0.2392658%	\$ 34,413	\$ 3,825,531	0.90%	98.3%
2022	0.2497592%	\$ (105,707)	\$ 4,637,129	-2.28%	103.8%
Tier 2 Public Safety and Firefighter System					
2015	0.9050599%	\$ (13,389)	\$ 374,571	-3.57%	120.5%
2016	1.2931737%	\$ (18,894)	\$ 769,516	-2.46%	110.7%
2017	1.2863570%	\$ (11,166)	\$ 1,062,822	-1.05%	103.6%
2018	1.2213792%	\$ (14,132)	\$ 1,289,304	-1.10%	103.0%
2019	1.3029052%	\$ 32,645	\$ 1,741,512	1.87%	95.6%
2020	1.2295435%	\$ 115,656	\$ 2,026,634	5.71%	89.6%
2021	1.2754241%	\$ 114,399	\$ 2,532,343	4.52%	93.1%
2022	1.2405716%	\$ (62,701)	\$ 2,966,674	-2.11%	102.8%

* In accordance with paragraph 81.a of GASB 68, employers are required to disclose a 10-year history of their proportionate share of the net pension liability (asset) in their RSI. The County implemented GASB 68 in 2015. Prior year information is not available.

WASHINGTON COUNTY
Schedule of Contributions
Last 10 Fiscal Years

As of fiscal year ended December 31,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System					
2014	\$ 1,647,982	\$ 1,647,982	\$ -	\$ 9,456,761	17.43%
2015	1,697,032	1,697,032	-	9,445,458	17.97%
2016	1,699,000	1,699,000	-	9,509,197	17.87%
2017	1,575,961	1,575,961	-	8,815,924	17.88%
2018	1,522,343	1,522,343	-	8,579,933	17.74%
2019	1,573,399	1,573,399	-	8,850,644	17.78%
2020	1,552,964	1,552,964	-	8,726,039	17.80%
2021	1,549,694	1,549,694	-	8,602,385	18.01%
2022	1,499,870	1,499,870	-	8,495,633	17.65%
Contributory System					
2018	\$ 254	\$ 254	\$ -	\$ 1,632	15.56%
2019	-	-	-	-	0.00%
2020	408	408	-	2,597	15.71%
2021	-	-	-	-	0.00%
2022	-	-	-	-	0.00%
Public Safety System					
2014	\$ 1,893,774	\$ 1,893,774	\$ -	\$ 5,931,668	31.93%
2015	1,961,387	1,961,387	-	5,923,953	33.11%
2016	1,963,143	1,963,143	-	5,830,675	33.67%
2017	1,798,657	1,798,657	-	5,370,153	33.49%
2018	1,759,801	1,759,801	-	5,311,885	33.13%
2019	1,883,329	1,883,329	-	5,703,134	33.02%
2020	1,889,884	1,889,884	-	5,760,352	32.81%
2021	1,770,808	1,770,808	-	5,416,305	32.69%
2022	1,697,605	1,697,605	-	5,220,411	32.52%
Tier 2 Public Employees System**					
2014	\$ 138,422	\$ 138,422	\$ -	\$ 955,015	14.49%
2015	184,883	184,883	-	1,238,763	14.92%
2016	283,488	283,488	-	1,901,334	14.91%
2017	391,376	391,376	-	2,607,582	15.01%
2018	447,658	447,658	-	2,921,573	15.32%
2019	512,015	512,015	-	3,281,909	15.60%
2020	601,093	601,093	-	3,824,282	15.72%
2021	740,889	740,889	-	4,650,473	15.93%
2022	910,998	910,998	-	5,902,029	15.44%
Tier 2 Public Safety and Firefighter System**					
2014	\$ 82,055	\$ 82,055	\$ -	\$ 375,579	21.85%
2015	173,317	173,317	-	769,516	22.52%
2016	238,672	238,672	-	1,060,763	22.50%
2017	290,553	290,553	-	1,289,256	22.54%
2018	397,654	397,654	-	1,739,908	22.85%
2019	468,400	468,400	-	2,026,765	23.11%
2020	622,335	622,335	-	2,535,799	24.54%
2021	768,075	768,075	-	2,968,201	25.88%
2022	899,128	899,128	-	3,479,079	25.84%
Tier 2 Public Employees DC Only System**					
2014	\$ 6,411	\$ 6,411	\$ -	\$ 101,042	6.34%
2015	17,446	17,446	-	260,388	6.70%
2016	32,613	32,613	-	484,094	6.74%
2017	41,995	41,995	-	627,732	6.69%
2018	57,856	57,856	-	860,633	6.72%
2019	76,759	76,759	-	1,066,521	7.20%
2020	94,305	94,305	-	1,300,298	7.25%
2021	119,843	119,843	-	1,682,282	7.12%
2022	152,939	152,939	-	2,268,368	6.74%
Tier 2 Public Safety and Firefighter DC Only System**					
2014	\$ 4,215	\$ 4,215	\$ -	\$ 38,483	10.95%
2015	7,516	7,516	-	63,534	11.83%
2016	4,872	4,872	-	41,183	11.83%
2017	7,710	7,710	-	65,175	11.83%
2018	7,045	7,045	-	59,551	11.83%
2019	7,586	7,586	-	64,124	11.83%
2020	15,438	15,438	-	130,496	11.83%
2021	22,834	22,834	-	193,016	11.83%
2022	34,829	34,829	-	294,414	11.83%

*Paragraph 81.a of GASB 68, requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues. The County implemented GASB 68 in 2015. Prior year information is not available.

**Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

WASHINGTON COUNTY
Notes to the Required Supplementary Information
For the Year Ended December 31, 2022

Changes in Assumptions:

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability as of December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

Required Supplementary Information
Schedules of Revenues, Expenditures, and Changes in
Fund Balances – Budget and Actual
For the Following Funds:

- The **General Fund** is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.
- The **RAP Tax Fund** is used to account for recreation, arts, and parks taxes collected that are legally restricted to expenditure for cultural and recreational facilities and cultural organizations.
- The **Travel Board Fund** is used to account for transient room tax revenues used to promote travel within the County and assist the Washington County/St. George Interlocal Agency.
- The **Grants Fund** accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes which include federal and state assistance such as CDBG, Drug Court, LLEBG, SCAAP, VOCA, WMD, and other grants.

WASHINGTON COUNTY
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2022

REVENUES:	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
Taxes:				
Current Property Taxes	\$ 11,500,000	\$ 12,400,000	\$ 12,432,360	\$ 32,360
Fee in lieu Taxes	1,295,000	1,295,000	1,281,920	(13,080)
Prior Years Delinquent Taxes	440,000	480,000	483,585	3,585
County Sales & Use Taxes	12,363,214	13,663,214	15,332,498	1,669,284
RDA Taxes	200,000	200,000	385,456	185,456
Penalties & Interest	500,000	500,000	358,515	(141,485)
Total Taxes	<u>26,298,214</u>	<u>28,538,214</u>	<u>30,274,334</u>	<u>1,736,120</u>
Licenses, Permits:				
Marriage Licenses	<u>35,000</u>	<u>35,000</u>	<u>32,404</u>	<u>(2,596)</u>
Intergovernmental:				
Prison Reimbursement	3,504,000	3,504,000	4,218,364	714,364
Miscellaneous Reimbursements	85,000	215,000	283,548	68,548
Bailiff/Security Reimbursement	<u>607,000</u>	<u>607,000</u>	<u>729,133</u>	<u>122,133</u>
Total Intergovernmental	<u>4,196,000</u>	<u>4,326,000</u>	<u>5,231,045</u>	<u>905,045</u>
Charges for Services:				
Clerk's Fees	135,000	185,000	204,705	19,705
Data Processing Fees	143,000	183,000	241,696	58,696
Jail Commissary, Phone and Medical	430,000	540,000	616,435	76,435
Recorder's Fees	2,300,000	2,300,000	2,139,509	(160,491)
State Medical Reimbursements	10,000	10,000	11,270	1,270
Prisoner Industry and Other	<u>287,500</u>	<u>390,000</u>	<u>419,995</u>	<u>29,995</u>
Total Charges for Services	<u>3,305,500</u>	<u>3,608,000</u>	<u>3,633,610</u>	<u>25,610</u>
Fines and Forfeitures:				
Court and Precinct Fines	<u>1,025,000</u>	<u>1,025,000</u>	<u>1,022,449</u>	<u>(2,551)</u>
Total Fines and Forfeitures	<u>1,025,000</u>	<u>1,025,000</u>	<u>1,022,449</u>	<u>(2,551)</u>
Other Revenues:				
Interest Revenue	-	-	586,401	586,401
Rent-Property	811,000	811,000	677,593	(133,407)
Sale of Property, Material & Supplies	-	-	59	59
Xerox Revenue	40,000	40,000	37,888	(2,112)
Other	<u>80,000</u>	<u>80,000</u>	<u>126,846</u>	<u>46,846</u>
Total Other Revenues	<u>931,000</u>	<u>931,000</u>	<u>1,428,787</u>	<u>497,787</u>
TOTAL REVENUES	<u>35,790,714</u>	<u>38,463,214</u>	<u>41,622,629</u>	<u>3,159,415</u>

