



**FINANCIAL STATEMENTS**

**Year Ended December 31, 2007**

**With Report of**

**Certified Public Accountants**

**WASHINGTON COUNTY**

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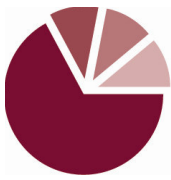
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**FINANCIAL SECTION**

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**Independent Auditors' Report**

The Honorable County Commissioners  
 Washington County  
 St. George, Utah

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Washington County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the following component units, Southwest Utah Public Health Department, Gunlock Special Service District and Rockville/Springdale Fire Protection District, which statements reflect total assets of \$7,776,505 as of December 31, 2007 and total revenues of \$9,088,876 for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the previously noted component units in the component unit columns, is based on the reports of 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2008, on our consideration of Washington 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 to 10 and budgetary comparison information on pages 52 to 57, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

A handwritten signature in cursive script that reads "Hinton Burdick Hall & Spilker PLLC".

HINTON, BURDICK, HALL & SPILKER, PLLC  
July 28, 2008

## **WASHINGTON COUNTY MANAGEMENT'S DISCUSSION AND ANALYSIS**

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, 2007. This report is in conjunction with the County's financial statements that follow this section.

### **HISTORY AND BACKGROUND OF WASHINGTON COUNTY**

Washington County was created in 1856 shortly after pioneers settled here in the early 1850's. It has been 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 150,000. The population has nearly doubled each of the last three decades! Championship golf, tennis, outdoor sports events, walking and biking trails, snow-free winters and year long low humidity all make living here attractive.

The purpose of the County is to provide general services to its residents which include general government, judicial, public safety, health and sanitation, conservation and economic development, culture, and public works. Additional services provided to residents in the unincorporated areas include road maintenance, building, planning, and zoning issues, plus fire control.

### **FINANCIAL HIGHLIGHTS**

- Current Economic Conditions. Washington County has continued to be the highest growth county in the state. Population has grown approximately 6% this past year.
- Sales tax revenues have grown this year by 7.5 % which includes growth and inflation.
- Restaurant and Transient Room Taxes have grown by 16.5 % which includes a tax rate increase as well as growth and inflation.
- As compared to the State and the national rate, the County's 2006 unemployment rate has remained low at 4 %. The County and the State both have one of the best labor and business climates in the western United States. Job growth rate continues to show a positive growth.
- Projections are that the County will continue to experience a healthy new growth factor and this in turn will increase resources and revenues to the County. Recent studies show the St. George Metropolitan area as one of the fastest growing in the United States.
- During 2007 the County issued \$5.045 million in General Obligation Bonds for constructing the Washington City Library and remodel of Enterprise Library. Cost projections will be on budget.
- At year end 2007 the County's General Fund balance was over \$6.1 million. We continue to have a positive growth factor. Because of this positive effect, \$3.8 million of the General Fund balances are reserved or designated for future capital project needs.
- Total assets exceed total liabilities (net assets) by \$76.46 million at the close of the fiscal year.
- Total net assets increased by \$3.27 million.
- Total revenues from all sources, including component units, were \$71.1 million.
- The total cost of all County programs, including component units, was \$67.8 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 Assets 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 Assets and the Statement of Activities (Government-wide)**

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

The statement of net assets presents information on all of Washington County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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, conservation and economic development, 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 is 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 twelve 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, Debt Service fund, Assessing & Collecting fund, Habitat Conservation fund, and the Capital Projects fund all of which are considered to be major funds. Data from the other seven 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**

All of Washington County's proprietary funds 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, criterion 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 developers, donations for a specific purpose and others. These fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. The County is responsible for ensuring that the assets are used for their intended purposes. Therefore, 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 assets may serve over time as a useful indicator of an entity's financial position. In the case of Washington County, assets exceeded liabilities by \$40.8 million at the close of the most recent fiscal year. This is a 2% increase over the previous year.

A portion of the County's net assets 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.

### Washington County Statement of Net Assets

	Governmental Activities		Component Unit Activities	
	2007	2006	2007	2006
Current and other assets	\$ 46,041,843	\$ 59,421,216	\$ 24,706,384	\$ 24,150,032
Capital assets	65,338,275	\$ 67,521,660	24,958,250	\$ 22,718,682
Total assets	<u>111,380,119</u>	<u>126,942,876</u>	<u>49,664,634</u>	<u>46,868,714</u>
Long-term liabilities outstanding	62,366,866	58,095,640	12,593,438	10,889,679
Other liabilities	8,140,598	28,884,830	1,483,675	1,253,600
Total liabilities	<u>70,507,464</u>	<u>86,980,470</u>	<u>14,077,113</u>	<u>12,143,279</u>
Net assets:				
Invested in capital assets, net of related debt	6,510,837	12,596,612	16,445,040	15,451,060
Restricted	28,613,183	20,015,804	9,302,599	8,898,872
Unrestricted	5,748,633	7,349,990	9,839,882	10,375,503
Total net assets	<u>\$ 40,872,653</u>	<u>\$ 39,962,406</u>	<u>\$ 35,587,521</u>	<u>\$ 34,725,435</u>

### Governmental Activities

The cost of all Governmental activities this year was \$47.8 million. As shown on the Statement of Activities on the following page, \$10.8 million of this cost was paid for by those who directly benefited from the programs; \$8.2 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 \$19 million. General taxes and investment earnings totaled \$29.7 million.

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

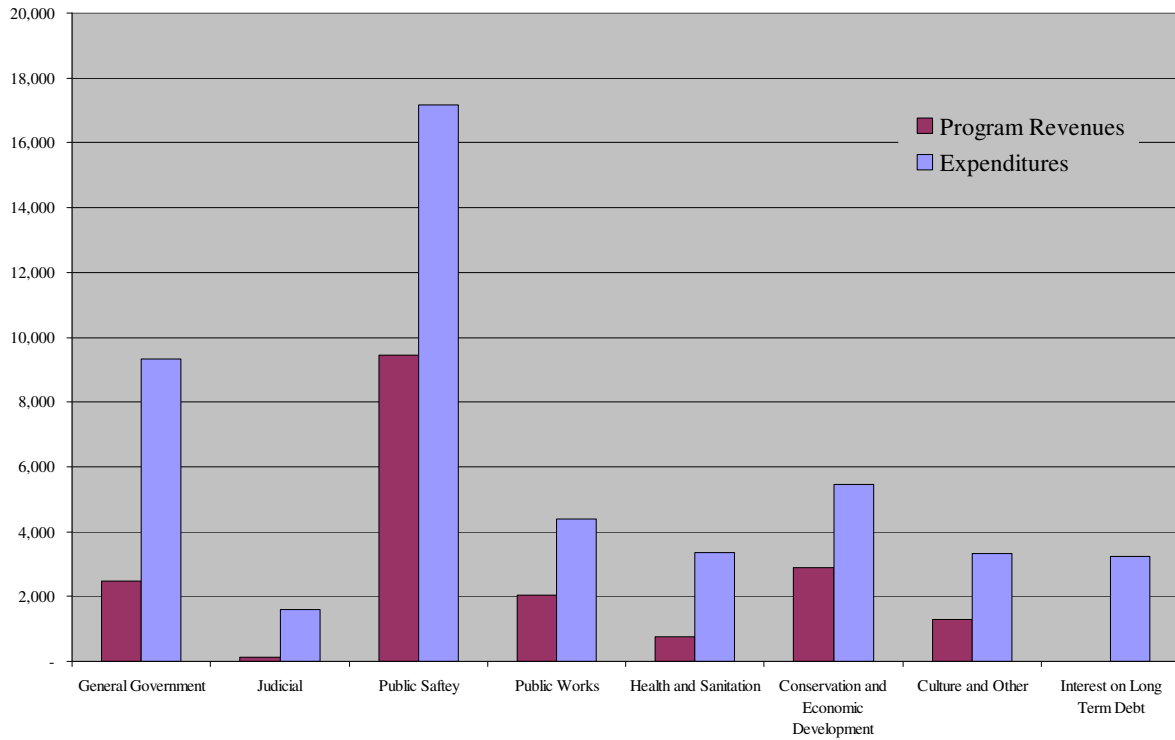
**Washington County  
Changes in Net Assets**

	Governmental Activities		Component Unit Activities	
	2007	2006	2007	2006
Revenues:				
Program revenues:				
Charges for services	\$ 10,804,345	\$ 10,471,762	\$ 12,630,742	\$ 12,478,119
Operating grants and contributions	5,000,840	4,398,281	6,745,057	6,928,904
Capital grants and contributions	3,195,527	34,590,635	229,070	362,834
General revenues:				
Taxes	27,345,105	24,344,443	473,165	406,016
Other	2,410,088	1,625,236	2,305,744	1,963,924
Total revenues	<u>48,755,905</u>	<u>75,430,357</u>	<u>22,383,778</u>	<u>22,139,797</u>
Expenses:				
General government	9,559,923	10,205,203	-	-
Judicial	1,606,277	1,520,436	-	-
Public safety	17,160,199	15,567,523	901,006	868,217
Public works	4,156,159	4,193,818	11,207,826	8,627,622
Health and sanitation	2,312,130	1,748,278	7,916,506	9,462,109
Conservation and economic development	6,499,366	29,620,804	-	-
Culture and other	3,323,813	2,890,528	-	-
Interest on long term debt	3,227,792	2,909,521	-	-
Total expenses	<u>47,845,659</u>	<u>68,656,111</u>	<u>20,025,338</u>	<u>18,957,948</u>
Increase in net assets	910,246	6,774,246	2,358,440	3,181,849
Net assets, beginning	39,962,406	33,188,160	33,229,081	31,543,586
Net assets, ending	<u>\$ 40,872,652</u>	<u>\$ 39,962,406</u>	<u>\$ 35,587,521</u>	<u>\$ 34,725,435</u>

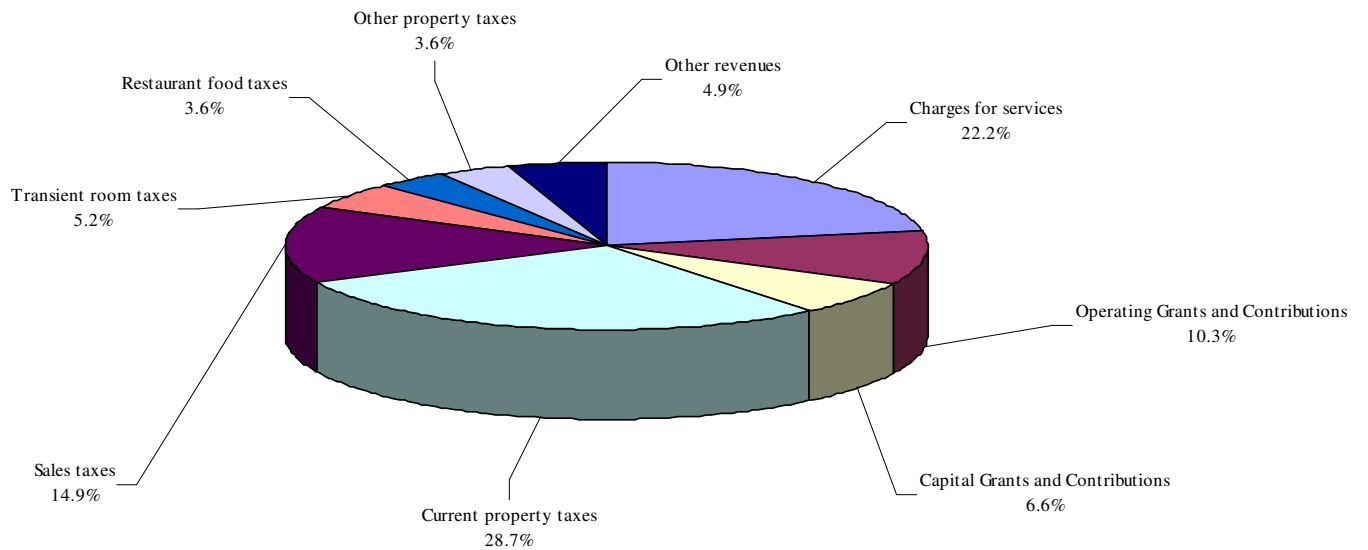
Total resources available during the year to finance operations were \$88.7 million consisting of Net assets at December 31, 2006 of \$39.9 million, program revenues of \$19 million and General Revenues of \$29.7 million. Total Governmental Activities during the year were \$47.8 million; thus Net Assets were increased by \$910,252 to \$40.8 million. The most significant change in Governmental activities this year was the decrease in spending in the Flood Damage special revenue fund. Capital grants decreased by \$24.6 million and Conservation and Economic Development expenditures decreased by \$23.6 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 (14-17) is to provide information on near-term inflows, outflows, and balances of spendable resources. All major governmental funds are discretely presented on 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 62 to 65.

For the year ended December 30, 2007, the governmental funds reflect a combined fund balance of \$28,832,846. Of this, \$21,023,204 is reserved because it is not available for expenditure or is legally segregated for a specific future use. The remaining \$7,809,642 is classified as "Unreserved". This balance 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 and economic development, culture and other. The general fund revenues total \$22,585,665 in 2007. The expenditures, before other financing sources and uses, totaled \$21,911,580. The net increase in fund balance before transfers was \$674,085. A transfer from the general fund of \$1,145,719 was made to the debt service fund and capital projects for 2007.

The Assessing & Collecting Special Revenue Fund accounts for funds raised by levies on property taxes that are legally restricted to expenditure for the County's functions of assessing, collecting, and distributing property taxes. Revenue in this fund totaled \$6,113,382 while expenses, not including transfers, totaled \$5,314,436 in 2007. (See Page 56)

The Habitat Conservation Plan Special Revenue Fund is used to account for revenue sources that are legally restricted to expenditure for habitat conservation and capital improvements. Revenues of \$1,468,986 were comparable to the prior year and expenditures of \$1,042,849 were 364,309 more than the prior year but \$578,101 less than budget. (See Page 57)

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. The net loss of \$511,593 is a result of capital expenditures on the Dixie Springs project from appropriations of fund balance. (See Page 60)

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. The Capital Projects fund reported \$644,840 in revenues and \$7,035,705 in capital outlay. The majority of the 2007 capital outlay is for the Washington City and Enterprise Libraries. Bond proceeds of \$5,045,000 in 2007 are being used to build a library in Washington City, remodel the library in Enterprise. (See Page 61)

The non-major funds of the County consist of the following funds special revenue funds: Municipal Service, Flood Damage, Library, Council on Aging, Travel Board, Recreation, and Grants. The non-major funds are combined into one column on the governmental fund statements. (See Pages 62 to 72 for combining and individual fund statements)

### **General Fund Budgetary Highlights**

The final appropriations for the General Fund at year-end were \$1,099,659 lower than actual expenditures. The budget to actual variance in appropriations was principally due to estimates in contingency anticipated for miscellaneous services and supplies. Actual revenues were less than the final budget by \$658,535 mainly due to actual property tax and sales taxes received which were less than the budgeted revenue. Budget amendments and supplemental appropriations were made during the year to prevent budget overruns and to increase appropriations for unanticipated expenditures after adoption of the original budget.