(continued)

WASHINGTON COUNTY
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2022

EXPENDITURES:	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
GENERAL GOVERNMENT				
Commission:				
Salaries	398,182	406,682	416,072	(9,390)
Employee Benefits	211,500	211,500	208,644	2,856
Services, Supplies and Other	74,450	89,450	56,189	33,261
Capital Outlay	9,000	9,000	4,373	4,627
	<u>693,132</u>	<u>716,632</u>	<u>685,278</u>	<u>31,354</u>
Human Resource:				
Salaries	171,555	171,555	177,542	(5,987)
Employee Benefits	80,000	80,000	86,759	(6,759)
Services, Supplies and Other	92,150	94,150	48,959	45,191
Capital Outlay	5,000	5,000	2,252	2,748
	<u>348,705</u>	<u>350,705</u>	<u>315,512</u>	<u>35,193</u>
Info Tech Services:				
Salaries	(115,223)	(115,223)	(8,198)	(107,025)
Employee Benefits	(53,794)	(53,794)	(12,783)	(41,011)
Services, Supplies and Other	252,192	252,192	150,625	101,567
Capital Outlay	330,550	330,550	198,036	132,514
	<u>413,725</u>	<u>413,725</u>	<u>327,680</u>	<u>86,045</u>
Clerk/Auditor:				
Salaries	372,311	380,811	377,087	3,724
Employee Benefits	172,776	172,776	171,035	1,741
Services, Supplies and Other	66,250	73,750	55,044	18,706
Capital Outlay	6,000	6,000	1,341	4,659
	<u>617,337</u>	<u>633,337</u>	<u>604,507</u>	<u>28,830</u>
Recorder:				
Salaries	110,515	110,515	(111,980)	222,495
Employee Benefits	1,935	1,935	(29,664)	31,599
Services, Supplies and Other	71,000	71,000	51,384	19,616
Capital Outlay	6,000	6,000	6,532	(532)
	<u>189,450</u>	<u>189,450</u>	<u>(83,728)</u>	<u>273,178</u>
Attorney:				
Salaries	2,146,496	2,146,496	2,110,720	35,776
Employee Benefits	1,100,000	1,100,000	1,011,445	88,555
Services, Supplies and Other	383,300	398,800	164,505	234,295
Capital Outlay	33,000	33,000	30,055	2,945
	<u>3,662,796</u>	<u>3,678,296</u>	<u>3,316,725</u>	<u>361,571</u>
Non-Departmental:				
Services, Supplies and Other	50,000	50,000	48,750	1,250
Insurance - Buildings and Vehicles	355,697	355,697	357,781	(2,084)
	<u>405,697</u>	<u>405,697</u>	<u>406,531</u>	<u>(834)</u>
Elections:				
Salaries	156,000	236,000	227,278	8,722
Employee Benefits	66,500	81,500	85,515	(4,015)
Services, Supplies and Other	519,625	559,625	527,554	32,071
Capital Outlay	50,000	50,000	22,887	27,113
	<u>792,125</u>	<u>927,125</u>	<u>863,234</u>	<u>63,891</u>
Total General Government	<u>7,122,967</u>	<u>7,314,967</u>	<u>6,435,739</u>	<u>606,050</u>

(continued)

WASHINGTON COUNTY
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2022

EXPENDITURES (Continued):	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
JUDICIAL				
Justice of the Peace:				
Salaries	710,500	710,500	683,070	27,430
Employee Benefits	288,000	288,000	258,267	29,733
Services and Supplies	61,500	81,500	87,757	(6,257)
Capital Outlay	7,000	7,000	4,751	2,249
	<u>1,067,000</u>	<u>1,087,000</u>	<u>1,033,845</u>	<u>53,155</u>
Public Defender:				
Salaries	-	15,000	11,460	3,540
Employee Benefits	-	2,500	2,168	332
Services, Supplies and Other	1,228,705	1,362,417	1,206,774	155,643
	<u>1,228,705</u>	<u>1,362,417</u>	<u>1,206,774</u>	<u>155,643</u>
Total Judicial	<u>2,295,705</u>	<u>2,466,917</u>	<u>2,254,247</u>	<u>208,798</u>
PUBLIC SAFETY				
Public Safety/County Jail:				
Salaries	7,795,000	7,795,000	7,893,545	(98,545)
Employee Benefits	4,600,000	4,600,000	3,818,468	781,532
Services, Supplies and Other	3,278,477	3,353,477	3,184,759	168,718
Capital Outlay	92,000	194,000	212,754	(18,754)
	<u>15,765,477</u>	<u>15,942,477</u>	<u>15,109,526</u>	<u>832,951</u>
Total Public Safety	<u>15,765,477</u>	<u>15,942,477</u>	<u>15,109,526</u>	<u>832,951</u>
PUBLIC WORKS				
Maintenance:				
Salaries	377,000	405,000	412,921	(7,921)
Employee Benefits	192,500	196,000	196,015	(15)
Buildings and utilities	232,187	422,187	544,464	(122,277)
Motor Pool	19,500	79,500	80,203	(703)
	<u>821,187</u>	<u>1,102,687</u>	<u>1,233,603</u>	<u>(130,916)</u>
Total Public Works	<u>821,187</u>	<u>1,102,687</u>	<u>1,233,603</u>	<u>(130,916)</u>
PUBLIC HEALTH				
Health Services:				
Services, Supplies and Other	1,758,000	1,833,500	1,843,380	(9,880)
	<u>1,758,000</u>	<u>1,833,500</u>	<u>1,843,380</u>	<u>(9,880)</u>
Total Public Health	<u>1,758,000</u>	<u>1,833,500</u>	<u>1,843,380</u>	<u>(9,880)</u>

(continued)

WASHINGTON COUNTY
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2022

EXPENDITURES (Continued):	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
MISCELLANEOUS				
Services, Supplies and Other	506,000	536,000	614,082	(78,082)
MATCHING FUNDS & CONTRIBUTIONS				
Contributions	140,000	140,000	150,595	(10,595)
TOTAL EXPENDITURES	28,409,336	29,336,548	27,641,172	1,418,326
Excess of Revenues Over Expenditures	7,381,378	9,126,666	13,981,457	4,577,741
Other Financing Sources (Uses):				
Transfer to Special Revenue Funds	(7,381,378)	(9,126,666)	(12,981,378)	(3,854,712)
Total Other Financing Sources (Uses):	(7,381,378)	(9,126,666)	(12,981,378)	(3,854,712)
Net Change in Fund Balance	-	-	1,000,079	723,029
Fund Balance, Beginning of Year	11,213,869	11,213,869	11,213,869	-
Fund Balance, End of Year	\$ 11,213,869	\$ 11,213,869	\$ 12,213,948	\$ 723,029

WASHINGTON COUNTY
RAP Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
RAP Taxes	\$ 3,730,000	\$ 5,160,000	\$ 5,929,368	\$ 769,368
Total Taxes	3,730,000	5,160,000	5,929,368	769,368
Interest Earnings	-	-	20,421	20,421
Total Revenues	3,730,000	5,160,000	5,949,789	789,789
EXPENDITURES:				
Culture, Tourism, and Recreation:				
County expenditures	120,000	120,000	678,108	(558,108)
Distribution to entities	3,000,000	4,430,000	4,849,012	(419,012)
Total Expenditures	3,120,000	4,550,000	5,527,120	(977,120)
Net Change in Fund Balance	610,000	610,000	422,669	(187,331)
Fund Balance, Beginning of Year	1,357,931	1,357,931	1,357,931	-
Fund Balance, End of Year	\$ 1,967,931	\$ 1,967,931	\$ 1,780,600	\$ (187,331)

WASHINGTON COUNTY
Travel Board Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Transient Room Taxes	\$ 13,500,000	\$ 15,560,000	\$ 15,238,626	\$ (321,374)
Interest Earnings	-	-	253,189	253,189
Other Revenues	157,350	157,350	120,011	(37,339)
Total Revenues	<u>13,657,350</u>	<u>15,717,350</u>	<u>15,611,826</u>	<u>(105,524)</u>
EXPENDITURES:				
Culture, Tourism, and Recreation:				
Convention Center Operations	3,070,170	2,729,170	1,035,430	1,693,740
Travel Board:				
Salaries	797,000	800,000	760,331	39,669
Employee Benefits	360,000	361,400	313,612	47,788
Services, Supplies and Other	11,202,600	15,315,600	11,316,446	3,999,154
Capital Outlay	175,000	175,000	131,904	43,096
Debt Service				
Principal	-	-	-	-
Total Expenditures	<u>15,604,770</u>	<u>19,381,170</u>	<u>13,557,723</u>	<u>5,823,447</u>
Excess of Revenues				
Over (Under) Expenditures	<u>(1,947,420)</u>	<u>(3,663,820)</u>	<u>2,054,103</u>	<u>5,717,923</u>
Other Financing Sources (Uses):				
Transfers:				
From Recreation Special Revenue Fund	200,000	200,000	200,000	-
To Capital Projects Fund	(1,835,038)	(1,835,038)	(1,835,038)	-
Total Other Financing Sources (Uses):	<u>(1,635,038)</u>	<u>(1,635,038)</u>	<u>(1,635,038)</u>	<u>-</u>
Net Change in Fund Balance	(3,582,458)	(5,298,858)	419,065	5,717,923
Fund Balance, Beginning of Year	18,408,330	18,408,330	18,408,330	-
Fund Balance, End of Year	<u>\$ 14,825,872</u>	<u>\$ 13,109,472</u>	<u>\$ 18,827,395</u>	<u>\$ 5,717,923</u>

WASHINGTON COUNTY
Grants Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental Revenues:				
CDBG Grants	\$ -	\$ 34,000	\$ 51,716	\$ 17,716
LLEBG/SCAAP	111,400	111,400	105,713	(5,687)
Drug Court	4,620,267	1,670,267	1,389,172	(281,095)
WMD and Emergency OPS Grants	1,104,000	4,578,600	4,099,022	(479,578)
DEA Eradication	-	12,700	12,712	12
CARES Act	-	-	-	-
ARPA	17,244,086	-	-	-
Other Grants	751,200	754,200	690,142	(64,058)
Total Revenues	<u>23,830,953</u>	<u>7,161,167</u>	<u>6,348,477</u>	<u>(812,690)</u>
EXPENDITURES:				
Public Safety:				
LLEBG/SCAAP	5,000	5,000	-	5,000
WMD - Emergency Operations	1,106,000	4,580,600	4,064,290	516,310
DEA Eradication	-	12,700	14,967	(2,267)
Drug Court	188,000	188,000	156,354	31,646
CDBG	-	34,000	33,392	608
Predator Control	1,200	1,200	1,200	-
JRI - Court Support	1,607,267	1,607,267	1,302,917	304,350
Other	18,100,486	859,400	436,467	422,933
Total Expenditures	<u>21,007,953</u>	<u>7,288,167</u>	<u>6,009,587</u>	<u>1,278,580</u>
Excess of Revenues Over (Under) Expenditures	2,823,000	(127,000)	338,890	465,890
Other Financing Sources (Uses):				
Transfers:				
From General Fund	175,000	175,000	175,000	-
Total Other Financing Sources (Uses)	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Net Change in Fund Balance	2,998,000	48,000	513,890	465,890
Fund Balance, Beginning of Year	<u>419,632</u>	<u>419,632</u>	<u>419,632</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 3,417,632</u></u>	<u><u>\$ 467,632</u></u>	<u><u>\$ 933,522</u></u>	<u><u>\$ 465,890</u></u>

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

BUDGET-TO-ACTUAL

- **Capital Projects funds** are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. The General Capital Projects fund is used to account for the construction or expansion of any project not accounted for in the other governmental funds.

WASHINGTON COUNTY
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 3,702,691	\$ 3,702,691
Interest Earnings	-	-	541,555	541,555
Other Revenues:				
Contributions	-	4,500,000	2,854,594	(1,645,406)
Total Revenues	-	4,500,000	7,098,840	2,598,840
EXPENDITURES:				
Capital Outlay:				
Equipment	-	700,000	661,329	38,671
Other	15,295,001	35,400,289	27,069,565	8,330,724
Total Expenditures	15,295,001	36,100,289	27,730,894	8,369,395
Excess of Revenues Over (Under) Expenditures	(15,295,001)	(31,600,289)	(20,632,054)	10,968,235
Other Financing Sources (Uses):				
Transfer from General Fund	-	2,905,288	5,600,000	2,694,712
Transfer from Municipal Services Fund	1,331,301	1,331,301	1,331,301	-
Transfer from Assessing and Collecting Fund	2,394,088	2,394,088	2,394,088	-
Transfer from Habitat Conservation Plan Fund	452,626	452,626	452,626	-
Transfer from Travel Board Fund	1,235,038	1,835,038	1,835,038	-
Transfer from Recreation Fund	2,221,875	2,221,875	2,221,875	-
Total Other Financing Sources (Uses)	7,634,928	11,140,216	13,834,928	2,694,712
Net Change in Fund Balance	(7,660,073)	(20,460,073)	(6,797,126)	13,662,947
Fund Balance, Beginning of Year	32,566,053	32,566,053	32,566,053	-
Fund Balance, End of Year	\$ 24,905,980	\$ 12,105,980	\$ 25,768,927	\$ 13,662,947

SUPPLEMENTARY INFORMATION
NONMAJOR GOVERNMENTAL FUNDS
COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS

Debt Service Funds

- The **Debt Service Fund** is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

- The **Class “B” Roads fund** is used to account for intergovernmental revenue used for the maintenance and construction of roads.
- The **Municipal Services fund** is used to account for sales tax revenues, fees, intergovernmental and other revenues used for providing Engineering and Surveying, GIS, Planning and Zoning, Building Inspection, Sheriff, Fire Control Services, Maintenance Shop, and Weed Control.
- The **Assessing and Collecting fund** is used to account for funds raised by levies on property taxes that are legally restricted to expenditure for the County’s function of assessing, collecting, and distribution property taxes.
- The **Flood Damage fund** is used to account for revenue sources that are legally restricted to expenditure for flood damage and river bank improvements.
- The **Children’s Justice Center fund** is used to account for grants and other revenues used to provide services to children and families in crisis.
- The **Library fund** is used to account for property taxes and other revenues used to provide and maintain the County libraries.
- The **Habitat Conservation Plan fund** is used to account for revenue sources that are legally restricted to expenditure for habitat conservation and capital improvements.
- The **Council on Aging fund** is used to account for grants and other revenues used to provide senior nutrition and other senior citizen programs.
- The **Recreation fund** is used to account for fees collected and used for the acquisition and construction of recreation facilities within the County.
- The **Corridor Preservation fund** is used to account for revenue received from the state to be used for right-of-ways and other related expenditures.

WASHINGTON COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Debt Service	Special Revenue Funds			
		Class "B" Roads	Municipal Services	Assessing and Collecting	Flood Damage
ASSETS					
Cash and investments	\$ -	\$ 13,442,316	\$ 7,032,073	\$ 2,596,316	\$ 1,613,938
Property taxes receivable	-	730,831	-	-	-
Due from other governments	152,517	433,642	367,302	797,732	257,041
Other receivables	-	8	-	-	-
Prepaid assets	-	-	-	-	-
Restricted cash	2,768,004	-	-	-	-
Total assets	<u>\$ 2,920,521</u>	<u>\$ 14,606,797</u>	<u>\$ 7,399,375</u>	<u>\$ 3,394,048</u>	<u>\$ 1,870,979</u>
LIABILITIES					
Accounts payable	\$ -	\$ 19,902	\$ 300,816	\$ 41,854	\$ 95,939
Accrued liabilities	-	13,876	148,628	32,344	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>33,778</u>	<u>449,444</u>	<u>74,198</u>	<u>95,939</u>
FUND BALANCES					
Nonspendable: Prepaid assets	-	-	-	-	-
Restricted for:					
Class "B" roads	-	14,573,019	-	-	-
Debt service fund	227,000	-	-	-	-
Public works	-	-	-	-	1,775,040
Health and sanitation	-	-	-	-	-
Conservation	-	-	-	-	-
Culture, tourism, and recreation	-	-	-	-	-
Other purposes	-	-	-	3,319,850	-
Assigned	2,693,521	-	6,949,931	-	-
Total fund balances	<u>2,920,521</u>	<u>14,573,019</u>	<u>6,949,931</u>	<u>3,319,850</u>	<u>1,775,040</u>
Total liabilities, deferred inflows of resources, & fund balances	<u>\$ 2,920,521</u>	<u>\$ 14,606,797</u>	<u>\$ 7,399,375</u>	<u>\$ 3,394,048</u>	<u>\$ 1,870,979</u>

WASHINGTON COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
December 31, 2022

Children's Justice Center	Library	Habitat Conservation	Council on Aging	Recreation Fund	Corridor Preservation	Total Nonmajor Gvtl. Funds
\$ 61,752	\$ 4,356,950	\$ 4,268,552	\$ 727,156	\$ 10,995,923	\$ 5,201,779	50,296,755
-	-	-	-	-	-	730,831
150,437	477,343	414,903	252,334	968,736	291,362	4,563,349
140	-	-	-	-	-	148
-	50,240	-	-	106,334	-	156,574
-	25,000	-	-	-	-	2,793,004
<u>\$ 212,329</u>	<u>\$ 4,909,533</u>	<u>\$ 4,683,455</u>	<u>\$ 979,490</u>	<u>\$ 12,070,993</u>	<u>\$ 5,493,141</u>	<u>\$ 58,540,661</u>
\$ 8,138	\$ 77,437	\$ 36,729	\$ 25,787	\$ 346,939	\$ -	\$ 953,541
4,369	28,148	3,882	7,489	4,349	-	243,085
-	10,000	-	-	40,852	-	50,852
<u>12,507</u>	<u>115,585</u>	<u>40,611</u>	<u>33,276</u>	<u>392,140</u>	<u>-</u>	<u>1,247,478</u>
-	50,240	-	-	106,334	-	156,574
-	-	-	-	-	-	14,573,019
-	-	-	-	-	-	227,000
-	-	-	-	-	5,493,141	7,268,181
-	-	-	946,214	-	-	946,214
-	-	4,642,844	-	-	-	4,642,844
-	-	-	-	11,572,519	-	11,572,519
199,822	-	-	-	-	-	3,519,672
-	4,743,708	-	-	-	-	14,387,160
<u>199,822</u>	<u>4,793,948</u>	<u>4,642,844</u>	<u>946,214</u>	<u>11,678,853</u>	<u>5,493,141</u>	<u>57,293,183</u>
<u>\$ 212,329</u>	<u>\$ 4,909,533</u>	<u>\$ 4,683,455</u>	<u>\$ 979,490</u>	<u>\$ 12,070,993</u>	<u>\$ 5,493,141</u>	<u>\$ 58,540,661</u>