### **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 fiscal year 2007, net capital assets of the government activities totaled \$65.3 million. Depreciation on capital assets is recognized in the Government-Wide financial statements. (See note 8 to the financial statements.)

#### **Debt**

At year-end, the County had \$66,034,866 in governmental type debt. The debt is a liability of the government and amounts to approximately \$440.23 per capita. During the current fiscal year, the County's total debt increased by \$1.66 million, consisting of new bond issues of \$5 million and debt payments or reduction of \$3.7 million. (See note 9 to the financial statements for detailed descriptions.)

### **NEXT YEAR'S BUDGET AND ECONOMIC FACTORS**

The County uses a conservative approach during our budgeting process with the purpose to maintain a healthy fund balance. The goal for the 2007 fund balance was to maintain the fund balance at its present level. With the positive growth, the Board proposed to budget one half of the growth of 2007 to cover some of our 2007 budget needs. The other half is to remain in the Fund Balance to secure a stronger financial position for the County. The County has strongly maintained that no tax increases are to occur in the County without public input. Because of the increasing inflation on many of the goods and services that the County uses, a tax rate increase was proposed during a truth in taxation hearing in December for the 2008 Budget. 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 197 East Tabernacle, St. George, UT 84770

## **BASIC FINANCIAL STATEMENTS**



**WASHINGTON COUNTY**  
**Statement of Net Assets**  
**December 31, 2007**

	<u>Primary Governmental Activities</u>	<u>Component Units</u>
<b>Assets</b>		
Cash and investments	\$ 8,227,956	\$ 13,582,428
Receivables (net of allowance for uncollectibles)	14,214,135	1,556,526
Prepaid assets	-	40,306
Deferred charges	440,853	-
Restricted cash and investments	17,630,498	9,527,124
Note receivable	5,528,400	-
Capital assets not being depreciated	4,780,402	7,115,369
Capital assets being depreciated, net of accumulated depreciation	<u>60,557,873</u>	<u>17,842,881</u>
Total assets	<u>111,380,117</u>	<u>49,664,634</u>
<b>Liabilities</b>		
Accounts payable and other current liabilities	2,530,566	1,064,197
Unearned revenue	1,119,200	-
Accrued interest payable	822,833	109,937
Noncurrent liabilities:		
Due within one year	3,668,000	309,541
Due in more than one year	<u>62,366,866</u>	<u>12,593,438</u>
Total liabilities	<u>70,507,465</u>	<u>14,077,113</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	6,510,836	16,445,040
Restricted for:		
Capital projects	5,642,740	-
Class "B" roads	606,597	-
Debt Service	13,082,699	-
Other purposes	9,281,145	9,302,599
Unrestricted	<u>5,748,635</u>	<u>9,839,882</u>
Total net assets	<u>\$ 40,872,652</u>	<u>\$ 35,587,521</u>

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Statement of Activities**  
**For the Year Ended December 31, 2007**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units
					Governmental Activities	
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 9,559,923	\$ 2,170,729	\$ 140,055	\$ 164,994	\$ (7,084,145)	
Judicial	1,606,277	49,105	79,909	-	(1,477,263)	
Public safety	17,160,199	6,040,699	2,350,760	1,054,013	(7,714,727)	
Public works	4,156,159	65,913	1,975,864	-	(2,114,382)	
Health and sanitation	2,312,130	545,485	211,569	-	(1,555,076)	
Conservation & economic development	6,499,366	660,701	242,683	1,976,520	(3,619,462)	
Culture and other	3,323,813	1,271,713	-	-	(2,052,100)	
Interest on long-term debt	3,227,792	-	-	-	(3,227,792)	
Total governmental activities	<u>47,845,659</u>	<u>10,804,345</u>	<u>5,000,840</u>	<u>3,195,527</u>	<u>(28,844,947)</u>	
Total primary government	<u>\$ 47,845,659</u>	<u>\$ 10,804,345</u>	<u>\$ 5,000,840</u>	<u>\$ 3,195,527</u>	<u>\$ (28,844,947)</u>	
<b>Component units:</b>						
Public safety	901,006	350,326	44,453	6,794	-	(499,433)
Public works	11,207,826	10,807,296	-	222,276	-	(178,254)
Health and sanitation	7,916,506	1,473,120	6,700,604	-	-	257,218
Total component units	<u>\$ 20,025,338</u>	<u>\$ 12,630,742</u>	<u>\$ 6,745,057</u>	<u>\$ 229,070</u>	<u>\$ -</u>	<u>\$ (420,469)</u>
General revenues:						
Current property taxes					13,995,093	334,225
Sales taxes					7,272,810	-
Transient room taxes					2,557,853	-
Restaurant food taxes					1,771,349	-
Other property taxes					1,748,000	138,940
Unrestricted investment earnings					1,428,524	871,452
Gain on the sale of assets					10,672	-
Other revenues					970,892	1,434,292
Total general revenues and transfers					<u>29,755,193</u>	<u>2,778,909</u>
Change in net assets					910,246	2,358,440
Net assets - beginning					<u>39,962,406</u>	<u>33,229,081</u>
Net assets - ending					<u>\$ 40,872,652</u>	<u>\$ 35,587,521</u>

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2007**

	General Fund	Debt Service	Special Revenue	
			Assessing & Collecting	Habitat Conservation
<b>Assets</b>				
Cash and investments	\$ 3,023,204	\$ 4,136,081	\$ -	\$ 100
Property taxes receivable	1,502,547	6,533	939,440	-
Assessments receivable	-	7,672,443	-	-
Due from other governments	1,688,986	-	-	293,125
Due from other funds	871,487	-	-	-
Other receivables	235,464	-	-	-
Prepaid assets	-	-	-	-
Notes receivable	-	-	-	-
Restricted cash and investments	527,438	2,354,257	475	5,121,759
<b>Total assets</b>	<b>\$ 7,849,126</b>	<b>\$ 14,169,314</b>	<b>\$ 939,915</b>	<b>\$ 5,414,984</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	912,486	774	167,339	15,253
Accrued liabilities	545,754	-	73,738	35,780
Due to other funds	-	-	840,067	-
Unearned revenue	207,591	7,672,443	-	-
<b>Total liabilities</b>	<b>1,665,831</b>	<b>7,673,217</b>	<b>1,081,144</b>	<b>51,033</b>
<b>Fund balances:</b>				
<b>Reserved for:</b>				
Class "B" roads	606,597	-	-	-
Debt service fund	-	5,492,722	-	-
Other purposes	-	-	-	5,363,951
Unreserved, designated for subsequent year	301,800	1,003,375	-	-
Unreserved, designated for capital projects	3,800,000	-	-	-
Unreserved, undesignated	1,474,898	-	(141,229)	-
<b>Unreserved, undesignated, reported in nonmajor:</b>				
Special revenue funds	-	-	-	-
<b>Total fund balances</b>	<b>6,183,295</b>	<b>6,496,097</b>	<b>(141,229)</b>	<b>5,363,951</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,849,126</b>	<b>\$ 14,169,314</b>	<b>\$ 939,915</b>	<b>\$ 5,414,984</b>

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

Some receivables are not available in the current period and therefore are not reported in the funds.

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

Revenues considered unearned and not reported in the funds

Some liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.

Net assets of governmental activities

The accompanying notes are an integral part of the financial statements

<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1,068,571	\$ 8,227,956
-	585,690	3,034,210
-	-	7,672,443
-	1,289,907	3,272,018
-	5,750	877,237
-	-	235,464
-	-	-
-	-	-
5,750,742	3,875,827	17,630,498
\$ 5,750,742	\$ 6,825,745	\$ 40,949,826
108,002	569,328	1,773,182
-	102,112	757,384
-	37,170	877,237
-	829,143	8,709,177
108,002	1,537,753	12,116,980
-	-	606,597
-	-	5,492,722
5,642,740	3,917,194	14,923,885
-	-	1,305,175
-	-	3,800,000
-	-	1,333,669
-	1,370,798	1,370,798
5,642,740	5,287,992	28,832,846
\$ 5,750,742	\$ 6,825,745	
		5,528,400
		65,338,275
		7,589,977
		(66,416,846)
		\$ 40,872,652

**WASHINGTON COUNTY**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2007**

	General Fund	Debt Service	Special Revenue	
			Assessing & Collecting	Habitat Conservation
<b>Revenues</b>				
Taxes	\$ 12,997,855	\$ 2,164,810	\$ 5,046,696	\$ -
Licenses and permits	24,180	-	-	-
Intergovernmental	6,011,812	-	-	1,243,764
Charges for services	1,023,707	-	1,066,509	-
Fines and forfeitures	1,389,721	-	-	-
Interest	392,698	167,339	-	185,473
Sub-lease revenue	-	-	-	-
Other revenue	745,692	3,029,711	177	39,749
Total revenues	<u>22,585,665</u>	<u>5,361,860</u>	<u>6,113,382</u>	<u>1,468,986</u>
<b>Expenditures</b>				
Current:				
General government	3,634,703	22,474	5,314,436	-
Judicial	1,592,909	-	-	-
Public Safety	13,163,026	-	-	-
Public Works	2,227,595	-	-	-
Health and Sanitation	1,010,879	-	-	-
Conservation & Economic Development	177,547	-	-	1,042,849
Culture and other	87,199	-	-	-
Matching Funds & contributions	17,722	-	-	-
Capital outlay	-	1,928,507	-	-
Debt service:				
Principal	-	2,598,000	-	-
Interest	-	1,970,672	-	-
Total expenditures	<u>21,911,580</u>	<u>6,519,653</u>	<u>5,314,436</u>	<u>1,042,849</u>
Excess revenues over (under) expenditures	<u>674,085</u>	<u>(1,157,793)</u>	<u>798,946</u>	<u>426,137</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	646,200	-	-
Transfers out	(1,145,719)	-	(788,246)	-
Bond Issue Costs	-	-	-	-
Debt proceeds	-	-	-	-
Total other financing sources and uses	<u>(1,145,719)</u>	<u>646,200</u>	<u>(788,246)</u>	<u>-</u>
Net change in fund balances	(471,634)	(511,593)	10,700	426,137
Fund balances - beginning of year	<u>6,654,929</u>	<u>7,007,690</u>	<u>(151,929)</u>	<u>4,937,814</u>
Fund balances - end of year	<u>\$ 6,183,295</u>	<u>\$ 6,496,097</u>	<u>\$ (141,229)</u>	<u>\$ 5,363,951</u>

The accompanying notes are an integral part of the financial statements

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 7,943,604	\$ 28,152,965
-	193,380	217,560
164,995	6,091,096	13,511,667
-	533,489	2,623,705
-	71,609	1,461,330
479,845	203,169	1,428,524
-	686,633	686,633
-	490,496	4,305,825
<u>644,840</u>	<u>16,213,476</u>	<u>52,388,209</u>
-	292,205	9,263,818
-	-	1,592,909
-	3,447,756	16,610,782
-	412,181	2,639,776
-	1,172,597	2,183,476
-	4,912,242	6,132,638
-	2,866,017	2,953,216
-	-	17,722
7,035,705	-	8,964,212
-	911,000	3,509,000
-	1,041,523	3,012,195
<u>7,035,705</u>	<u>15,055,521</u>	<u>56,879,744</u>
<u>(6,390,865)</u>	<u>1,157,955</u>	<u>(4,491,535)</u>
788,246	674,519	2,108,965
-	(175,000)	(2,108,965)
(56,682)	-	(56,682)
<u>5,045,000</u>	<u>-</u>	<u>5,045,000</u>
<u>5,776,564</u>	<u>499,519</u>	<u>4,988,318</u>
(614,301)	1,657,474	496,783
<u>6,257,041</u>	<u>3,630,518</u>	<u>28,336,063</u>
<u>\$ 5,642,740</u>	<u>\$ 5,287,992</u>	<u>\$ 28,832,846</u>

**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, 2007**

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

Net changes in fund balances - total governmental funds	\$	496,783
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. This is the amount by which capital outlays exceeded depreciation in the current period.		6,005,044
The statement of activities only reports reports the loss on the sale of capital assets. In the governmental funds, only the proceeds from the sale are reported. This is the difference between the net book value of the capital assets sold and the proceeds.		(430,014)
Donations of capital assets do not provide current financial resources and, therefore, are not reported as revenues/expenditures in governmental funds.		(2,058,818)
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 assets.		(392,780)
Revenues that do not provide current financial resources are not reported as revenues in governmental funds. This represents the change in unearned revenues for property taxes that have previously been deferred in the funds.		(945,751)
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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(1,479,318)
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.		<u>(284,900)</u>
Change in net assets of governmental activities	\$	<u><u>910,246</u></u>

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Combined Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2007**

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	Agency Funds
<b>Assets</b>	
Cash and investments	\$ 21,638,561
Due from other governments	-
Property taxes receivable	1,578,944
Due from other funds	-
Total Assets	\$ 23,217,505
<b>Liabilities</b>	
Deposits held in trust	\$ 3,611,789
Due to taxing districts	16,764,659
Due to Washington County General Fund	2,001,975
Due to other funds	839,082
Reserve for refund	-
Total Liabilities	\$ 23,217,505
<b>Net Assets</b>	
Held in trust for individuals, organizations, and other governments	\$ -