WASHINGTON COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Debt Service	Special Revenue Funds			
		Class "B" Roads	Municipal Services	Assessing and Collecting	Flood Damage
REVENUES:					
Taxes	\$ 1,632,222	\$ -	\$ 2,072,205	\$ 8,566,324	\$ -
Licenses, permits and fees	-	-	256,436	-	-
Intergovernmental	246,803	6,954,740	5,047,077	-	257,041
Charges for services	-	32,800	239,217	33,050	-
Fines and forfeitures	-	-	-	-	-
Interest	2,848	162,033	97,757	49,905	20,318
Sub-lease revenue	-	-	-	-	-
Other revenue	-	15,906	287,208	-	-
Total	1,881,873	7,165,479	7,999,900	8,649,279	277,359
EXPENDITURES:					
General Government	141,964	-	530,431	8,241,105	-
Public Safety	-	-	8,198,671	-	-
Public Works	-	3,450,236	3,827,044	-	257,040
Health and Sanitation	-	-	-	-	-
Conservation	-	-	-	-	-
Culture, Tourism, and Recreation	-	-	-	-	-
Debt Service:					
Principal	2,083,000	-	-	-	-
Interest	489,106	-	-	-	-
Total	2,714,070	3,450,236	12,556,146	8,241,105	257,040
Excess of revenues over (under) expenditures	(832,197)	3,715,243	(4,556,246)	408,174	20,319
Other financing sources (uses):					
Transfers in	443,200	-	5,829,479	-	-
Transfers out	-	-	(1,331,301)	(2,394,088)	-
Total other financing sources (uses)	443,200	-	4,498,178	(2,394,088)	-
Net change in fund balances	(388,997)	3,715,243	(58,068)	(1,985,914)	20,319
Fund Balances - Beginning	3,309,518	10,857,776	7,007,999	5,305,764	1,754,721
Fund Balances - Ending	\$ 2,920,521	\$ 14,573,019	\$ 6,949,931	\$ 3,319,850	\$ 1,775,040

WASHINGTON COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended December 31, 2022

Children's Justice Center	Library	Habitat Conservation	Council on Aging	Recreation Fund	Corridor Preservation	Total Non-major Gvtl. Funcs
\$ -	\$ 4,790,356	\$ -	\$ -	\$ 6,076,494	\$ -	\$ 23,137,601
-	-	-	-	-	-	256,436
641,937	103,392	1,632,374	1,055,719	-	2,276,004	18,215,087
-	-	-	-	935,184	-	1,240,251
-	148,808	-	-	-	-	148,808
-	55,531	56,525	12,519	152,771	84,207	694,414
-	-	-	-	-	-	-
14,174	15,459	482	39,252	269,226	-	641,707
656,111	5,113,546	1,689,381	1,107,490	7,433,675	2,360,211	44,334,304
-	-	-	-	-	-	8,913,500
711,082	-	-	-	-	-	8,909,753
-	-	-	-	-	4,055,243	11,589,563
-	-	-	2,047,122	-	-	2,047,122
-	-	1,043,360	-	-	-	1,043,360
-	4,576,305	-	-	5,226,389	-	9,802,694
-	-	-	-	-	-	2,083,000
-	-	-	-	-	-	489,106
711,082	4,576,305	1,043,360	2,047,122	5,226,389	4,055,243	44,878,098
(54,971)	537,241	646,021	(939,632)	2,207,286	(1,695,032)	(543,794)
88,722	112,000	-	732,977	-	-	7,206,378
-	-	(452,626)	-	(2,421,875)	-	(6,599,890)
88,722	112,000	(452,626)	732,977	(2,421,875)	-	606,488
33,751	649,241	193,395	(206,655)	(214,589)	(1,695,032)	62,694
166,071	4,144,707	4,449,449	1,152,869	11,893,442	7,188,173	57,230,489
\$ 199,822	\$ 4,793,948	\$ 4,642,844	\$ 946,214	\$ 11,678,853	\$ 5,493,141	\$ 57,293,183

WASHINGTON COUNTY
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues	\$ 1,576,061	\$ 1,576,061	\$ 1,632,222	\$ 56,161
Intergovernmental Revenues	929,080	929,080	246,803	(682,277)
Interest Income	-	-	2,848	2,848
Total Revenues	<u>2,505,141</u>	<u>2,505,141</u>	<u>1,881,873</u>	<u>(623,268)</u>
EXPENDITURES:				
Bank and Other Fees	68,300	68,300	141,964	(73,664)
Debt Service:				
Principal, Conduit Debt Obligations	142,000	142,000	142,000	-
Principal, Library Bonds	1,540,000	1,540,000	1,540,000	-
Principal, MBA Lease Revenue Bonds	146,000	146,000	146,000	-
Principal, Sales Tax Revenue Bonds	570,000	570,000	255,000	315,000
Interest, Conduit Debt Obligations	78,430	78,430	80,891	(2,461)
Interest, Library Bond	534,525	534,525	168,551	365,974
Interest, MBA Lease Revenue Bonds	54,500	54,500	54,115	385
Interest, Sales Tax Revenue Bond	185,700	185,700	185,549	151
Total Expenditures	<u>3,319,455</u>	<u>3,319,455</u>	<u>2,714,070</u>	<u>605,385</u>
Excess of Revenues				
Over (Under) Expenditures	<u>(814,314)</u>	<u>(814,314)</u>	<u>(832,197)</u>	<u>(17,883)</u>
Other Financing Sources (Uses):				
Operating Transfers:				
From General Fund	<u>443,200</u>	<u>443,200</u>	<u>443,200</u>	<u>-</u>
Total Other Financing Sources (Uses):	<u>443,200</u>	<u>443,200</u>	<u>443,200</u>	<u>-</u>
Net Change in Fund Balance	(371,114)	(371,114)	(388,997)	(17,883)
Fund Balance, Beginning of Year	<u>3,309,518</u>	<u>3,309,518</u>	<u>3,309,518</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 2,938,404</u></u>	<u><u>\$ 2,938,404</u></u>	<u><u>\$ 2,920,521</u></u>	<u><u>\$ (17,883)</u></u>

WASHINGTON COUNTY
Class "B" Roads Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental Revenues:				
Class "B" Roads	\$ 2,100,000	\$ 2,120,000	\$ 2,606,510	\$ 486,510
Forest Reserve	-	-	-	-
FHWA Reimbursement	2,650,000	3,180,000	4,348,230	1,168,230
Total Intergovernmental Revenues	<u>4,750,000</u>	<u>5,300,000</u>	<u>6,954,740</u>	<u>1,654,740</u>
Charges for Services:				
Fuel Revenue - Other Departments	15,000	30,000	32,800	2,800
Interest Revenue	-	-	162,033	162,033
Other Revenues	2,500	3,000	15,906	12,906
Total Revenues	<u>4,767,500</u>	<u>5,333,000</u>	<u>7,165,479</u>	<u>1,832,479</u>
EXPENDITURES:				
Public Works:				
Salaries	820,000	830,000	833,148	(3,148)
Employee Benefits	375,000	375,000	364,883	10,117
Services, Supplies and Other	2,052,500	2,598,000	1,403,474	1,194,526
Capital Outlay	1,520,000	1,530,000	848,731	681,269
Total Public Works	<u>4,767,500</u>	<u>5,333,000</u>	<u>3,450,236</u>	<u>1,882,764</u>
Excess of Revenues				
Over (Under) Expenditures	-	-	3,715,243	3,715,243
Fund Balance, Beginning of Year				
	-	-	10,857,776	-
Fund Balance, End of Year				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,573,019</u>	<u>\$ 3,715,243</u>