The accompanying notes are an integral part of the financial statements



**WASHINGTON COUNTY**  
**Combining Statement of Net Assets**  
**Component Units**  
**December 31, 2007**

	Southwest Utah Public Health Dept.	Ash Creek SSD	Washington County Solid Waste SSD	Nonmajor Component Units	Total Component Units
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 391,391	\$ 1,980,500	\$ 10,055,032	\$ 1,155,505	\$ 13,582,428
Property Taxes Receivable	-	-	-	-	-
Taxes Receivable	-	-	-	-	-
Due from other governments	423,700	-	-	58,747	482,447
Due from other sources	-	249,167	716,110	108,802	1,074,079
Prepaid assets	20,813	-	-	19,493	40,306
Total current assets	<u>835,904</u>	<u>2,229,667</u>	<u>10,771,142</u>	<u>1,342,547</u>	<u>15,179,260</u>
Noncurrent assets:					
Deferred charges	-	-	-	-	-
Restricted cash and investments	49,200	3,785,903	5,036,600	655,421	9,527,124
Capital assets not being depreciated	1,079,560	5,296,995	282,156	456,658	7,115,369
Capital assets being depreciated, net of accumulated depreciation	3,764,508	6,840,305	2,821,611	4,416,457	17,842,881
Total noncurrent assets	<u>4,893,268</u>	<u>15,923,203</u>	<u>8,140,367</u>	<u>5,528,536</u>	<u>34,485,374</u>
Total assets	<u>\$ 5,729,172</u>	<u>\$ 18,152,870</u>	<u>\$ 18,911,509</u>	<u>\$ 6,871,083</u>	<u>\$ 49,664,634</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	\$ 68,141	\$ 26,555	\$ 667,017	\$ 179,572	\$ 941,285
Accrued liabilities	61,183	7,383	5,223	49,123	122,912
Compensated absences	154,924	-	8,770	-	163,694
Accrued interest payable	103,446	-	-	6,491	109,937
Total current liabilities	<u>387,694</u>	<u>33,938</u>	<u>681,010</u>	<u>235,186</u>	<u>1,337,828</u>
Noncurrent liabilities:					
Due within one year	140,000	123,000	-	46,541	309,541
Due in more than one year	4,317,750	2,372,000	4,408,561	1,331,433	12,429,744
Total noncurrent liabilities	<u>4,457,750</u>	<u>2,495,000</u>	<u>4,408,561</u>	<u>1,377,974</u>	<u>12,739,285</u>
Total liabilities	<u>4,845,444</u>	<u>2,528,938</u>	<u>5,089,571</u>	<u>1,613,160</u>	<u>14,077,113</u>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	413,125	9,642,300	3,103,767	3,285,848	16,445,040
Restricted	49,200	3,785,903	5,036,600	430,896	9,302,599
Unrestricted	421,403	2,195,729	5,681,571	1,541,179	9,839,882
Total net assets	<u>\$ 883,728</u>	<u>\$ 15,623,932</u>	<u>\$ 13,821,938</u>	<u>\$ 5,257,923</u>	<u>\$ 35,587,521</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, 2007**

	Southwest Utah Public Health Dept.	Ash Creek SSD	Washington County Solid Waste SSD	Nonmajor Component Units	Total Component Units
<b>Expenses:</b>					
Public safety:					
Fire and emergency services	\$ -	\$ -	\$ -	\$ 901,006	\$ 901,006
Public works					
Sewer services	-	1,429,498	-	-	1,429,498
Solid waste services	-	-	9,461,297	-	9,461,297
Water services	-	-	-	317,031	317,031
Health and sanitation					
Health services	7,916,506	-	-	-	7,916,506
Mosquito abatement	-	-	-	-	-
Total expenses	<u>7,916,506</u>	<u>1,429,498</u>	<u>9,461,297</u>	<u>1,218,037</u>	<u>20,025,338</u>
<b>Program revenues:</b>					
Charges for services	1,473,120	1,530,940	8,951,535	675,147	12,630,742
Operating grants and contributions	6,700,604	-	-	44,453	6,745,057
Capital grants and contributions	-	-	-	229,070	229,070
Net (expense) revenue	<u>257,218</u>	<u>101,442</u>	<u>(509,762)</u>	<u>(269,367)</u>	<u>(420,469)</u>
<b>General revenues:</b>					
Property taxes	-	-	-	334,225	334,225
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	138,940	138,940
Unrestricted investment earnings	32,088	158,689	628,482	52,193	871,452
Miscellaneous	91,607	1,064,005	-	278,680	1,434,292
Transfers	-	-	-	-	-
Debt Proceeds	-	-	-	-	-
Total general revenues and transfers	<u>123,695</u>	<u>1,222,694</u>	<u>628,482</u>	<u>804,038</u>	<u>2,778,909</u>
Change in net assets	380,913	1,324,136	118,720	534,671	2,358,440
Total net assets - beginning	<u>502,815</u>	<u>14,299,796</u>	<u>13,703,218</u>	<u>4,723,252</u>	<u>33,229,081</u>
Total net assets - ending	<u>\$ 883,728</u>	<u>\$ 15,623,932</u>	<u>\$ 13,821,938</u>	<u>\$ 5,257,923</u>	<u>\$ 35,587,521</u>

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

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**NOTE 1. Summary of Significant Accounting Policies**

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**General**

The County is a political subdivision of the State of Utah with a County Commission comprised of three commissioners elected at large. The financial statements of Washington County (the County) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are described below.

**Reporting Entity**

For financial reporting purposes, the County has included all funds, and account groups. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationships with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is whether or not the County exercises significant influence over the potential component unit. Significant influence or accountability is based primarily on operational or financial relationships with the County.

The accompanying financial statements include all activities of Washington County (the primary government) and its component units. Blended component units, although legally separate entities, are in substance, part of the government's operations. Data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are 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 a 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.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

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**NOTE 1. Summary of Significant Accounting Policies (Continued)**

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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 Department issued separate audited financial statements dated July 17, 2008.

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 June 12, 2008.

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 26, 2008.

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. The District issued separate audited financial statements dated May 30, 2008.

Rockville/Springdale Fire Protection District (Non-major Enterprise Fund) - The District provides fire protection to the communities of Rockville and Springdale, Utah and is funded mainly through user fees. The District issued separate audited financial statements dated May 20, 2008.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

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**NOTE 1. Summary of Significant Accounting Policies (Continued)**

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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.

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.

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.

Leads Area Special Service District (Non-major General Fund) - The District provides fire protection and ambulatory services to the community of Leads, Utah funded through user fees and other revenues.

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

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

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.

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.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

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**NOTE 1. Summary of Significant Accounting Policies (Continued)**

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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 2007, the County provided \$353,550 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 2007 the County contributed \$15,000 to the Association. The County does not retain an ongoing financial interest or responsibility in the Association.

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). Two of the County's commissioners serve on the Agency's governing body along with two 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.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of the inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

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**NOTE 1. Summary of Significant Accounting Policies (Continued)**

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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than as an expenditure. Proceeds from long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of a related liability, rather than an expenditure in the government-wide financial statements.

**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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

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**NOTE 1. Summary of Significant Accounting Policies (Continued)**

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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 **Debt Service funds** are 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.

The **Habitat Conservation Plan Special Revenue Fund** is used to account for revenue sources that are legally restricted to expenditure for habitat conservation and capital improvements.

The **Assessing and Collecting Special Revenue Fund** is used to account for funds raised by levies on property taxes that are legally restricted to expenditure for the County's functions of assessing, collecting, and distributing property taxes.

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** account for specific revenue sources that are legally restricted to expenditures for specific purposes. Non-major funds are the Municipal Services, Library, Council on Aging, Travel Board, Recreation, Flood Damage, and Grants.

Additionally, the County reports the following fiduciary funds:

**Agency 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 (assets equal liabilities) and do not involve measurement of results of operations.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.



**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

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**NOTE 1. Summary of Significant Accounting Policies (Continued)**

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

**Deposits and Investments**

Cash includes cash on hand, demand deposits with banks and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The County's policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, obligations of the U. S. Government and other investments as allowed by the State of Utah's Money Management Act. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

**Receivables and Payables**

Activity 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.

**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 June 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 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. Delinquent taxes are subject to 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15, 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%; 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.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

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**NOTE 1. Summary of Significant Accounting Policies (Continued)**

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**Inventories**

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

**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. Donated capital assets are recorded at estimated fair market 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.

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

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

**Compensated Absences**

The estimated current portion of the liability for vested vacation and sick leave benefits attributable to the County's governmental funds is recorded as an expenditure and liability in the respective funds. The long-term portion is recorded in the General Long-Term Debt Account Group. The amounts attributable to proprietary funds are charged to expense and a corresponding liability in the applicable fund.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**NOTE 1. Summary of Significant Accounting Policies (Continued)**

**Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Estimates**

Generally accepted accounting principles require management to make estimates and assumptions that affect assets and liabilities, contingent assets and liabilities, and revenues and expenditures. Actual results could differ from those estimates.

**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 assets:**

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net assets of governmental activities as reported in the government-wide statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	37,205,000
Less: Deferred charge for issuance costs (to be amortized)	(440,853)
Less: Deferred charge on refunding (to be amortized)	(467,308)
Capital leases payable	19,890,000
Special assessment debt payable	8,169,000
Compensated absences	1,238,174
Accrued interest payable	<u>822,833</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 66,416,846</u></u>

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**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 assets of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follows:

Capital outlay	\$ 10,679,357
Depreciation expense	<u>(4,674,313)</u>
Net adjustment to increase <i>net changes in fund balance -- total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 6,005,044</u>

Another element of that reconciliation states that “issuance of long-term debt (e.g., bonds, leases) provides 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (5,045,000)
Principal repayments:	
Bonds payable	2,598,000
Capital leases	911,000
Bond issue costs	<u>56,682</u>
Net adjustment to decrease <i>net changes in fund balances total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (1,479,318)</u>

Another element of the reconciliation states that “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.” The detail of this difference is as follows:

Compensated absences	\$ (69,303)
Accrued interest	(132,366)
Amortization of deferred charge on refunding and bond issuance costs	<u>(83,231)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (284,900)</u>

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

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**NOTE 3. Stewardship, Compliance and Accountability**

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**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 beginning on page 52 present all of the departments which incurred an excess of expenditures/expenses over appropriations for the year ended December 31, 2007, if any.

**Deficit Fund Equity**

The Assessing & Collecting non-major special revenue fund had deficit fund balance as of December 31, 2007. The County anticipates that the Assessing & Collecting deficit fund balance of \$141,229 will be eliminated through the budget process during 2008.

**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, 2007**

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**NOTE 4. Deposits and Investments**

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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.

**Deposits**

*Custodial Credit Risk*

For deposits this 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. As of December 31, 2007, \$13,421,501 of the County's bank balance of \$13,471,276 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, 2007, \$8,482,738 of the Washington County Solid Waste Special Service District bank balance of \$8,790,448 and none of Ash Creek Special Service District bank balance of \$95,797 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The County Treasurer by statute is also the treasurer of the Southwest Utah Public Health Department (Health Department), which is a discretely presented component unit of the County. The Health department'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 Money Management Act defines the types of securities authorized as appropriate investment for the County and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**NOTE 4. Deposits and Investments (Continued)**

Statutes authorize the 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, one of which must be Moody’s Investor Services or Standard & Poor’s, bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; 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 Act; and the Utah State Public Treasurer’s Investment Fund

The Utah State Treasurer’s Office operates the Public Treasurer’s Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended.

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 gain or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses – net of administration fees, of the PTIF 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.

As of December 31, 2007 the County had the following investments and maturities:

Investment Type	Fair Value	Investments Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Local Government Pooled Investment Fund	\$ 35,203,445	\$ 35,203,445	\$ -	\$ -	\$ -

**Interest rate risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The 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 Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**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. The County's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act.

At December 31, 2007 the County had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Local Government Pooled Investment Fund	\$ 35,203,445	\$ -	\$ -	\$ -	\$ 35,203,445
<b>Total Fair Value</b>	<b>\$ 35,203,445</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,203,445</b>

Significant investments of discretely presented **component units** are all 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
Ash Creek Special Service District	\$ 7,197,866	Unrated
Wash. County Solid Waste Special Svc. Dist. No. 1	\$ 6,350,294	Unrated

**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, 2007. These monies were distributed to the various County funds in January 2008 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 2007, the County's combined tax rate for assessing and collecting was .000421. 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, 2007.

**Notes receivable** that are shown on the Statement of Net Assets include \$5,528,400 receivable from St. George City for payments due on the Convention Center, Convention Center Land and the Museum subleases. See Note 9 also.



**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**NOTE 6. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of December 31, 2007, is as follows:

	<u>Due from Other Funds reported in:</u>		
	General Fund	Grants Fund	Total
<b>Due to Other Funds reported in:</b>			
Assessing & Collecting	\$ 840,067	\$ -	\$ 840,067
Nonmajor Special Revenue Funds:			
Council on Aging Fund	-	5,750	5,750
Grants Fund	31,420	-	31,420
Total Interfund Balances	<u>\$ 871,487</u>	<u>\$ 5,750</u>	<u>\$ 877,237</u>

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, 2007 are shown in the following table:

	<u>Transfers out reported in:</u>			Total
	General Fund	Recreation Fund	Assessing and Collecting	
<b>Transfers in reported in:</b>				
Debt Service Fund	\$ 646,200	\$ -	\$ -	\$ 646,200
Capital Projects Fund	-	-	788,246	788,246
Nonmajor Special Revenue Funds:				
Travel Board Fund	-	175,000	-	175,000
Council on Aging Fund	463,000	-	-	463,000
Grants Fund	36,519	-	-	36,519
Total Transfers	<u>\$ 1,145,719</u>	<u>\$ 175,000</u>	<u>\$ 788,246</u>	<u>\$2,108,965</u>

**NOTE 7. Due to Taxing Districts**

Due to taxing districts shown in the combined statement of fiduciary net assets 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, 2007. These monies were distributed in January of 2008 and thereafter.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**NOTE 8. Capital Assets**

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

\*\* See footnote 18 regarding beginning balance adjustment.

<b>Governmental Activities:</b>	<b>** Balance</b>			<b>Balance</b>
	<b>12/31/2006</b>	<b>Additions</b>	<b>Deletions</b>	<b>12/31/2007</b>
Capital assets, not being depreciated:				
Land	\$ 3,357,444	\$ 1,015,290	\$ -	\$ 4,372,734
Construction in progress	10,022,969	7,697,202	(17,312,504)	407,668
Total capital assets, not being depreciated:	<u>13,380,413</u>	<u>8,712,492</u>	<u>(17,312,504)</u>	<u>4,780,402</u>
Capital assets, being depreciated:				
Buildings and improvements	36,254,938	7,026,677	-	43,281,615
Convention Center	12,344,835	-	-	12,344,835
Regional Park	4,271,958	41,552	-	4,313,510
Museum	2,279,863	-	-	2,279,863
Autos and trucks	4,221,783	743,782	(554,519)	4,411,046
Equipment	12,064,537	977,768	(5,954,261)	7,088,044
Furniture and fixtures	680,286	112,928	(202,008)	591,206
Bridges, Towers, Trails	3,920,875	691,372	(211,000)	4,401,247
Streets and sidewalks	26,473,463	-	-	26,473,463
Total capital assets, being depreciated:	<u>102,512,538</u>	<u>9,594,079</u>	<u>(6,921,788)</u>	<u>105,184,829</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,449,576)	(1,223,374)	-	(6,672,950)
Convention Center	(3,191,719)	(316,535)	-	(3,508,254)
Regional Park	(1,082,371)	(120,180)	-	(1,202,551)
Museum	(585,244)	(58,457)	-	(643,701)
Autos and trucks	(2,553,869)	(633,281)	510,207	(2,676,943)
Equipment	(8,748,893)	(815,356)	5,823,852	(3,740,397)
Furniture and fixtures	(346,137)	(65,900)	202,008	(210,029)
Bridges, Towers, Trails	(2,321,292)	(117,557)	211,000	(2,227,849)
Streets and sidewalks	(22,420,609)	(1,323,673)	-	(23,744,282)
Total accumulated depreciation	<u>(46,699,710)</u>	<u>(4,674,313)</u>	<u>6,747,067</u>	<u>(44,626,956)</u>
Total capital assets, being depreciated, net	<u>55,812,828</u>	<u>4,919,766</u>	<u>(174,721)</u>	<u>60,557,873</u>
Governmental activities capital assets, net	<u>\$ 69,193,241</u>	<u>\$ 13,632,258</u>	<u>\$ (17,487,225)</u>	<u>\$ 65,338,275</u>

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

<b>Governmental Activities:</b>	
General government	\$ 874,482
Public safety	967,897
Judicial	9,626
Public works	1,789,763
Health and sanitation	216,847
Conservation and economic development	233,499
Other	582,199
Total depreciation expense - governmental activities	<u>\$ 4,674,313</u>

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

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**NOTE 9. Long-Term Debt**

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The following is a summary of changes in long-term debt for the year ended December 31, 2007.

\*\* See footnote 18 regarding beginning balance adjustment.

<b>Governmental activities:</b>	** Balance			Balance	Current
<b>General Obligation:</b>	12/31/2006	Additions	Retirements	12/31/2007	Portion
Refunding G.O. bonds	\$ 7,025,000	\$ -	\$ 550,000	\$ 6,475,000	\$ 565,000
Less deferred amounts					
on refunding	(519,231)	-	(51,923)	(467,308)	-
Library G.O. bonds	7,475,000	-	295,000	7,180,000	305,000
Series 2002 G.O. bonds	8,355,000	-	390,000	7,965,000	400,000
Series 2007 G.O. bonds	-	5,045,000	-	5,045,000	90,000
Capital leases (Convention)	17,140,000	-	680,000	16,460,000	745,000
Capital leases (Museum)	612,000	-	35,000	577,000	35,000
Capital leases (Land)	3,049,000	-	196,000	2,853,000	202,000
Accrued Compensated Absences	1,168,871	339,099	269,796	1,238,174	261,000
	<u>44,305,640</u>	<u>5,384,099</u>	<u>2,363,873</u>	<u>47,325,866</u>	<u>2,603,000</u>
<b>Total General Obligation</b>					
<b>Revenue Obligation:</b>					
Sales tax revenue bonds, series 2006	8,380,000	-	185,000	8,195,000	115,000
MBA Lease revenue bonds, series 2006	865,000	-	20,000	845,000	20,000
Lease revenue bonds	1,600,000	-	100,000	1,500,000	105,000
	<u>10,845,000</u>	<u>-</u>	<u>305,000</u>	<u>10,540,000</u>	<u>240,000</u>
<b>Total Revenue Obligation</b>					
<b>Special Assessment Debt with Government Commitment:</b>					
SID No. 2002-1 - Diamond Valley	171,000	-	130,000	41,000	23,000
SID No. 2004-1 - Dixie Springs	9,056,000	-	928,000	8,128,000	802,000
	<u>9,227,000</u>	<u>-</u>	<u>1,058,000</u>	<u>8,169,000</u>	<u>825,000</u>
<b>Total Special Assessment</b>					
<b>Total Governmental activity long-term liabilities</b>	<u>\$ 64,377,640</u>	<u>\$ 5,384,099</u>	<u>\$ 3,726,873</u>	<u>\$ 66,034,866</u>	<u>\$ 3,668,000</u>

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**NOTE 9. Long-Term Debt (Continued)**

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

Period Ending December 31	Principal	Interest	Total
2008	\$ 2,425,000	\$ 2,250,697	\$ 4,675,697
2009	2,620,000	2,045,638	4,665,638
2010	2,759,000	1,927,183	4,686,183
2011	2,882,000	1,796,230	4,678,230
2012	3,044,000	1,657,320	4,701,320
2013-2017	14,605,000	5,870,218	20,475,218
2018-2022	8,732,000	3,013,903	11,745,903
2023-2027	4,279,000	1,282,443	5,561,443
2028-2032	2,055,000	691,812	2,746,812
2033-2037	1,973,000	216,327	2,189,327
	<u>\$ 45,374,000</u>	<u>\$ 20,751,771</u>	<u>\$ 66,125,771</u>

The County issued \$7,330,000 of general obligation refunding bonds in 2004 to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of the Public Safety G.O. Bonds. As a result, \$6,655,000 of the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$675,000. This amount is being netted against the new debt and amortized over the remaining life of the new debt, which is the same life as the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 13 years by \$386,069 and resulted in an economic gain of \$299,354.

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

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**NOTE 9. Long-Term Debt (Continued)**

Bonds payable at December 31, 2007, consist of the following:

**General Obligation:**

Refunding G. O. Bonds Series 2004 for the purpose of refunding Public Safety Bonds, Series 1997, payable in amounts ranging from \$327,570 to \$798,800 including interest ranging from 2% to 5%, maturing December 1, 2017. \$ 6,475,000

G. O. Bonds Series 2003 for the purpose of constructing and/or remodeling libraries within the County, payable in amounts ranging from \$355,000 to \$715,000 plus interest ranging from 2% to 5%, maturing October 1, 2022. 7,965,000

G. O. Bonds Series 2004B for the purpose of constructing and/or remodeling libraries and the Senior Center within the County, payable in amounts ranging from \$619,750 to \$624,750 including interest ranging from 3% to 5%, maturing October 1, 2024. 7,180,000

G. O. Bonds Series 2007 for the purpose of paying for civic improvements including remodeling, constructing and expanding libraries, payable in amounts ranging from \$90,000 to \$385,000 including interest ranging from 4% to 4.25%, maturing April 1, 2026. 5,045,000

**Special Assessment:**

Dixie Springs SID No. 2004-1 Special Assessment Bonds, Series 2005, payable in annual installments ranging from \$1,404,268 to \$1,405,185 including interest at 7.25%, maturing June 1, 2015. 8,128,000

Diamond Valley SID No. 2002-1 Special Assessment Bonds, Series 2003, payable in annual installments ranging from \$28,218 to \$29,731 including interest ranging from 2.0% to 4.5%, maturing May 1, 2013. 41,000

**Revenue Obligation:**

Sales Tax Revenue Bonds, Series 2006, for the purpose of paying costs of building acquisitions and improvements, payable in amounts ranging from \$115,000 to \$485,000 plus interest ranging from 4% to 4.5%, maturing September 1, 2036. 8,195,000

MBA Lease Revenue Bonds, Series 2006B, for \$865,000 for the expansion of the Hurricane Senior Center, payable in amounts ranging from \$20,000 to \$39,000 plus interest at 2.5%, maturing January 1, 2037. 845,000

Lease Revenue Bonds, Series 1998, for the purpose of paying costs of building acquisitions and improvements, payable in amounts ranging from \$45,000 to \$75,000 plus interest ranging from 4% to 5.2%, maturing June 15, 2018. 1,500,000

Total Bonds Payable \$45,374,000

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**NOTE 9. Long-Term Debt (Continued)**

**Capital Leases (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; however, the lease term has been continued, and may be continued, solely at the option of the County, beyond the first “renewal term” and for 24 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 \$20,290,000 Lease Revenue Bonds.

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 Agency will receive from the City sublease payments totaling \$10,179,096 over the 25 year period with annual payments ranging from \$304,057 to \$578,188.

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. The lease is considered a capital lease based on GASB's *Codification*, Section L20.119-122 and FASB's Statement 13. The following is an annual schedule of future minimum lease payments and St. George City’s sublease payments:

Fiscal Period Ending December 31	St. George City Share	County Share	County Regional Park	Total
2008	493,668	-	655,653	1,149,321
2009	456,078	-	627,934	1,084,012
2010	467,052	-	678,184	1,145,236
2011	203,608	-	781,592	985,200
2012	214,301	753,299	-	967,600
2013-2017	1,243,729	4,545,660	-	5,789,389
2018-2022	1,919,348	6,106,328	-	8,025,676
Total remaining minimum lease payments	4,997,784	11,405,287	2,743,363	19,146,434
Less amount representing interest	772,784	1,195,287	718,363	2,686,434
Present value of net remaining minimum lease payments	<u>\$ 4,225,000</u>	<u>\$ 10,210,000</u>	<u>\$ 2,025,000</u>	<u>\$ 16,460,000</u>

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**NOTE 9. Long-Term Debt (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 has been continued, and may be continued, solely at the option of the County, beyond the first “renewal term” and for 19 consecutive additional renewal terms thereafter each of one year in duration (except that the final renewal term shall commence January 1, 2020 and end on December 31, 2020). The County pays base rentals which correspond with the debt service on the Agency’s \$2,968,000 Series 2000A&B and \$800,000 Series 2000C Lease Revenue Bonds. However, during 2004, the Agency received a prepayment on the lease from the Rosenbruch Foundation which was used to pay off the Series 2000A&B Bonds in full. Thus, the County’s remaining lease payments will correspond to the remaining balance of the Series 2000C Bond.

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 will receive from the City sublease payments totaling \$2,516,582 over the 20 year period with annual payments ranging from \$55,140 to \$56,970. However, due to the Series 2000A&B Bond payoff mentioned above, the payments remaining on the City sub-lease will be limited to the portion applicable to the Series 2000C Bond.

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. The lease is considered a capital lease based on GASB’s *Codification*, Section L20.119-122 and FASB’s Statement 13. The following is an annual schedule of future minimum lease payments and St. George City’s sublease payments:

Fiscal Period	St. George	County	Total
Ending December 31	City Share	Share	
2008	20,974	34,221	55,195
2009	21,649	35,321	56,970
2010	21,143	34,497	55,640
2011	21,398	34,912	56,310
2012	21,246	34,664	55,910
2013-2017	106,718	174,117	280,835
2018-2020	63,483	103,577	167,060
Total remaining minimum lease payments	276,611	451,309	727,920
Less amount representing interest	57,351	93,569	150,920
Present value of net remaining minimum lease payments	\$ 219,260	\$ 357,740	\$ 577,000

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**NOTE 9. Long-Term Debt (Continued)**

**Convention Center Land:**

The Washington County/St. George City Interlocal Agency (the Agency) and Washington County entered into a direct financing lease agreement, dated April 30, 2004, for the lease of approximately 8.9 acres of land adjacent to the Convention Center. The lease term commenced on the date of delivery of the Series 2003 Bonds and ended December 1, 2004; however, the lease term has been continued, and may be continued, solely at the option of the County, beyond the first "renewal term" and for 20 consecutive additional renewal terms thereafter each of one year in duration (except that the final renewal term shall commence January 1, 2023 and end on December 31, 2023). The County pays base rentals which correspond with the debt service on the Agency's \$3,049,000 Lease Revenue Bonds.

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 land and facilities. The Agency will receive from the City sublease payments over the 20 year period with annual payments of approximately \$117,500.

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. The lease is considered a capital lease based on GASB's *Codification*, Section L20.119-122 and FASB's Statement 13. The following is an annual schedule of future minimum lease payments and St. George City's sublease payments:

Fiscal Period Ending December 31	St. George City Share	County Share	Total
2008	117,741	192,103	309,844
2009	117,714	192,060	309,774
2010	117,776	192,162	309,938
2011	117,898	192,360	310,258
2012	117,668	191,984	309,652
2013-2017	588,903	960,839	1,549,742
2018-2020	173,368	282,862	456,230
Total remaining minimum lease payments	1,351,068	2,204,370	3,555,438
Less amount representing interest	266,928	435,510	702,438
Present value of net remaining minimum lease payments	<u>\$ 1,084,140</u>	<u>\$ 1,768,860</u>	<u>\$ 2,853,000</u>



**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**NOTE 9. Long-Term Debt (Continued)**

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 nonappropriation. However, Jim and MaryAnn Rosenbruch, as individuals, have executed a guaranty agreement whereby they guarantee payment of all museum sub-lease payments.

**NOTE 10. Reserved and Designated Fund Equity**

Reservations and designations are used to indicate that a portion of the fund balance is not available for appropriation or expenditure, or is legally segregated for a specific future use. At December 31, 2007, the County's reserved and designated fund equity balances are as follows:

<b>General Fund:</b>	
Reserved for B & C Road Funds	<u>\$ 606,597</u>
Designated for Capital Projects	<u>\$ 3,800,000</u>
Designated for Subsequent Year	<u>\$ 301,800</u>
<b>Special Revenue Fund:</b>	
Library	\$ 25,000
Habitat Conservation Plan	5,363,951
Council on Aging	160,929
Travel Board/Transient Room Tax	1,655,030
Recreation/Restaurant Tax	722,384
Flood Damage	1,296,324
Miscellaneous Grants	<u>57,527</u>
	<u>\$ 9,281,145</u>
<b>Debt Service Fund:</b>	
Debt Service Reserve/Lease Revenue Bond	\$ 260,546
General Obligation Bond	1,697,293
Special Assessment Bonds	<u>3,534,883</u>
	<u>\$ 5,492,722</u>
Public Safety Bond (designated)	\$ 921,143
Lease Revenue Bond (designated)	<u>82,232</u>
	<u>\$ 1,003,375</u>
<b>Capital Projects Fund:</b>	
Bond Construction Funds	<u>\$ 5,642,740</u>

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**NOTE 11. Defined Benefit Pension Plan**

**Plan Description**

Washington County contributes to the Local Governmental Noncontributory retirement System, Public Safety Retirement System for employers with (without) Social Security coverage, all of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah state Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 800-365-8772.