WASHINGTON COUNTY
Municipal Services Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Sales Tax Revenue	\$ 1,400,000	\$ 1,700,000	\$ 2,072,205	\$ 372,205
Business Licenses and Building Permits	190,500	240,500	256,436	15,936
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	3,200,000	3,380,000	3,434,086	54,086
State Mineral Lease	-	-	1,141	1,141
Sheriff Protection	150,000	325,200	317,700	(7,500)
Federal Public Safety Grant & GIS	17,500	17,500	24,590	7,090
Other	-	1,260,000	1,269,560	9,560
Total Intergovernmental	<u>3,367,500</u>	<u>4,982,700</u>	<u>5,047,077</u>	<u>64,377</u>
Charges for Services	197,000	247,000	239,217	(7,783)
Interest Earnings	-	-	97,757	97,757
Other Revenue:				
Liquor Allocation	100,000	100,000	165,619	65,619
Miscellaneous	10,000	20,000	75,555	55,555
Contributions	20,000	20,000	46,034	26,034
Total Other	<u>130,000</u>	<u>140,000</u>	<u>287,208</u>	<u>147,208</u>
Total Revenues	<u>5,285,000</u>	<u>7,310,200</u>	<u>7,999,900</u>	<u>689,700</u>
EXPENDITURES:				
General Government:				
Planning & Zoning	287,300	289,800	238,858	50,942
GIS	286,700	154,350	104,596	49,754
Miscellaneous Contingent	208,876	208,876	186,977	21,899
Total General Government	<u>782,876</u>	<u>653,026</u>	<u>530,431</u>	<u>122,595</u>
Public Safety:				
Sheriff and Dispatch	7,815,750	8,033,750	7,460,622	573,128
Fire Control	281,600	281,600	154,903	126,697
Building Inspector	306,250	355,750	355,131	619
Miscellaneous Contingent	628,500	658,500	228,015	430,485
Total Public Safety	<u>9,032,100</u>	<u>9,329,600</u>	<u>8,198,671</u>	<u>1,130,929</u>
Public Works:				
Maintenance shop	385,140	392,640	321,047	71,593
Weed control	335,600	349,900	303,804	46,096
Public works - other	1,928,763	3,542,263	3,202,193	340,070
Total Public Works	<u>2,649,503</u>	<u>4,284,803</u>	<u>3,827,044</u>	<u>457,759</u>
Total Expenditures	<u>12,464,479</u>	<u>14,267,429</u>	<u>12,556,146</u>	<u>1,711,283</u>
Excess of Revenues Over (Under) Expenditures	(7,179,479)	(6,957,229)	(4,556,246)	2,400,983
Other Financing Sources (Uses):				
Transfers:				
From General Fund	5,829,479	5,829,479	5,829,479	-
To Capital Projects Fund	(1,331,301)	(1,331,301)	(1,331,301)	-
Net Change in Fund Balance	(2,681,301)	(2,459,051)	(58,068)	2,400,983
Fund Balance, Beginning of Year	<u>7,007,999</u>	<u>7,007,999</u>	<u>7,007,999</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,326,698</u>	<u>\$ 4,548,948</u>	<u>\$ 6,949,931</u>	<u>\$ 2,400,983</u>

WASHINGTON COUNTY
Assessing and Collecting Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Assessing & Collecting Tax	\$ 8,042,184	\$ 8,052,184	\$ 8,556,412	\$ 504,228
Penalties & Interest	20,000	20,000	9,912	(10,088)
Total Taxes	<u>8,062,184</u>	<u>8,072,184</u>	<u>8,566,324</u>	<u>494,140</u>
Recorder's Fees	20,000	20,000	33,050	13,050
Interest Income	-	-	49,905	49,905
Total Revenues	<u>8,082,184</u>	<u>8,092,184</u>	<u>8,649,279</u>	<u>557,095</u>
EXPENDITURES:				
Commission	122,318	122,318	120,932	1,386
Human Resources	38,745	38,745	35,037	3,708
Info Tech Services	1,421,175	1,421,175	1,163,037	258,138
GIS	143,350	143,350	104,597	38,753
Clerk Auditor	332,413	332,413	325,504	6,909
Treasurer:				
Salaries	393,000	393,000	358,679	34,321
Employee Benefits	175,500	175,500	143,834	31,666
Services, Supplies and Other	81,750	83,750	72,026	11,724
Capital Outlay	10,000	10,000	7,375	2,625
Total Treasurer	<u>660,250</u>	<u>662,250</u>	<u>581,914</u>	<u>80,336</u>
Recorder:				
Salaries	1,073,550	1,073,550	1,199,064	(125,514)
Attorney	318,504	318,504	288,411	30,093
Assessor:				
Salaries	2,150,000	2,150,000	2,098,887	51,113
Employee Benefits	980,000	980,000	874,902	105,098
Services, Supplies and Other	821,000	829,000	588,346	240,654
Capital Outlay	40,000	40,000	-	40,000
Total Assessor	<u>3,991,000</u>	<u>3,999,000</u>	<u>3,562,135</u>	<u>436,865</u>
Administration Building	284,563	284,563	214,299	70,264
Miscellaneous Contingent	318,757	318,757	646,175	(327,418)
Total Expenditures	<u>8,704,625</u>	<u>8,714,625</u>	<u>8,241,105</u>	<u>473,520</u>
Excess of Revenues Over (Under) Expenditures	(622,441)	(622,441)	408,174	1,030,615
Other Financing Sources (Uses):				
Transfers:				
To Capital Projects Fund	<u>(2,394,088)</u>	<u>(2,394,088)</u>	<u>(2,394,088)</u>	<u>-</u>
Net Change in Fund Balance	(3,016,529)	(3,016,529)	(1,985,914)	1,030,615
Fund Balance, Beginning of Year	<u>5,305,764</u>	<u>5,305,764</u>	<u>5,305,764</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,289,235</u>	<u>\$ 2,289,235</u>	<u>\$ 3,319,850</u>	<u>\$ 1,030,615</u>

WASHINGTON COUNTY
Flood Damage Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES:				
Intergovernmental:				
Federal Revenue	\$ 1,000,000	\$ 1,000,000	\$ 257,041	\$ (742,959)
Total Intergovernmental	1,000,000	1,000,000	257,041	(742,959)
Interest Revenue	-	-	20,318	20,318
Total Revenues	1,000,000	1,000,000	277,359	(722,641)
EXPENDITURES:				
Public Works:				
Services, Supplies and Other	1,000,000	1,000,000	257,040	742,960
Total Expenditures	1,000,000	1,000,000	257,040	742,960
Excess of Revenues Over (Under) Expenditures	-	-	20,319	20,319
Fund Balance, Beginning of Year	1,754,721	1,754,721	1,754,721	-
Fund Balance, End of Year	<u>\$ 1,754,721</u>	<u>\$ 1,754,721</u>	<u>\$ 1,775,040</u>	<u>\$ 20,319</u>

WASHINGTON COUNTY
Children's Justice Center Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental Revenue	\$ 654,850	\$ 670,350	\$ 641,937	\$ (28,413)
Interest Earnings	-	-	-	-
Other Revenues:				
Contributions	40,000	40,000	14,174	(25,826)
Total Other	40,000	40,000	14,174	(25,826)
Total Revenues	694,850	710,350	656,111	(54,239)
EXPENDITURES:				
Public Safety				
AG's Children Justice Center	338,156	411,256	390,670	20,586
VOCA	261,066	214,566	162,617	51,949
NCA	184,350	173,250	157,795	15,455
Total Expenditures	783,572	799,072	711,082	87,990
Excess of Revenues Over (Under) Expenditures	(88,722)	(88,722)	(54,971)	33,751
Other Financing Sources (Uses):				
Transfers:				
From General Fund	88,722	88,722	88,722	-
Net Change in Fund Balance	-	-	33,751	33,751
Fund Balance, Beginning of Year	166,071	166,071	166,071	-
Fund Balance, End of Year	\$ 166,071	\$ 166,071	\$ 199,822	\$ 33,751

WASHINGTON COUNTY
Library Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Current Property Taxes	\$ 3,950,407	\$ 3,991,780	\$ 4,298,441	\$ 306,661
Fee Assessed Taxes	235,000	235,000	275,001	40,001
Prior Years Delinquent Taxes	170,000	170,000	166,885	(3,115)
RDA Taxes	65,000	65,000	44,833	(20,167)
Penalties & Interest	10,000	10,000	5,196	(4,804)
Total Taxes	<u>4,430,407</u>	<u>4,471,780</u>	<u>4,790,356</u>	<u>318,576</u>
Intergovernmental Revenue	28,500	75,500	103,392	27,892
Fines and Forfeitures	80,000	141,500	148,808	7,308
Interest Earnings	-	-	55,531	55,531
Other Revenues:				
Xerox Revenue	32,000	2,000	-	(2,000)
Miscellaneous	9,000	9,400	1,455	(7,945)
Contributions	31,000	9,000	14,004	5,004
Total Other	<u>72,000</u>	<u>20,400</u>	<u>15,459</u>	<u>(4,941)</u>
Total Revenues	<u>4,610,907</u>	<u>4,709,180</u>	<u>5,113,546</u>	<u>404,366</u>
EXPENDITURES:				
Culture, Tourism, and Recreation:				
St. George Library	737,900	737,900	736,157	1,743
Hurricane Library	387,900	387,900	374,659	13,241
Santa Clara Library	409,900	409,900	399,567	10,333
Springdale Library	128,600	128,600	114,878	13,722
Enterprise Library	135,150	135,150	124,410	10,740
New Harmony Library	126,850	126,850	117,716	9,134
Washington City Library	392,350	392,350	381,085	11,265
Hildale Library	136,750	136,750	128,786	7,964
Other Branches & Misc. Grants	2,236,850	2,313,766	2,154,215	159,551
Other	65,000	65,000	44,832	20,168
Total Expenditures	<u>4,757,250</u>	<u>4,834,166</u>	<u>4,576,305</u>	<u>257,861</u>
Excess of Revenues				
Over (Under) Expenditures	(146,343)	(124,986)	537,241	662,227
Other Financing Sources (Uses):				
Transfers:				
From General Fund	112,000	112,000	112,000	-
Net Change in Fund Balance	(34,343)	(12,986)	649,241	662,227
Fund Balance, Beginning of Year	4,144,707	4,144,707	4,144,707	-
Fund Balance, End of Year	<u>\$ 4,110,364</u>	<u>\$ 4,131,721</u>	<u>\$ 4,793,948</u>	<u>\$ 662,227</u>