**Funding Policy**

In the Local Governmental Noncontributory Retirement System the County is required to contribute 11.59% to 11.62% of their annual covered salary. In the Public Safety Retirement System for employers in division A, members are required to contribute 12.29% of their salary (all or part may be paid by the employer for the employee) and the County is required to contribute 11.01% to 11.22% of their annual salary and 22.38% to 22.61% of their annual covered salary for members in the noncontributory division. The contribution rates are the actuarially determined rates. The contribution requirements of the systems are authorized by statute and specified by the Board.

The required contributions and amounts received for the 2007 fiscal year and the two previous years are as follows:

<u>System</u>	<u>Year Ended December 31</u>	<u>Employee paid Contributions</u>	<u>Employer paid for employee Contributions</u>	<u>Employer Contributions</u>	<u>Salary subject to retirement Contributions</u>
Contributory System:	2007	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Local Governmental Division	2006	0.00	0.00	0.00	0.00
	2005	0.00	0.00	0.00	0.00
Noncontributory System	2007	N/A	N/A	\$1,180,107	\$ 10,168,714
Local Governmental Division	2006	N/A	N/A	1,057,375	9,318,308
	2005	N/A	N/A	906,990	8,178,443
Public Safety System:	2007	\$ 0.00	\$42,388	\$ 38,270	\$344,898
Other Division A Contributory	2006	0.00	48,054	37,190	390,998
	2005	0.00	52,831	33,657	429,865

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**NOTE 11. Defined Benefit Pension Plan (Continued)**

Required contributions and amounts received for the 2007 fiscal year and the two previous years (continued):

<u>System</u>	<u>Year Ended December 31</u>	<u>Employee paid Contributions</u>	<u>Employer paid for employee Contributions</u>	<u>Employer Contributions</u>	<u>Salary subject to retirement Contributions</u>
Other Division A Noncontributory	2007	N/A	N/A	\$1,113,409	\$4,949,235
	2006	N/A	N/A	978,603	4,690,162
	2005	N/A	N/A	850,647	4,424,329
Defined Contribution System:					
457 Plan	2007	\$ 84,459	\$ 0.00	N/A	N/A
	2006	54,905	0.00	N/A	N/A
	2005	76,404	0.00	N/A	N/A
401(k) Plan	2007	\$473,878	\$223,708	N/A	N/A
	2006	398,320	238,491	N/A	N/A
	2005	347,505	225,846	N/A	N/A
IRA Plans	2007	\$14,462	\$ 0.00	N/A	N/A
	2006	7,255	0.00	N/A	N/A
	2005	90	0.00	N/A	N/A

The contributions were equal to the required contributions for each year.

The Southwest Utah District Health Department, 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.

**Health Department**

<u>System</u>	<u>Year</u>	<u>Employee paid Contributions</u>	<u>Employer paid for employee Contributions</u>	<u>Employer Contributions</u>	<u>Salary subject to retirement Contributions</u>
Local Governmental - Contributory	2007	N/A	N/A	\$ 16,147	
	2006	N/A	N/A	18,453	
	2005	N/A	N/A	16,879	
Local Governmental- Noncontributory	2007	N/A	N/A	\$ 277,203	
	2006	N/A	N/A	339,525	
	2005	N/A	N/A	281,512	
401(k) Contributions	2007	\$ 106,809	\$ 91,180	N/A	
	2006	100,775	59,497	N/A	
	2005	76,274	56,604	N/A	

The contributions were equal to the required contributions for each year.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

**NOTE 11. Defined Benefit Pension Plan (Continued)**

**Solid Waste District**

<u>System</u>	<u>Year</u>	<u>Employee paid Contributions</u>	<u>Employer paid for employee Contributions</u>	<u>Employer Contributions</u>	<u>Salary subject to retirement Contributions</u>
Local Governmental - Contributory	2007	0	0	0	0
	2006	0	0	0	0
	2005	0	0	0	0
Local Governmental- Noncontributory	2006	N/A	N/A	\$ 30,936	\$ 271,869
	2005	N/A	N/A	23,159	208,835
	2004	N/A	N/A	18,858	182,025
457 Contributions	2006	16,065	0	N/A	
	2005	13,000	0	N/A	
	2004	12,220	0	N/A	
401(k) Contributions	2006	10,114	4,407	N/A	
	2005	7,267	3,989	N/A	
	2004	7,150	4,805	N/A	

The contributions were equal to the required contributions for each year.

**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.

**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.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

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**NOTE 13. Commitments and Contracts (Continued)**

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**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. The Agency will receive from the City sublease payments totaling \$10,179,096 over the 25 year period with annual payments ranging from \$304,057 to \$578,188 except for the portion of the Museum sublease which was paid in full by the Rosenbruch Foundation in 2003.

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**NOTE 14. Contingencies**

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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 affect on the County's financial condition.

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**NOTE 15. Component Unit Disclosures**

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

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**NOTE 16. Conduit Debt Obligations**

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To provide for the purchase and improvements to an existing building for the Southwest Utah Public Health Department (a component unit of the County), the Municipal Building Authority of Washington County, Utah issued \$3,500,000 Lease Revenue Bonds Series, 2006A. The County leases the property from the Authority and subleases the property to the Southwest Utah Public Health Department.

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.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2007**

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**NOTE 16. Conduit Debt Obligations (Continued)**

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The lease payments coincide with the debt service payments on both of 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, 2007, the principal amount outstanding on the bonds was \$3,500,000 and \$289,000.

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**NOTE 17. Subsequent Events - Contingencies and Commitments**

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As of December 31, 2007, the County had drawn down \$17,385,094 of a total of \$25,000,000 in available State loan funds and \$34,307,930 of a total of \$66,000,000 in available U.S. Department of Agriculture grant funds for the river bank improvement project. See page 67 for a budget-to-actual statement for the Flood Damage fund. \$5,190,618 of the State loan funds have been passed on to other local governments. The County has entered into various contracts to complete additional river bank improvements that will continue into 2008. On April 24, 2007, the County paid back \$11,410,947 of the State loan funds. State H.B. 176 effectively forgives the remaining balance; however, it is not certain to what extent, if any, the remaining State loan funds will be required to be paid back to the State and thus, they have not been recorded as a liability in these financial statements.

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**NOTE 18. Capital Asset and Long-Term Debt Beginning Balance Adjustment**

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During the year various changes were made to the County's detail listing of capital assets which reclassified equipment and vehicles to the proper line items. Thus, the beginning balances for these line items and the associated accumulated depreciation agree in total but not by line item.

As discussed in note 9, the County entered into a lease agreement in April of 2004 with WCIA for the purchase of land adjacent to the Convention Center. The County inadvertently omitted the land, debt and associated receivable from St. George City from the financial statements the first year of its implementation of GASB 34 reporting requirements. The beginning balance of capital assets is increased by \$1,671,581, the beginning balance of Long-Term Debt is increased by \$3,048,999 and the note receivable from St. George City reported on the government-wide statement of net assets is increased by \$1,377,418.

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## REQUIRED SUPPLEMENTARY INFORMATION

### BUDGETARY COMPARISON SCHEDULES

#### 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 **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 functions of assessing, collecting, and distributing property taxes.
- The **Habitat Conservation Plan fund** is used to account for revenue sources that are legally restricted to expenditure for habitat conservation and capital improvements.



**WASHINGTON COUNTY**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual Amounts	Variance Favorable
	Original	Final		(Unfavorable)
<b>REVENUES:</b>				
<b>Taxes:</b>				
Current Property Taxes	\$5,640,000	\$5,640,000	\$4,700,254	(\$939,746)
Fee in lieu Taxes	800,000	800,000	889,288	89,288
Prior Years Delinquent Taxes	400,000	400,000	1,029,738	629,738
County Sales & Use Taxes	6,441,000	6,241,000	6,135,966	(105,034)
Penalties & Interest	375,000	375,000	242,609	(132,391)
Total Taxes	<u>13,656,000</u>	<u>\$13,456,000</u>	<u>12,997,855</u>	<u>(458,145)</u>
<b>Licenses, Permits:</b>				
Marriage licenses	30,000	30,000	24,180	(5,820)
<b>Intergovernmental:</b>				
Class "B" Roads	1,200,000	1,200,000	1,323,477	123,477
Forest Reserve	73,000	73,000	72,228	(772)
Prison Reimbursement	2,990,000	3,390,000	3,259,944	(130,056)
FHWA Reimbursement	760,000	760,000	604,955	(155,045)
Miscellaneous Reimbursements	-	200,000	157,253	(42,747)
Bailiff/Security Reimbursement	475,000	627,000	593,955	(33,045)
Total Intergovernmental	<u>5,498,000</u>	<u>6,250,000</u>	<u>6,011,812</u>	<u>(238,188)</u>
<b>Charges for Services:</b>				
Clerk's Fees	80,000	80,000	80,997	997
Data Processing Fees	80,000	80,000	76,685	(3,315)
Jail Commissary, Phone and Medical	490,000	490,000	492,522	2,522
State Medical Reimbursements	100,000	100,000	102,943	2,943
Prisoner Industry and Other	322,000	322,000	246,824	(75,176)
Fuel Revenue - Other Departments	21,000	21,000	23,736	2,736
Total Charges for Services	<u>1,093,000</u>	<u>1,093,000</u>	<u>1,023,707</u>	<u>(69,293)</u>
<b>Fines and Forfeitures:</b>				
Court and Precinct Fines	1,476,200	1,492,200	1,389,721	(102,479)
Total Fines and Forfeitures	<u>1,476,200</u>	<u>1,492,200</u>	<u>1,389,721</u>	<u>(102,479)</u>
<b>Other Revenues:</b>				
Interest Revenue	100,000	100,000	392,698	292,698
Rent-Property	377,000	477,000	376,483	(100,517)
Sale of Property, Material & Supplies	160,000	160,000	174,852	14,852
Noxious Weed Revenue	-	-	168	168
Vending Revenue	500	500	223	(277)
Xerox Revenue	3,500	3,500	12,609	9,109
Other	163,000	182,000	181,357	(643)
Total Other Revenues	<u>804,000</u>	<u>923,000</u>	<u>1,138,390</u>	<u>215,390</u>
<b>TOTAL REVENUES</b>	<u>\$ 22,557,200</u>	<u>\$23,244,200</u>	<u>\$ 22,585,665</u>	<u>\$ (658,535)</u>

(continued)

**WASHINGTON COUNTY**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Continued)**  
**For the Year Ended December 31, 2007**

<b>EXPENDITURES:</b>	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
<b>Commission:</b>				
Salaries	\$ 325,300	\$ 248,300	\$ 264,591	(16,291)
Employee Benefits	129,000	139,000	147,649	(8,649)
Services, Supplies and Other	62,500	72,500	79,579	(7,079)
Capital Outlay	6,000	6,000	4,820	1,180
	522,800	465,800	496,639	(30,839)
<b>Human Resource:</b>				
Salaries	141,700	141,700	147,040	(5,340)
Employee Benefits	68,000	68,000	68,607	(607)
Services, Supplies and Other	41,900	41,900	46,363	(4,463)
Capital Outlay	3,000	3,000	1,117	1,883
	254,600	254,600	263,127	(8,527)
<b>Info Tech Services:</b>				
Salaries	2,500	2,500	2,709	(209)
Employee Benefits	160,000	160,000	169,557	(9,557)
Services, Supplies and Other	208,600	208,600	206,467	2,133
Capital Outlay	56,000	56,000	65,220	(9,220)
	427,100	427,100	443,953	(16,853)
<b>Clerk/Auditor:</b>				
Salaries	145,900	145,900	138,574	7,326
Employee Benefits	176,900	176,900	181,927	(5,027)
Services, Supplies and Other	71,500	71,500	71,399	101
Capital Outlay	8,400	8,400	3,700	4,700
	402,700	402,700	395,600	7,100
<b>Attorney:</b>				
Salaries	1,050,000	1,050,000	961,699	88,301
Employee Benefits	550,000	550,000	563,684	(13,684)
Services, Supplies and Other	188,300	188,300	178,953	9,347
Capital Outlay	25,100	25,100	24,410	690
	1,813,400	1,813,400	1,728,746	84,654
<b>Non-Departmental:</b>				
Services, Supplies and Other	35,000	35,000	27,583	7,418
Insurance - Buildings and Vehicles	240,000	240,000	200,118	39,882
	275,000	275,000	227,701	47,299
<b>Elections:</b>				
Services, Supplies and Other	79,000	199,000	77,644	121,356
Capital Outlay	6,000	6,000	1,293	4,707
	85,000	205,000	78,937	126,063
Total General Government	3,780,600	3,843,600	3,634,703	208,897

(continued)

**WASHINGTON COUNTY**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Continued)**  
**For the Year Ended December 31, 2007**