WASHINGTON COUNTY
Habitat Conservation Plan Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental - HCP Fees				
HCP Fees	\$ 1,700,000	\$ 1,700,000	\$ 1,632,374	\$ (67,626)
Total intergovernmental	1,700,000	1,700,000	1,632,374	(67,626)
Interest Earnings	-	-	56,525	56,525
Other Revenues	1,000	1,000	482	(518)
Total Revenues	1,701,000	1,701,000	1,689,381	(11,619)
EXPENDITURES:				
Conservation:				
Salaries	287,000	287,000	287,101	(101)
Employee Benefits	125,000	125,000	130,813	(5,813)
Services, Supplies and Other	858,546	858,546	446,449	412,097
Capital Outlay	912,000	912,000	178,997	733,003
Total Expenditures	2,182,546	2,182,546	1,043,360	1,139,186
Excess of Revenues Over (Under) Expenditures	(481,546)	(481,546)	646,021	1,127,567
Other Financing Sources (Uses):				
Transfers:				
To Capital Projects Fund	(452,626)	(452,626)	(452,626)	-
Total Other Financing Sources (Uses)	(452,626)	(452,626)	(452,626)	-
Net Change in Fund Balance	(934,172)	(934,172)	193,395	1,127,567
Fund Balance, Beginning of Year	4,449,449	4,449,449	4,449,449	-
Fund Balance, End of Year	\$ 3,515,277	\$ 3,515,277	\$ 4,642,844	\$ 1,127,567

WASHINGTON COUNTY
Council on Aging Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental Revenue:				
Council on Aging Contract	\$ 205,000	\$ 205,000	\$ 212,552	\$ 7,552
Nutrition Contract	620,000	620,000	794,175	174,175
Miscellaneous - C.O.A.	37,500	38,500	35,357	(3,143)
Miscellaneous - Transportation	12,740	12,740	13,635	895
Interest Revenue	-	-	12,519	12,519
Other Revenues	28,200	44,200	39,252	(4,948)
Total Revenues	<u>903,440</u>	<u>920,440</u>	<u>1,107,490</u>	<u>187,050</u>
EXPENDITURES:				
Health & Sanitation:				
Council on Aging - General	254,717	249,717	211,847	37,870
Council on Aging - St. George Center	1,264,800	1,469,800	1,449,875	19,925
Council on Aging - Hurricane Center	282,700	285,700	269,389	16,311
Council on Aging - Enterprise Center	134,200	123,700	116,011	7,689
Total Expenditures	<u>1,936,417</u>	<u>2,128,917</u>	<u>2,047,122</u>	<u>81,795</u>
Excess of Revenues Over (Under) Expenditures	(1,032,977)	(1,208,477)	(939,632)	268,845
Other Financing Sources (Uses):				
Transfers:				
From General Fund	732,977	732,977	732,977	-
Total Other Financing Sources (Uses)	<u>732,977</u>	<u>732,977</u>	<u>732,977</u>	<u>-</u>
Net Change in Fund Balance	(300,000)	(475,500)	(206,655)	268,845
Fund Balance, Beginning of Year	<u>1,152,869</u>	<u>1,152,869</u>	<u>1,152,869</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 852,869</u>	<u>\$ 677,369</u>	<u>\$ 946,214</u>	<u>\$ 268,845</u>

WASHINGTON COUNTY
Recreation Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Restaurant Food Tax	\$ 4,000,000	\$ 4,500,000	\$ 5,203,377	\$ 703,377
Leasing Sales Tax	700,000	825,000	873,117	48,117
Total Taxes	4,700,000	5,325,000	6,076,494	751,494
Intergovernmental Revenue	-	-	-	-
Charges for Services:				
County Fair	438,750	538,750	463,881	(74,869)
Regional Park	342,500	449,250	471,303	22,053
Total Charges for Services	781,250	988,000	935,184	(52,816)
Interest Earnings	-	-	152,771	152,771
Other Revenues:				
Vision Dixie and Other Revenue	30,000	235,000	269,226	34,226
Total Revenues	5,511,250	6,548,000	7,433,675	885,675
EXPENDITURES:				
Culture, Tourism, and Recreation:				
USU Extension	260,600	260,600	262,461	(1,861)
Regional Park Facility	1,647,348	1,714,348	1,712,613	1,735
County Fair	676,650	831,650	697,488	134,162
Confluence Park	220,000	1,010,000	807,168	202,832
Southern Utah Shooting Sports Park	358,400	858,400	599,862	258,538
Convention Center Operations	355,300	355,300	349,842	5,458
Dixie College Eccles Fine Arts Center	112,000	112,000	96,955	15,045
St. George City Airport Interlocal Agreement	700,000	700,000	700,000	-
Total Expenditures	4,330,298	5,842,298	5,226,389	615,909
Excess of Revenues Over (Under) Expenditures	1,180,952	705,702	2,207,286	1,501,584
Other Financing Sources (Uses):				
Transfers:				
To Travel Board Special Revenue Fund	(200,000)	(200,000)	(200,000)	-
To Capital Projects Fund	(2,221,875)	(2,221,875)	(2,221,875)	-
Total Other Financing Sources (Uses)	(2,421,875)	(2,421,875)	(2,421,875)	-
Net Change in Fund Balance	(1,240,923)	(1,716,173)	(214,589)	1,501,584
Fund Balance, Beginning of Year	11,893,442	11,893,442	11,893,442	-
Fund Balance, End of Year	\$ 10,652,519	\$ 10,177,269	\$11,678,853	\$ 1,501,584

WASHINGTON COUNTY
Corridor Preservation Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental:				
State Revenue	\$ 2,000,000	\$ 2,000,000	\$ 2,276,004	\$ 276,004
Total Intergovernmental	2,000,000	2,000,000	2,276,004	276,004
Interest Revenue	-	-	84,207	84,207
Total Revenues	2,000,000	2,000,000	2,360,211	360,211
EXPENDITURES:				
Public Works:				
Services, Supplies and Other	2,000,000	2,500,000	4,055,243	(1,555,243)
Total Expenditures	2,000,000	2,500,000	4,055,243	(1,555,243)
Excess of Revenues Over (Under) Expenditures	-	(500,000)	(1,695,032)	(1,195,032)
Fund Balance, Beginning of Year	7,188,173	7,188,173	7,188,173	-
Fund Balance, End of Year	<u>\$ 7,188,173</u>	<u>\$ 6,688,173</u>	<u>\$ 5,493,141</u>	<u>\$ (1,195,032)</u>

OTHER SCHEDULES

- **Tax Collection Agency Fund – Cash Receipts and Disbursements**

This schedule reports the cash received and disbursed by the County's Tax Collection Agency Fund during the year. It provides detail for each taxing authority within the County.

- **Statement of Taxes Charged and Collected**

This schedule reports various tax related information including, total taxable value, current tax rates, total taxes charged, and total taxes collected during the year for each taxing authority within the County.

- **Schedule of Expenditures of Transient Room Taxes and Tourism, Recreation, Culture, and Convention Facilities Taxes**

This schedule reports the breakdown of expenditures for Transient Room Taxes and Tourism, Recreation, Culture, and Convention Facilities Taxes by category in accordance with Utah Code Section 17-31-5.5(3).

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WASHINGTON COUNTY
Tax Collection Agency Fund
Cash Receipts and Disbursements
For the Year Ended December 31, 2022

	Treasurer's Balance 12/31/2021	Tax Collection Receipts	Current Year's Taxes & Interest Apportioned	Prior Year's Taxes & Interest Apportioned	Disburse- ments	Treasurer's Balance 12/31/2022
Tax Collection Amounts:						
Current Taxes	\$ -	\$ 259,994,242	\$ (259,994,242)	\$ -	\$ -	\$ -
Prior Year's Redemptions	-	6,346,052	-	(6,346,052)	-	-
Penalties & Interest	-	606,528	-	(606,528)	-	-
Other Collections	72,321	2,599,422	-	-	1,820,736	851,007
Total	\$ 72,321	\$ 269,546,244	\$ (259,994,242)	\$ (6,952,580)	\$ 1,820,736	\$ 851,007
Tax Units:						
Library Operating Fund, General Fund, and County G.O. Bond	\$ 2,326,949		\$ 19,685,297	\$ 874,825	\$ 21,270,386	\$ 1,616,685
School District	20,024,014		183,597,357	4,447,292	188,765,381	19,303,282
Water Conservancy District	1,717,215		14,935,665	403,856	15,615,389	1,441,347
Assessing & Collecting General Fund	966,434		8,813,212	234,393	9,145,276	868,763
County G.O. Bond	-		-	-	-	-
Special Service Districts:						
Rockville/Springdale	-		-	-	-	-
Southwest Mosquito SSD	95,160		830,681	22,187	867,683	80,345
Southwestern SSD	3,848		43,599	848	45,597	2,698
New Harmony SSD	14,302		108,927	2,681	117,891	8,019
Northwestern SSD	-		-	-	-	-
Dixie Deer SSD	-		-	-	-	-
Hurricane Valley Fire District	482,991		4,106,641	158,799	4,289,338	459,093
Coral Canyon SID	101,466		951,242	6,027	938,929	119,806
North Central Fire SSD	2,954		(65,400)	11	(65,389)	2,954
Grapevine Wash District	2,624		1,238	935	-	925
Diamond Valley Fire SSD	7,127		51,223	27	54,986	3,391
PINE VIEW PUBLIC INFRAS'	-		3,889	-	(189)	4,078
GATEWAY AT SAND HOLLC	-		5,959	-	(15,668)	21,627
BLACK DESERT PID	-		87,363	-	-	87,363
JEPPSON CANYON PID #1	-		-	-	-	-
Cities & Towns:						
Apple Valley	16,112		132,642	8,748	147,971	9,531
Enterprise	25,525		195,815	6,307	202,734	24,913
Hildale	33,451		142,232	48,521	198,497	25,707
Hurricane	354,057		3,284,446	116,003	3,388,564	365,942
Ivins	247,744		2,034,457	33,981	2,121,971	194,211
LaVerkin	41,851		445,791	21,156	465,499	43,299
Leeds	8,914		70,293	2,928	74,568	7,567
New Harmony	3,736		25,745	1,800	29,837	1,444
Rockville	9,833		88,978	6,179	91,792	13,198
St. George	1,619,165		14,623,077	400,598	15,222,355	1,420,485
Santa Clara	120,867		1,138,889	42,483	1,205,947	96,292
Springdale	9,110		80,445	6,967	85,219	11,303
Toquerville	37,421		267,608	7,469	278,900	33,598
Virgin	8,268		74,509	2,238	80,004	5,011
Washington	492,624		4,232,422	95,321	4,362,537	457,830
Total Due Units	\$ 28,773,762		\$ 259,994,242	\$ 6,952,580	\$ 268,986,005	\$ 26,730,707
Total	\$ 28,846,083	\$ 269,546,244			\$ 270,806,741	\$ 27,581,714

WASHINGTON COUNTY
Statement of Taxes Charged and Collected
December 31, 2022

TAXABLE VALUE OF PROPERTY

	Year-End Value (After BOE)	Centrally - Assessed Value	RDA Value	Adjusted Real & Centrally Assessed Value	Year End Personal Property Value	Total Adjusted Value
Library Operations, General						
Fund, and County G.O. Bond	\$ 34,533,333,343	\$ 695,199,447	\$ (670,119,844)	\$ 34,558,412,946	\$ 710,225,063	\$ 35,268,638,009
School District	34,533,333,343	695,199,447	(670,119,844)	34,558,412,946	710,225,063	35,268,638,009
Water Conservancy District	34,533,333,343	695,199,447	(670,119,844)	34,558,412,946	710,225,063	35,268,638,009
Assessing & Collecting:						
Local	33,863,213,499	695,199,447		34,558,412,946	710,225,063	35,268,638,009
State	33,863,213,499	695,199,447		34,558,412,946	710,225,063	35,268,638,009
Rockville/Springdale Fire	-	-		-	-	-
Southwest Mosquito SSD	34,307,105,303	695,199,447	(443,891,804)	34,558,412,946	710,225,063	35,268,638,009
Southwestern SSD	142,892,710	1,770,323		144,663,033	442,418	145,105,451
New Harmony Fire	334,482,034	6,230,691		340,712,725	505,376	341,218,101
Coral Canyon	626,186,975	2,686,801		628,873,776	8,060,636	636,934,412
Enterprise	170,668,075	3,195,788		173,863,863	1,626,244	175,490,107
Hildale	106,513,018	1,596,550		108,109,568	5,098,114	113,207,682
Hurricane	3,712,477,137	42,124,736	(173,312,728)	3,581,289,145	110,400,859	3,691,690,004
Ivins	2,188,361,631	13,104,040		2,201,465,671	9,199,451	2,210,665,122
LaVerkin	463,080,092	5,773,240		468,853,332	7,469,298	476,322,630
Leeds	176,855,598	2,503,794		179,359,392	548,498	179,907,890
New Harmony	33,369,223	1,382,344		34,751,567	5,101	34,756,668
St. George	18,227,202,416	253,866,781	(496,807,116)	17,984,262,081	440,431,889	18,424,693,970
Santa Clara	1,206,648,768	5,134,039		1,211,782,807	13,886,976	1,225,669,783
Springdale	452,343,382	3,541,608		455,884,990	13,786,322	469,671,312
Toquerville	275,338,241	6,468,364		281,806,605	3,991,954	285,798,559
Virgin	145,856,793	2,194,994		148,051,787	4,272,892	152,324,679
Washington	5,451,596,445	29,317,094		5,480,913,539	65,360,496	5,546,274,035
Rockville	68,689,664	1,336,606	-	70,026,270	965,230	70,991,500
Apple Valley	157,809,369	4,744,961	-	162,554,330	271,801	162,826,131
Hurricane Valley SSD	5,457,258,418	94,588,843	-	5,551,847,261	144,408,780	5,696,256,041
North Central Fire SSD	35,928,935	2,238,442	-	38,167,377	403,944	38,571,321
Grapevine Wash District	2,688,100	192,625	-	2,880,725	-	2,880,725
Diamond Valley Fire SSD	143,757,887	5,694,686	-	149,452,573	148,440	149,601,013
PINE VIEW PUBLIC INFRAST	1,307,700	-		1,307,700	-	1,307,700
GATEWAY AT SAND HOLLO'	8,903,907	-		8,903,907	-	8,903,907
BLACK DESERT PID	10,719,400	-		10,719,400	-	10,719,400
JEPPSON CANYON PID #1	898,400	-		898,400	-	898,400
Totals	\$245,235,366,648	\$4,660,884,032		\$246,771,879,500	\$5,092,635,097	\$ 251,864,514,597

WASHINGTON COUNTY
Statement of Taxes Charged and Collected (Continued)
December 31, 2022

Current Year Real & Cent. Assessed Tax Rate	Prior Year Personal Property Tax Rate	Total Property Taxes Charged	Personal Property Taxes Charged	Total Taxes Charged
0.000547	0.000721	\$18,903,452	\$512,072	\$19,415,524
0.005098	0.006047	176,178,789	4,294,731	180,473,520
0.000415	0.000545	14,341,741	387,073	14,728,814
0.000230	0.000302	7,948,435	214,488	8,162,923
0.000015	0.000012	518,376	8,523	526,899
0.000000	0.000000	-	-	-
0.000023	0.000030	794,843	21,307	816,150
0.000280	0.000372	40,506	165	40,671
0.000317	0.000454	108,006	229	108,235
0.001480	0.001639	930,733	13,211	943,944
0.001096	0.001544	190,555	2,511	193,066
0.001489	0.002202	160,975	11,226	172,201
0.000900	0.001170	3,223,160	129,169	3,352,329
0.000921	0.001215	2,027,550	11,177	2,038,727
0.000961	0.001285	450,568	9,598	460,166
0.000407	0.000536	72,999	294	73,293
0.000732	0.001081	25,438	6	25,444
0.000789	0.001020	14,189,583	449,241	14,638,824
0.000938	0.001229	1,136,652	17,067	1,153,719
0.000181	0.000222	82,515	3,061	85,576
0.000952	0.001325	268,280	5,289	273,569
0.000501	0.000679	74,174	2,901	77,075
0.000753	0.001001	4,127,128	65,426	4,192,554
0.001293	0.001588	90,544	1,533	92,077
0.000900	0.001252	146,299	340	146,639
0.000723	0.000955	4,013,986	137,910	4,151,896
0.000363	0.000470	13,855	190	14,045
0.000797	0.000944	2,296	-	2,296
0.000334	0.000450	49,917	67	49,984
0.004000	0.000000	5,231	-	5,231
0.002750	0.000000	24,486	-	24,486
0.008150	0.000000	87,363	-	87,363
0.009000	0.000000	8,086	-	8,086
0.04734	0.03029	\$250,236,521	\$6,298,805	\$256,535,326

(Continued)

WASHINGTON COUNTY
Statement of Taxes Charged and Collected (Continued)
December 31, 2022