<b>EXPENDITURES (Continued):</b>	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<b>JUDICIAL</b>				
<b>Justice of the Peace:</b>				
Salaries	638,900	638,900	650,199	(11,299)
Employee Benefits	270,000	270,000	284,711	(14,711)
Services and Supplies	63,000	63,000	61,201	1,799
Capital Outlay	10,100	10,100	10,131	(31)
	982,000	982,000	1,006,242	(24,242)
<b>Public Defender:</b>				
Services, Supplies and Other	565,000	606,800	586,667	20,133
Total Judicial	1,547,000	1,588,800	1,592,909	(4,109)
<b>PUBLIC SAFETY</b>				
<b>Public Safety/County Jail:</b>				
Salaries	7,593,000	7,593,000	7,412,136	180,864
Employee Benefits	3,537,400	3,537,400	3,672,226	(134,826)
Services, Supplies and Other	1,101,300	1,101,300	1,492,938	(391,638)
Capital Outlay	604,000	604,000	585,726	18,274
	12,835,700	12,835,700	13,163,026	(327,326)
Total Public Safety	12,835,700	12,835,700	13,163,026	(327,326)
<b>PUBLIC WORKS</b>				
<b>Maintenance:</b>				
Motor Pool	7,000	7,000	1,926	5,074
County Buildings Maintenance	247,700	247,700	193,926	53,774
	254,700	254,700	195,852	53,774
<b>Weed Control:</b>				
Salaries	55,000	55,000	48,404	6,596
Employee Benefits	25,000	25,000	24,364	636
Services, Supplies and Other	31,500	31,500	29,373	2,127
Capital Outlay	10,000	10,000	11,928	(1,928)
	121,500	121,500	114,068	7,432
<b>B&amp;C Roads:</b>				
Salaries	552,000	552,000	532,602	19,398
Employee Benefits	232,500	232,500	241,290	(8,790)
Services, Supplies and Other	1,196,500	1,196,500	962,323	234,177
Capital Outlay	188,000	188,000	181,459	6,541
	2,169,000	2,169,000	1,917,673	251,327
Total Public Works	2,545,200	2,545,200	2,227,593	312,534

(continued)

**WASHINGTON COUNTY**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Continued)**  
**For the Year Ended December 31, 2007**

<b>EXPENDITURES (Continued):</b>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>PUBLIC HEALTH</b>				
<b>Health Services:</b>				
Services, Supplies and Other	963,000	993,000	1,010,879	(17,879)
Total Public Health	<u>963,000</u>	<u>993,000</u>	<u>1,010,879</u>	<u>(17,879)</u>
<b>CONSERVATION &amp; DEVELOPMENT</b>				
<b>Agricultural Extension Service:</b>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Services, Supplies and Other	159,700	159,700	149,310	10,390
Capital Outlay	5,800	5,800	3,237	2,563
	<u>165,500</u>	<u>165,500</u>	<u>152,547</u>	<u>12,953</u>
<b>Contribution to Economic Development Fund:</b>				
Services, Supplies and Other	25,000	25,000	25,000	-
Total Conservation & Development	<u>190,500</u>	<u>190,500</u>	<u>177,547</u>	<u>12,953</u>
<b>MISCELLANEOUS</b>				
Services, Supplies and Other	981,510	981,510	87,199	894,311
<b>MATCHING FUNDS &amp; CONTRIBUTIONS</b>				
Contributions	38,000	38,000	17,722	20,278
<b>TOTAL EXPENDITURES</b>	<u>22,881,510</u>	<u>23,016,310</u>	<u>21,911,580</u>	<u>1,099,656</u>
Excess of Revenues Over Expenditures	<u>(324,310)</u>	<u>227,890</u>	<u>674,085</u>	<u>441,121</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to Debt Service Fund	(646,200)	(646,200)	(682,719)	(36,519)
Transfer to Special Revenue Funds	(463,000)	(463,000)	(463,000)	-
Total Other Financing Sources (Uses):	<u>(1,109,200)</u>	<u>(1,109,200)</u>	<u>(1,145,719)</u>	<u>(36,519)</u>
<b>Net Change in Fund Balance</b>	(1,433,510)	(881,310)	(471,634)	404,602
Fund Balance, Beginning of Year	6,654,929	6,654,929	6,654,929	-
Fund Balance, End of Year	<u>\$ 5,221,419</u>	<u>\$ 5,773,619</u>	<u>\$ 6,183,295</u>	<u>\$ 404,602</u>

**WASHINGTON COUNTY**  
**Assessing and Collecting Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Assessing & Collecting Tax	\$ 5,288,000	\$ 5,303,000	\$ 5,027,329	\$ (275,671)
Penalties & Interest	5,000	5,000	19,367	14,367
Total Taxes	<u>5,293,000</u>	<u>5,308,000</u>	<u>5,046,696</u>	<u>(261,304)</u>
Recorder's Fees	1,110,000	1,110,000	1,008,044	(101,956)
Copy Revenue	(70,500)	75,000	58,465	(16,535)
Other	-	500	177	(323)
Total Revenues	<u>6,332,500</u>	<u>6,493,500</u>	<u>6,113,382</u>	<u>(380,118)</u>
<b>EXPENDITURES:</b>				
Commission	74,000	74,000	74,000	-
Human Resources	43,000	43,000	43,000	-
Info Tech Services	451,500	451,500	451,500	-
Clerk Auditor	310,000	310,000	310,000	-
Treasurer:				
Salaries	164,200	234,200	232,512	1,688
Employee Benefits	93,400	93,400	94,704	(1,304)
Services, Supplies and Other	52,800	52,800	57,516	(4,716)
Capital Outlay	8,000	8,000	4,412	3,588
Total Treasurer	<u>318,400</u>	<u>388,400</u>	<u>389,144</u>	<u>(744)</u>
Recorder:				
Salaries	562,000	562,000	520,358	41,642
Employee Benefits	215,000	215,000	222,936	(7,936)
Services, Supplies and Other	47,700	47,700	51,918	(4,218)
Capital Outlay	9,000	9,000	16,811	(7,811)
Total Recorder	<u>833,700</u>	<u>833,700</u>	<u>812,023</u>	<u>21,677</u>
Attorney	453,000	453,000	453,000	-
Assessor:				
Salaries	1,408,000	1,408,000	1,385,655	22,345
Employee Benefits	530,500	530,500	575,258	(44,758)
Services, Supplies and Other	401,300	401,300	395,556	5,744
Capital Outlay	176,000	176,000	99,500	76,500
Total Assessor	<u>2,515,800</u>	<u>2,515,800</u>	<u>2,455,969</u>	<u>59,831</u>
Administration Building	247,600	247,600	247,600	-
Miscellaneous Contingent	135,500	226,500	78,200	148,300
Total Expenditures	<u>5,382,500</u>	<u>5,543,500</u>	<u>5,314,436</u>	<u>229,064</u>
Excess of Revenues Over (Under) Expenditures	950,000	950,000	798,946	(151,054)
<b>Other Financing Sources (Uses):</b>				
Transfers:				
To Capital Projects Fund	(950,000)	(950,000)	(788,246)	161,754
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>10,700</u>	<u>10,700</u>
Fund Balance, Beginning of Year	(151,929)	(151,929)	(151,929)	-
Fund Balance, End of Year	<u>\$ (151,929)</u>	<u>\$ (151,929)</u>	<u>\$ (141,229)</u>	<u>\$ 10,700</u>

**WASHINGTON COUNTY**  
**Habitat Conservation Plan Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental - HCP Fees	\$ 1,200,000	\$ 1,200,000	\$ 1,243,764	\$ 43,764
Other Revenues:				
Interest Earnings	35,000	35,000	185,473	150,473
Other	11,000	24,500	39,749	15,249
Total Revenues	<u>1,246,000</u>	<u>1,259,500</u>	<u>1,468,986</u>	<u>209,486</u>
<b>EXPENDITURES:</b>				
Other Expenditures - HCP:				
Salaries	200,000	200,000	232,476	(32,476)
Employee Benefits	78,500	78,500	93,471	(14,971)
Services, Supplies and Other	715,000	1,089,950	713,242	376,708
Capital Outlay	252,500	252,500	3,660	248,840
Total Expenditures	<u>1,246,000</u>	<u>1,620,950</u>	<u>1,042,849</u>	<u>578,101</u>
<b>Net Change in Fund Balance</b>	-	(361,450)	426,137	787,587
Fund Balance, Beginning of Year	<u>4,937,814</u>	<u>4,937,814</u>	<u>4,937,814</u>	-
Fund Balance, End of Year	<u>\$ 4,937,814</u>	<u>\$ 4,576,364</u>	<u>\$ 5,363,951</u>	<u>\$ 787,587</u>

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## SUPPLEMENTARY INFORMATION

### MAJOR GOVERNMENTAL FUNDS

#### BUDGET-TO-ACTUAL

- **Debt Service funds** are 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.
- **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.

### NONMAJOR GOVERNMENTAL FUNDS

#### COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

##### Special Revenue Funds

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

- **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 and Fire Control Services.
- **Flood Damage fund** is used to account for revenue sources that are legally restricted to expenditure for flood damage and river bank improvements.
- **Library fund** is used to account for property taxes and other revenues used to provide and maintain the County libraries.
- **Council on Aging fund** is used to account for grants and other revenues used to provide senior nutrition and other senior citizen programs.
- **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.
- **Recreation fund** is used to account for fees collected and used for the acquisition and construction of recreation facilities within the County.
- **Miscellaneous Grants fund** is used to account for miscellaneous grants such as CDBG, VOCA, SCAAP, LLEBG, Drug Court, and Children's Justice Center.



**WASHINGTON COUNTY**  
**Debt Service Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Tax Revenues	\$ 2,134,600	\$ 2,134,600	\$ 2,164,810	\$ 30,210
Other Revenues:				
Assessment Revenues	32,200	2,032,200	2,058,818	26,618
Insurance Proceeds	-	-	970,893	970,893
Interest Income	-	20,000	167,339	147,339
Total Revenues	<u>2,166,800</u>	<u>4,186,800</u>	<u>5,361,860</u>	<u>1,175,060</u>
<b>EXPENDITURES:</b>				
Bank and Other Fees	4,000	4,000	22,474	(18,474)
Health and Sanitation	-	-	-	-
Capital Outlay	-	2,000,000	1,928,507	71,493
Debt Service:				
Principal, Public Safety Bond	550,000	550,000	550,000	-
Principal, Lease Revenue Bonds	-	-	100,000	(100,000)
Principal, Library Bonds	785,000	785,000	685,000	100,000
Principal, Special Assessment Bonds	-	2,150,000	1,058,000	1,092,000
Principal, MBA Lease Revenue Bonds	-	-	20,000	(20,000)
Principal, Sales Tax Revenue Bonds	-	282,000	185,000	97,000
Interest, Public Safety Bond	239,500	239,500	239,350	150
Interest, Lease Revenue Bonds	-	-	78,110	(78,110)
Interest, Library Bond	767,500	767,500	685,849	81,651
Interest, Special Assessment Bonds	-	-	663,745	(663,745)
Interest, MBA Lease Revenue Bonds	-	-	21,625	(21,625)
Interest, Sales Tax Revenue Bond	-	185,000	281,993	(96,993)
Total Expenditures	<u>2,346,000</u>	<u>6,963,000</u>	<u>6,519,653</u>	<u>443,347</u>
Excess of Revenues Over (Under) Expenditures	<u>(179,200)</u>	<u>(2,776,200)</u>	<u>(1,157,793)</u>	<u>1,618,407</u>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers:				
From General Fund	179,200	646,200	646,200	-
Bond Issue Costs	-	-	-	-
Debt Proceeds	-	-	-	-
Total Other Financing Sources (Uses):	<u>179,200</u>	<u>646,200</u>	<u>646,200</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	(2,130,000)	(511,593)	1,618,407
Fund Balance, Beginning of Year	<u>7,007,690</u>	<u>7,007,690</u>	<u>7,007,690</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 7,007,690</u>	<u>\$ 4,877,690</u>	<u>\$ 6,496,097</u>	<u>\$ 1,618,407</u>

**WASHINGTON COUNTY**  
**Capital Projects Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended December 31, 2007**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 75,000	\$ 164,995	\$ 89,995
Other Revenues:				
Interest Earnings	275,000	275,000	479,845	204,845
Miscellaneous Revenue	-	-	-	-
<b>Total Revenues</b>	<u>275,000</u>	<u>350,000</u>	<u>644,840</u>	<u>294,840</u>
<b>EXPENDITURES:</b>				
Debt Service	-	-	-	-
Capital Outlay:				
Buildings	12,975,000	22,500,000	6,678,571	15,821,429
Equipment	700,000	700,000	343,454	356,546
Other	250,000	250,000	13,680	236,320
<b>Total Expenditures</b>	<u>13,925,000</u>	<u>23,450,000</u>	<u>7,035,705</u>	<u>16,414,295</u>
Excess of Revenues Over (Under) Expenditures	<u>(13,650,000)</u>	<u>(23,100,000)</u>	<u>(6,390,865)</u>	<u>16,709,135</u>
<b>Other Financing Sources (Uses):</b>				
Transfer from Assessing & Collecting Fund	-	950,000	788,246	(161,754)
Bond Issue Costs	-	-	(56,682)	(56,682)
Debt Proceeds	5,000,000	13,500,000	5,045,000	(8,455,000)
<b>Total Other Financing Sources (Uses)</b>	<u>5,000,000</u>	<u>14,450,000</u>	<u>5,776,564</u>	<u>(8,673,436)</u>
<b>Net Change in Fund Balance</b>	(8,650,000)	(8,650,000)	(614,301)	8,035,699
Fund Balance, Beginning of Year	<u>6,257,041</u>	<u>6,257,041</u>	<u>6,257,041</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (2,392,959)</u>	<u>\$ (2,392,959)</u>	<u>\$ 5,642,740</u>	<u>\$ 8,035,699</u>

**WASHINGTON COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2007**

	Special Revenue Funds			
	Municipal Services	Flood Damage	Library	Council on Aging
<b>ASSETS</b>				
Cash and Investments	\$ 714,797	\$ -	\$ 320,429	\$ 33,210
Property taxes receivable	149,716	-	435,974	-
Assessments receivable	-	-	-	-
Due from other governments	-	105,759	-	204,108
Due from other funds	-	-	-	-
Restricted Cash	-	1,975,581	25,000	-
Total assets	<u>864,513</u>	<u>2,081,340</u>	<u>781,403</u>	<u>237,318</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	54,759	1,473	126,050	36,596
Accrued liabilities	22,774	-	46,535	12,043
Due to other funds	-	-	-	5,750
Unearned revenue	-	783,543	-	22,000
Total liabilities	<u>77,533</u>	<u>785,016</u>	<u>172,585</u>	<u>76,389</u>
Fund balances:				
Reserved for:				
Other Purposes	-	1,296,324	25,000	160,929
Unreserved, undesignated	786,980	-	583,818	-
Total fund balances	<u>786,980</u>	<u>1,296,324</u>	<u>608,818</u>	<u>160,929</u>
Total liabilities & fund balance	<u>\$ 864,513</u>	<u>\$ 2,081,340</u>	<u>\$ 781,403</u>	<u>\$ 237,318</u>

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<u>Special Revenue Funds</u>			<u>Total</u>
<u>Travel Board</u>	<u>Recreation Fund</u>	<u>Grants Fund</u>	<u>Nonmajor Govt. Funds</u>
\$ 35	\$ 100	\$ -	\$ 1,068,571
-	-	-	585,690
-	-	-	-
375,528	328,487	276,025	1,289,907
-	-	5,750	5,750
<u>1,442,606</u>	<u>432,640</u>	<u>-</u>	<u>3,875,827</u>
<u>1,818,169</u>	<u>761,227</u>	<u>281,775</u>	<u>6,825,745</u>
131,619	30,281	188,550	569,328
7,920	8,562	4,278	102,112
-	-	31,420	37,170
<u>23,600</u>	<u>-</u>	<u>-</u>	<u>829,143</u>
<u>163,139</u>	<u>38,843</u>	<u>224,248</u>	<u>1,537,753</u>
1,655,030	722,384	57,527	3,917,194
-	-	-	1,370,798
<u>1,655,030</u>	<u>722,384</u>	<u>57,527</u>	<u>5,287,992</u>
<u>\$ 1,818,169</u>	<u>\$ 761,227</u>	<u>\$ 281,775</u>	<u>\$ 6,825,745</u>

**WASHINGTON COUNTY**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2007**

	Special Revenue Funds			
	Municipal Services	Flood Damage	Library	Council on Aging
<b>REVENUES:</b>				
Taxes	\$ 677,933	\$ -	\$ 2,615,452	\$ -
Licenses, permits and fees	193,380	-	-	-
Intergovernmental	1,784,171	1,674,633	90,976	751,586
Charges for services	72,993	-	-	5,469
Fines and forfeitures	-	-	71,609	-
Interest	22,343	136,351	-	-
Sub-lease revenue	-	-	-	-
Miscellaneous	196,691	8,034	56,421	-
Total	<u>2,947,511</u>	<u>1,819,018</u>	<u>2,834,458</u>	<u>757,055</u>
<b>EXPENDITURES:</b>				
General Government	292,205	-	-	-
Public Safety	1,759,941	-	-	-
Public Works	412,181	-	-	-
Health and Sanitation	-	-	-	1,172,597
Conservation and Economic Development	-	1,671,667	-	-
Culture and other	191,370	-	2,674,647	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total	<u>2,655,697</u>	<u>1,671,667</u>	<u>2,674,647</u>	<u>1,172,597</u>
Excess of revenues over (under) expenditures	<u>291,814</u>	<u>147,351</u>	<u>159,811</u>	<u>(415,542)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	463,000
Transfers out	-	-	-	-
Debt proceeds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,000</u>
<b>Net change in fund balances</b>	291,814	147,351	159,811	47,458
Fund Balances - Beginning	495,166	1,148,973	449,007	113,471
Fund Balances - Ending	<u>\$ 786,980</u>	<u>\$ 1,296,324</u>	<u>\$ 608,818</u>	<u>\$ 160,929</u>

Special Revenue Funds			Total
Travel Board	Recreation Fund	Grants Fund	Non-major Gvtl. Funds
\$ 2,557,853	\$ 2,092,366	\$ -	\$ 7,943,604
-	-	-	193,380
-	-	1,789,730	6,091,096
-	455,027	-	533,489
-	-	-	71,609
30,885	13,590	-	203,169
-	686,633	-	686,633
117,600	111,750	-	490,496
<u>2,706,338</u>	<u>3,359,366</u>	<u>1,789,730</u>	<u>16,213,476</u>
-	-	-	292,205
-	-	1,687,815	3,447,756
-	-	-	412,181
-	-	-	1,172,597
1,665,083	1,506,887	68,605	4,912,242
-	-	-	2,866,017
211,999	699,001	-	911,000
305,865	735,658	-	1,041,523
<u>2,182,947</u>	<u>2,941,546</u>	<u>1,756,420</u>	<u>15,055,521</u>
<u>523,391</u>	<u>417,820</u>	<u>33,310</u>	<u>1,157,955</u>
175,000	-	36,519	674,519
-	(175,000)	-	(175,000)
-	-	-	-
<u>175,000</u>	<u>(175,000)</u>	<u>36,519</u>	<u>499,519</u>
698,391	242,820	69,829	1,657,474
956,639	479,564	(12,302)	3,630,518
<u>\$ 1,655,030</u>	<u>\$ 722,384</u>	<u>\$ 57,527</u>	<u>\$ 5,287,992</u>

**WASHINGTON COUNTY**  
**Municipal Services Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Sales Tax Revenue	\$ 700,000	\$ 625,000	\$ 677,933	\$ 52,933
Business Licenses and Building Permits	215,000	215,000	193,380	(21,620)
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	1,600,000	1,612,000	1,611,038	(962)
State Mineral Lease	65,000	65,000	67,827	2,827
Sheriff Protection	-	25,000	25,602	602
Federal Public Safety Grant & GIS	31,000	31,000	32,273	1,273
Erosion Hazard Grant	-	55,000	47,431	(7,569)
Total Intergovernmental	<u>1,696,000</u>	<u>1,788,000</u>	<u>1,784,171</u>	<u>(3,829)</u>
Charges for Services	69,000	82,500	72,993	(9,507)
Other Revenue:				
Interest Earnings	-	-	22,343	22,343
Sale of Land & Equipment	106,000	106,000	35,236	(70,764)
Liquor Allocation	100,000	100,000	137,894	37,894
Miscellaneous	-	25,000	23,561	(1,439)
Total Other	<u>206,000</u>	<u>231,000</u>	<u>219,034</u>	<u>(11,966)</u>
Total Revenues	<u>2,886,000</u>	<u>2,941,500</u>	<u>2,947,511</u>	<u>6,011</u>
<b>EXPENDITURES:</b>				
General Government:				
Engineering & Surveying	-	-	-	-
Planning & Zoning	137,500	137,500	141,399	(3,899)
GIS	143,800	143,800	150,806	(7,006)
Total General Government	<u>281,300</u>	<u>281,300</u>	<u>292,205</u>	<u>(10,905)</u>
Public Safety:				
Sheriff	1,420,000	1,420,000	1,420,000	-
Fire Control	199,000	199,000	77,281	121,719
Building Inspector	288,200	310,900	262,660	48,240
Total Public Safety	<u>1,907,200</u>	<u>1,929,900</u>	<u>1,759,941</u>	<u>169,959</u>
Public Works	454,100	509,100	412,181	96,919
Miscellaneous Contingent	265,400	244,700	191,370	53,330
Total Expenditures	<u>2,908,000</u>	<u>2,965,000</u>	<u>2,655,697</u>	<u>309,303</u>
Excess of Revenues Over (Under) Expenditures	(22,000)	(23,500)	291,814	315,314
<b>Other Financing Sources (Uses):</b>				
Transfer from General Fund	-	-	-	-
<b>Net Change in Fund Balance</b>	(22,000)	(23,500)	291,814	315,314
Fund Balance, Beginning of Year	495,166	495,166	495,166	-
Fund Balance, End of Year	<u>\$ 473,166</u>	<u>\$ 471,666</u>	<u>\$ 786,980</u>	<u>\$ 315,314</u>

**WASHINGTON COUNTY**  
**Flood Damage Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental:				
State Revenue	\$ -	\$ -	\$ -	\$ -
Federal Revenue	2,000,000	2,000,000	1,674,633	(325,367)
Total Intergovernmental	2,000,000	2,000,000	1,674,633	(325,367)
Interest Revenue	-	-	136,351	136,351
Other Revenues	-	-	8,034	8,034
Total Revenues	2,000,000	2,000,000	1,819,018	(180,982)
<b>EXPENDITURES:</b>				
Other Expenditures - Flood:				
Payments to Other Governments	-	-	-	-
Services, Supplies and Other	2,000,000	2,000,000	1,671,667	328,333
Total Expenditures	2,000,000	2,000,000	1,671,667	328,333
<b>Net Change in Fund Balance</b>	-	-	147,351	147,351
Fund Balance, Beginning of Year	1,148,973	1,148,973	1,148,973	-
Fund Balance, End of Year	\$ 1,148,973	\$ 1,148,973	\$ 1,296,324	\$ 147,351



**WASHINGTON COUNTY**  
**Library Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Tax Revenues:				
Current Property Taxes	\$ 2,186,000	\$ 2,275,000	\$ 1,802,086	\$ (472,914)
Fee Assessed Taxes	275,000	275,000	357,078	82,078
Prior Years Delinquent Taxes	130,000	130,000	445,284	315,284
Penalties & Interest	5,000	5,000	11,004	6,004
Total Taxes	<u>2,596,000</u>	<u>2,685,000</u>	<u>2,615,452</u>	<u>(69,548)</u>
Intergovernmental Revenue	-	93,000	90,976	(2,024)
Fines and Forfeitures	75,000	75,000	71,609	(3,391)
Other Revenues:				
Interest Earnings	-	-	-	-
Sale of Buildings	-	-	-	-
Xerox Revenue	21,000	21,000	16,464	(4,536)
Miscellaneous	50,000	40,000	39,957	(43)
Contributions	-	-	-	-
Total Other	<u>71,000</u>	<u>61,000</u>	<u>56,421</u>	<u>(4,579)</u>
Total Revenues	<u>2,742,000</u>	<u>2,914,000</u>	<u>2,834,458</u>	<u>(79,542)</u>
<b>EXPENDITURES:</b>				
Culture and other expenditures:				
St. George Library	1,187,100	1,187,100	1,105,249	81,851
Hurricane Library	411,900	434,900	445,889	(10,989)
Santa Clara Library	566,800	566,800	551,857	14,943
Springdale Library	173,400	152,400	153,963	(1,563)
Enterprise Library	79,000	82,000	86,025	(4,025)
New Harmony Branch	62,500	67,500	60,614	6,886
Other Branches & Misc. Grants	261,300	520,500	271,050	249,450
Total Expenditures	<u>2,742,000</u>	<u>3,011,200</u>	<u>2,674,647</u>	<u>336,553</u>
<b>Net Change in Fund Balance</b>	-	(97,200)	159,811	257,011
Fund Balance, Beginning of Year	<u>449,007</u>	<u>449,007</u>	<u>449,007</u>	-
Fund Balance, End of Year	<u>\$ 449,007</u>	<u>\$ 351,807</u>	<u>\$ 608,818</u>	<u>\$ 257,011</u>

**WASHINGTON COUNTY**  
**Council on Aging Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental Revenue:				
Council on Aging Contract	\$ 138,000	\$ 138,000	\$ 174,651	\$ 36,651
Nutrition Contract - St. George	344,200	344,200	304,952	(39,248)
Nutrition Contract - Hurricane	107,200	107,200	146,332	39,132
Nutrition Contract - Enterprise	53,600	53,600	69,739	16,139
Miscellaneous - C.O.A.	37,660	37,660	39,558	1,898
Miscellaneous - Transportation	6,400	6,400	16,354	9,954
Miscellaneous - Grants	-	-	-	-
Charges for services	2,500	2,500	5,469	2,969
Total Revenues	<u>689,560</u>	<u>689,560</u>	<u>757,055</u>	<u>67,495</u>
<b>EXPENDITURES:</b>				
Health & Sanitation:				
Council on Aging - General	170,690	170,690	159,356	11,334
Council on Aging - St. George Center	623,570	623,570	562,937	60,633
Council on Aging - Hurricane Center	280,650	280,650	310,278	(29,628)
Council on Aging - Enterprise Center	125,550	125,550	140,026	(14,476)
Total Expenditures	<u>1,200,460</u>	<u>1,200,460</u>	<u>1,172,597</u>	<u>27,863</u>
Excess of Revenues				
Over (Under) Expenditures	(510,900)	(510,900)	(415,542)	95,358
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From General Fund	463,000	463,000	463,000	-
<b>Net Change in Fund Balance</b>	(47,900)	(47,900)	47,458	95,358
Fund Balance, Beginning of Year	113,471	113,471	113,471	-
Fund Balance, End of Year	<u>\$ 65,571</u>	<u>\$ 65,571</u>	<u>\$ 160,929</u>	<u>\$ 95,358</u>

**WASHINGTON COUNTY**  
**Travel Board Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Tax Revenues:				
Transient Room Taxes	\$ 2,397,500	\$ 2,397,500	\$ 2,557,853	\$ 160,353
Other Revenues:				
Interest Earnings	10,000	10,000	30,885	20,885
Other	115,000	165,000	117,600	(47,400)
Total Revenues	<u>2,522,500</u>	<u>2,572,500</u>	<u>2,706,338</u>	<u>133,838</u>
<b>EXPENDITURES:</b>				
Conservation & Economic Development:				
Convention Center Operations	157,136	157,136	139,500	17,636
Travel Board:				
Salaries	290,000	290,000	231,998	58,002
Employee Benefits	115,000	115,000	100,139	14,861
Services, Supplies and Other	1,637,500	1,646,700	1,162,735	483,965
Capital Outlay	30,000	30,000	30,711	(711)
Debt Service				
Principal	211,999	211,999	211,999	-
Interest	305,865	305,865	305,865	-
Total Expenditures	<u>2,747,500</u>	<u>2,756,700</u>	<u>2,182,947</u>	<u>573,753</u>
Excess of Revenues				
Over (Under) Expenditures	(225,000)	(184,200)	523,391	707,591
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From Recreation Special Revenue Fund	175,000	175,000	175,000	-
<b>Net Change in Fund Balance</b>	(50,000)	(9,200)	698,391	707,591
Fund Balance, Beginning of Year	956,639	956,639	956,639	-
Fund Balance, End of Year	<u>\$ 906,639</u>	<u>\$ 947,439</u>	<u>\$ 1,655,030</u>	<u>\$ 707,591</u>