	TREASURER'S RELIEF				CURRENT YEAR ACTUAL	
	Unpaid Taxes	Abatements	Other	Total Relief	Taxes Collected	Collection Rate
Library Operations, General						
Fund, and County G.O. Bond	\$ 292,929	\$ 300,235	\$ 294,188	\$ 887,352	\$18,528,172	95.43%
School District	2,588,973	2,329,533	2,741,769	7,660,275	172,813,245	95.76%
Water Conservancy District	222,201	225,643	223,191	671,035	\$14,057,779	95.44%
Assessing & Collecting:					\$0	
Local	123,147	130,164	123,696	377,007	\$7,785,916	95.38%
State	5,332	4,476	8,068	17,876	\$509,023	96.61%
Rockville/Springdale Fire	-	-	-	-	\$0	#DIV/0!
Southwest Mosquito SSD	12,311	9,442	12,369	34,122	\$782,028	95.82%
Southwestern SSD	398	-	497	895	\$39,776	97.80%
New Harmony Fire	4,176	544	2,638	7,358	\$100,877	93.20%
Coral Canyon	13,176	2,517	12,121	27,814	\$916,130	97.05%
Enterprise	6,070	4,768	4,600	15,438	\$177,628	92.00%
Hildale	48,329	332	351	49,012	\$123,189	71.54%
Hurricane	143,731	63,609	66,558	273,898	\$3,078,431	91.83%
Ivins	39,278	30,566	32,285	102,129	\$1,936,598	94.99%
LaVerkin	13,966	15,673	16,897	46,536	\$413,630	89.89%
Leeds	3,723	2,266	1,799	7,788	\$65,505	89.37%
New Harmony	842	480	340	1,662	\$23,782	93.47%
St. George	464,559	211,265	198,044	873,868	\$13,764,956	94.03%
Santa Clara	49,909	20,049	20,328	90,286	\$1,063,433	92.17%
Springdale	6,337	158	355	6,850	\$78,726	92.00%
Toquerville	10,512	6,451	6,972	23,935	\$249,634	91.25%
Virgin	3,019	2,175	1,650	6,844	\$70,231	91.12%
Washington	111,418	60,868	61,978	234,264	\$3,958,290	94.41%
Rockville	4,432	1,397	632	6,461	\$85,616	92.98%
Apple Valley	19,193	2,580	3,068	24,841	\$121,798	83.06%
Hurricane Valley SSD	187,557	12,308	80,866	280,731	\$3,871,165	93.24%
North Central Fire SSD	441	80,014	335	80,790	(66,745)	-475.22%
Grapevine Wash District	744	318	-	1,062	\$1,234	53.75%
Diamond Valley Fire SSD	2,071	-	1,393	3,464	46,520	93.07%
PINE VIEW PUBLIC INFRAST	-	1,342	-	1,342	\$3,889	74.35%
GATEWAY AT SAND HOLLO	18,527	-	-	18,527	\$5,959	24.34%
BLACK DESERT PID	-	-	-	-	\$87,363	100.00%
JEPPSON CANYON PID #1	8,086	-	-	8,086	\$0	0.00%
Totals	\$ 4,405,387	\$ 3,519,173	\$3,916,988	\$11,841,548	\$244,693,778	

WASHINGTON COUNTY
Statement of Taxes Charged and Collected (Continued)
December 31, 2022

OTHER COLLECTIONS

Fee in Lieu	Miscellaneous Collections	Delinquent Tax Collected	Interest & Penalty Collected	Tax Increment paid to RDAs	Net Revenue for Distribution
\$ 1,157,125	\$ 193,171	\$ 513,671	\$ 361,154	\$ 246,936	\$ 20,310,409
10,784,112	1,800,199	4,268,813	178,479	2,163,081	185,723,710
877,886	146,555	387,398	16,458	183,096	15,153,585
486,543	81,223	216,117	9,571	-	8,501,708
31,730	5,296	8,364	341	-	548,453
-	-	-	-	-	-
48,653	8,122	21,288	899	6,717	843,075
3,823	-	816	32	-	44,095
8,050	230	2,521	160	-	111,633
35,112	366	5,431	596	-	959,104
18,187	2,824	5,980	327	-	208,838
19,043	2,785	46,212	2,309	-	188,040
206,015	54,014	110,073	5,930	40,029	3,456,027
97,859	50,079	32,659	1,322	-	2,140,662
32,161	5,427	20,258	898	-	483,628
4,788	-	2,864	64	-	75,100
1,963	-	1,639	161	-	27,875
858,121	56,904	385,054	15,544	315,310	14,879,900
75,456	54,307	40,988	1,495	-	1,248,510
1,719	-	6,707	260	-	87,137
17,974	2,662	7,161	308	-	281,156
4,278	2,036	2,111	127	-	80,334
274,132	43,063	91,830	3,491	-	4,408,619
3,362	4,535	5,826	353	-	101,053
10,844	46	8,475	273	-	143,361
235,476	61,834	152,870	5,929	-	4,309,161
1,345	-	-	11	-	14,607
4	-	926	9	-	2,473
4,703	-	-	27	-	5,231
-	-	-	-	-	5,959
-	-	-	-	-	87,363
-	-	-	-	-	-
-	-	-	-	-	-
\$ 15,300,464	\$2,575,678	\$6,346,052	\$606,528	\$2,955,169	\$264,430,806

WASHINGTON COUNTY
Schedule of Expenditures of Transient Room Taxes and
Tourism, Recreation, Culture and Convention Facilities Taxes
December 31, 2022

Transient Room Taxes (TRT):

Establishing and promoting:		
Recreation	\$	3,559,668
Sports		
Tourism		7,716,303
Film production		
Conventions		
Totals		11,275,971
Acquiring, leasing, construction, furnishing, or operating:		
Convention meeting rooms		510,000
Exhibit halls		
Visitor information centers		1,835,038
Museums		26,133
Related facilities		
Totals		2,371,171
Acquiring or leasing land required for or related to:		
Convention meeting rooms		1,035,430
Exhibit halls		-
Visitor information centers		
Museums		-
Related facilities		200,000
Totals		1,235,430
Mitigation costs:		
Emergency Services HVF/Zions National Park		609,545
Payment of principal, interest, premiums, and reserves on bonds		
Totals		609,545
Total expenditures of transient room taxes	\$	15,492,117

Tourism, Recreation, Culture, and Convention Facilities (TRCC) and Leasing Sales Tax:

Financing tourism promotion	\$	962,978
Development, operation, and maintenance of:		
Tourist facilities		
Recreation facilities		3,213,567
Cultural facilities		
Convention facilities		2,771,717
Airport facility		700,000
Pledges as security for evidences of indebtedness		-
Total		6,685,284
Total expenditures of tourism, recreation, culture, and convention facilities taxes	\$	7,648,262

Reserves & Pledges:

Reserve for Tuacahn agreement (TRT)	\$200,000.00
Airport Agreement (TRCC)	\$700,000.00
WCIA operations & bonds vary yearly	Paid in full

OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS

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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***

Honorable County Commission
Washington County
St. George, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Washington County's basic financial statements, and have issued our report thereon dated August 30, 2023. Our report includes a reference to other auditors who audited the financial statements of Southwest Utah Public Health Department, as described in our report on Washington County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Washington County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Washington County's internal control. Accordingly, we do not express an opinion on the effectiveness of Washington County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washington County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, Utah

August 30, 2023



HINTONBURDICK
CPAs & ADVISORS

**Independent Auditors' Report on Compliance
And Report on Internal Control over Compliance
As Required by the *State Compliance Audit***

To the Honorable County Commission
Washington County
St. George, Utah

Report On Compliance with General State Compliance Requirements

We have audited Washington County's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on Washington County for the year ended December 31, 2022.

State compliance requirements were tested for the year ended December 31, 2022 in the following areas:

Budgetary Compliance	Cash Management
Fund Balance	Tax Levy Revenue Recognition
Justice Courts	Open and Public Meetings Act
Restricted Taxes	Utah Retirement Systems
Fraud Risk Assessment	Public Treasurer's Bond
Government Fees	

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on Washington County's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about Washington County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of Washington County's compliance with those requirements.

Opinion on Compliance

In our opinion, Washington County complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2022.

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying schedule of findings and recommendations as item 2022-001. Our opinion on compliance is not modified with respect to this matter.

Report On Internal Control Over Compliance

Management of Washington County is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered Washington County's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Washington County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, Utah

August 30, 2023



Clerk-Auditor

August 29, 2023

State of Utah
Office of the State Auditor

To Whom it may concern:

In response to the Compliance Finding for the 2022 Audit by our independent auditors, Hinton Burdick CPAs & Advisors, and in compliance with reporting requirements of the Utah State law, the following comments are made.

Compliance Findings:

2022-001 Budgetary Compliance-

Criteria: Utah Code 10-6-123 prohibits incurring expenses in excess of total appropriations in the budget as adopted or as subsequently amended.

Condition: The RAP tax special revenue fund expenditures in 2022 exceeded the budgeted amounts.

Recommendations: The County operate within the confines of the budget by limiting expenditures or following controls to adjust budgets as necessary.

Washington County agrees with the recommendation of our external auditors and will more closely monitor the amending of the budget for each fund.

Even when there is more than sufficient revenue to cover expenditures in the fund, and the fund balance increases at year-end, each expenditure category needs to be addressed in the approved budget.

Sincerely,

Susan Lewis
Washington County Clerk/Auditor