**WASHINGTON COUNTY**  
**Recreation Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Tax Revenues:				
Restaurant Food Tax	\$ 1,760,000	\$ 1,660,000	\$ 1,771,349	\$ 111,349
Leasing Sales Tax	270,000	300,000	321,017	21,017
Total Taxes	2,030,000	1,960,000	2,092,366	132,366
Charges for Services:				
County Fair	84,000	84,000	90,594	6,594
Regional Park	290,000	330,000	364,433	34,433
Total Charges for Services	374,000	414,000	455,027	41,027
Other Revenues:				
Interest Earnings	-	-	13,590	13,590
Vision Dixie and Other Revenue	300,000	300,000	111,750	(188,250)
Sub-lease Revenue	-	-	686,633	686,633
Total Revenues	2,704,000	2,674,000	3,359,366	685,366
<b>EXPENDITURES:</b>				
Conservation & Economic Development:				
Regional Park Facility	1,414,400	1,194,400	768,534	425,866
County Fair	160,800	180,800	162,122	18,678
Vision Dixie	300,000	450,000	374,711	75,289
TV Operations	-	-	20	(20)
Convention Center Operations	510,000	336,489	201,500	134,989
Dixie College Eccles Fine Arts Center	30,000	30,000	-	30,000
Debt Service				
Principal	465,000	465,000	699,001	(234,001)
Interest	-	173,511	735,658	(562,147)
Total Expenditures	2,880,200	2,830,200	2,941,546	(111,346)
Excess of Revenues				
Over (Under) Expenditures	(176,200)	(156,200)	417,820	574,020
<b>Other Financing Sources (Uses):</b>				
Transfers:				
To Travel Board Special Revenue Fund	(175,000)	(175,000)	(175,000)	-
<b>Net Change in Fund Balance</b>	(351,200)	(331,200)	242,820	574,020
Fund Balance, Beginning of Year	479,564	479,564	479,564	-
Fund Balance, End of Year	\$ 128,364	\$ 148,364	\$ 722,384	\$ 574,020

**WASHINGTON COUNTY**  
**Miscellaneous Grants Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental Revenues:				
CDBG Grants	\$ -	\$ -	\$ 49,952	\$ 49,952
LLEBG/SCAAP	-	32,000	101,372	69,372
AG-Children's Justice Center	197,700	197,700	190,128	(7,572)
Children's Safety Council	-	-	1,769	1,769
Drug Court	381,000	381,000	399,726	18,726
WMD and Emergency OPS Grants	1,091,900	1,102,900	1,031,540	(71,360)
Other Grants	9,000	20,000	15,243	(4,757)
Total Revenues	<u>1,679,600</u>	<u>1,733,600</u>	<u>1,789,730</u>	<u>56,130</u>
<b>EXPENDITURES:</b>				
Public Safety:				
LLEBG/SCAAP	-	32,000	46,128	(14,128)
AG-Children's Justice Center	197,700	197,700	202,379	(4,679)
WMD - Emergency Operations	1,134,000	1,145,000	1,020,401	124,599
Children's Safety Council	-	1,000	1,210	(210)
Drug Court	381,000	381,000	417,697	(36,697)
Total Public Safety	<u>1,712,700</u>	<u>1,756,700</u>	<u>1,687,815</u>	<u>68,885</u>
Conservation & Economic Development:				
CDBG	-	-	64,165	(64,165)
Predator Control	9,000	9,000	4,440	4,560
Extension Grant	-	-	-	-
Total Conservation & Economic Devel.	<u>9,000</u>	<u>9,000</u>	<u>68,605</u>	<u>(59,605)</u>
Total Expenditures	<u>1,721,700</u>	<u>1,765,700</u>	<u>1,756,420</u>	<u>9,280</u>
Excess of Revenues				
Over (Under) Expenditures	(42,100)	(32,100)	33,310	65,410
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From General Fund	-	-	36,519	36,519
<b>Net Change in Fund Balance</b>	(42,100)	(32,100)	69,829	101,929
Fund Balance, Beginning of Year	(12,302)	(12,302)	(12,302)	-
Fund Balance (Deficit), End of Year	<u>\$ (54,402)</u>	<u>\$ (44,402)</u>	<u>\$ 57,527</u>	<u>\$ 101,929</u>

## COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

### **Fiduciary Funds Trust and Agency**

Trust and Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable, Nonexpendable Trust, Pension Trust, and Agency Funds. Nonexpendable Trust and Pension Trust Funds are accounted for in essentially the same manner as propriety funds since capital maintenance is critical. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

- **Tax Collection Trust fund** is an agency fund which accounts for all collections and disbursements of taxes for the county.
- **Deposit Trust Fund** is an agency fund which accounts for miscellaneous court funds, surcharges, 4-H, Treasurer and other custodial accounts.
- **Health Department fund** is used as an agency fund for the Health Department.
- **Economic Development Council fund** is used as an agency fund for the Economic Development Council.

**WASHINGTON COUNTY**  
**All Trust and Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Year Ended December 31, 2007**

	Balance 12/31/2006	Additions	Deductions	Balance 12/31/2007
<b>TAX COLLECTION TRUST FUND:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 41,089,053	\$ 116,494,566	\$ 137,805,426	\$ 19,778,193
Due from Other Governments	-	-	-	-
Property Taxes Receivable	1,028,633	1,578,944	1,028,633	1,578,944
Total Assets	<u>\$ 42,117,686</u>	<u>\$ 118,073,510</u>	<u>\$ 138,834,059</u>	<u>\$ 21,357,137</u>
<b>Liabilities:</b>				
Deposits Held in Trust	\$ 45,700	\$ 1,881,570	\$ 175,849	1,751,421
Due to Taxing Districts	35,989,795	99,506,634	118,731,770	16,764,659
Due to Washington Co. General Fund	4,020,921	11,584,807	13,603,753	2,001,975
Due to Other Funds	2,061,270	5,100,499	6,322,687	839,082
Reserve for Refund	-	-	-	-
Total Liabilities	<u>\$ 42,117,686</u>	<u>\$ 118,073,510</u>	<u>\$ 138,834,059</u>	<u>\$ 21,357,137</u>
<b>DEPOSIT FUND:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 1,927,214	\$ 53,043,863	\$ 54,055,624	\$ 915,453
Other Receivables	-	-	-	-
Total Assets	<u>\$ 1,927,214</u>	<u>\$ 53,043,863</u>	<u>\$ 54,055,624</u>	<u>\$ 915,453</u>
<b>Liabilities:</b>				
Deposits Held in Trust	<u>\$ 1,927,214</u>	<u>\$ 53,043,863</u>	<u>\$ 54,055,624</u>	<u>\$ 915,453</u>
<b>HEALTH DEPARTMENT:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 1,602,940	\$ 5,719,878	\$ 6,734,827	\$ 587,991
Other Receivables	-	-	-	-
Total Assets	<u>\$ 1,602,940</u>	<u>\$ 5,719,878</u>	<u>\$ 6,734,827</u>	<u>\$ 587,991</u>
<b>Liabilities:</b>				
Deposits Held in Trust	<u>\$ 1,602,940</u>	<u>\$ 5,719,878</u>	<u>\$ 6,734,827</u>	<u>\$ 587,991</u>
<b>ECONOMIC DEVELOPMENT COUNCIL:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 294,297	\$ 327,344	\$ 264,717	\$ 356,924
Other Receivables	-	-	-	-
Total Assets	<u>\$ 294,297</u>	<u>\$ 327,344</u>	<u>\$ 264,717</u>	<u>\$ 356,924</u>
<b>Liabilities:</b>				
Deposits Held in Trust	<u>\$ 294,297</u>	<u>\$ 327,344</u>	<u>\$ 264,717</u>	<u>\$ 356,924</u>

(Continued)

**WASHINGTON COUNTY**  
**All Trust and Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities (Continued)**  
**For the Year Ended December 31, 2007**

	Balance 12/31/2006	Additions	Deductions	Balance 12/31/2007
<b>TOTAL - ALL TRUST AND AGENCY FUNDS:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 44,913,504	\$ 175,585,651	\$ 198,860,594	\$ 21,638,561
Due from Other Governments	-	-	-	-
Property Taxes Receivable	1,028,633	1,578,944	1,028,633	1,578,944
Due from Other Funds	-	-	-	-
Other Receivables	-	-	-	-
Total Assets	<u>\$ 45,942,137</u>	<u>\$ 177,164,595</u>	<u>\$ 199,889,227</u>	<u>\$ 23,217,505</u>
<b>Liabilities:</b>				
Deposits Held in Trust	\$ 3,870,151	\$ 60,972,655	\$ 61,231,017	\$ 3,611,789
Due to Taxing Districts	35,989,795	99,506,634	118,731,770	16,764,659
Due to Washington Co. General Fund	4,020,921	11,584,807	13,603,753	2,001,975
Due to Other Funds	2,061,270	5,100,499	6,322,687	839,082
Reserve for Refund	-	-	-	-
Total Liabilities	<u>\$ 45,942,137</u>	<u>\$ 177,164,595</u>	<u>\$ 199,889,227</u>	<u>\$ 23,217,505</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).

**WASHINGTON COUNTY**  
**Tax Collection Agency Fund**  
**Cash Receipts and Disbursements**  
**For the Year Ended December 31, 2007**

	Treasurer's Balance 12/31/2006	Tax Collection Receipts	Current Year's Taxes & Interest Apportioned	Prior Year's Taxes & Interest Apportioned	Disburse- ments	Treasurer's Balance 12/31/2007
<b>Tax Collection Amounts:</b>						
Current Taxes	\$ -	\$ 112,158,971	\$ (112,158,971)	\$ -	\$ -	\$ -
Prior Year's Redemptions	-	3,641,224	-	(3,641,224)	-	-
Over Collected & Double Pmts	-	198,900	-	-	198,900	-
Penalties & Interest	-	391,745	(22,953)	(368,792)	-	-
Other Collections	45,700	1,881,570	-	-	175,849	1,751,421
<b>Total</b>	<b>\$ 45,700</b>	<b>\$ 118,272,410</b>	<b>\$ (112,181,924)</b>	<b>\$ (4,010,016)</b>	<b>\$ 374,749</b>	<b>\$ 1,751,421</b>
<b>Tax Units:</b>						
Library Operating Fund	\$ 1,075,369		\$ 2,491,706	\$ 93,036	\$ 3,230,853	\$ 429,258
School District	25,072,815		71,339,820	2,368,343	86,342,856	12,438,122
Water Conservancy District	3,326,193		8,860,810	333,608	11,000,252	1,520,359
Assessing & Collecting	1,260,229		5,089,673	110,281	5,534,222	925,961
General Fund	2,760,692		5,948,786	436,067	8,069,531	1,076,014
County G.O. Bond	985,901		2,416,813	98,944	3,091,834	409,824
Special Service Districts:						
Rockville/Springdale	19,926		38,802	2,095	50,655	10,168
Southwest Mosquito SSD	134,454		316,001	11,397	407,848	54,004
Southwestern SSD	36,672		74,516	1,919	105,015	8,092
Smithsonian SSD	-		-	694	685	9
Leeds Area SSD	49,877		117,716	4,133	145,017	26,709
New Harmony SSD	35,012		75,525	4,580	101,834	13,283
Cities & Towns:						
Enterprise	52,559		133,481	3,448	164,504	24,984
Hildale	45,613		98,255	42,663	167,892	18,639
Hurricane	1,032,565		1,856,022	68,792	2,603,118	354,261
Ivins	451,223		1,070,627	33,683	1,375,563	179,970
LaVerkin	134,366		255,784	27,631	376,670	41,111
Leeds	24,906		57,472	2,212	70,748	13,842
New Harmony	12,990		26,711	884	36,120	4,465
St. George	4,247,585		8,589,835	267,459	11,506,653	1,598,226
Santa Clara	205,616		580,377	14,184	717,710	82,467
Springdale	23,253		44,150	2,844	57,838	12,409
Toquerville	23,525		83,811	2,742	92,977	17,101
Virgin	15,199		40,294	2,926	50,187	8,232
Washington	768,442		1,777,140	64,318	2,358,339	251,561
Rockville	14,576		31,659	238	41,045	5,428
Apple Valley	23,094		49,978	2,870	65,722	10,220
Coral Canyon SID	239,334		716,163	8,022	892,522	70,997
<b>Total Due Units</b>	<b>\$ 42,071,986</b>		<b>\$ 112,181,927</b>	<b>\$ 4,010,013</b>	<b>\$ 138,658,210</b>	<b>\$ 19,605,716</b>
<b>Total</b>	<b>\$ 42,117,686</b>	<b>\$ 118,272,410</b>			<b>\$ 139,032,959</b>	<b>\$ 21,357,137</b>

# WASHINGTON COUNTY

## Statement of Taxes Charged and Collected December 31, 2007

### 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	\$ 12,077,326,375	\$ 388,031,858	\$ (317,732,475)	\$ 12,147,625,758	\$ 376,328,052	\$ 12,523,953,810
School District	12,077,326,375	388,031,858	(317,732,475)	12,147,625,758	376,328,052	12,523,953,810
Water Conservancy District	12,077,326,375	388,031,858	(317,732,475)	12,147,625,758	376,328,052	12,523,953,810
Assessing & Collecting:						
Local	12,077,326,375	388,031,858	(317,732,475)	12,147,625,758	376,328,052	12,523,953,810
State	12,077,326,375	388,031,858	(317,732,475)	12,147,625,758	376,328,052	12,523,953,810
General Fund	12,077,326,375	388,031,858	(317,732,475)	12,147,625,758	376,328,052	12,523,953,810
County G.O. Bond	12,077,326,375	388,031,858	(317,732,475)	12,147,625,758	376,328,052	12,523,953,810
Rockville/Springdale	168,586,991	2,535,741	-	171,122,732	3,766,322	174,889,054
Southwest Mosquito SSD	11,934,828,409	386,657,762	(317,732,475)	12,003,753,696	373,047,947	12,376,801,643
Southwestern SSD	151,034,700	1,155,035	-	152,189,735	426,961	152,616,696
Smithsonian SSD	-	-	-	-	-	-
Leeds Area SSD	118,535,298	1,951,444	-	120,486,742	849,483	121,336,225
New Harmony Fire	156,084,249	1,413,506	-	157,497,755	711,475	158,209,230
Coral Canyon	232,050,517	416,082	-	232,466,599	3,746,637	236,213,236
Enterprise	64,477,015	1,074,192	-	65,551,207	744,078	66,295,285
Hildale	35,023,626	602,052	-	35,625,678	2,247,421	37,873,099
Hurricane	1,067,235,660	13,852,731	(164,852,989)	916,235,402	44,835,876	961,071,278
Ivins	760,047,384	4,514,823	-	764,562,207	6,588,427	771,150,634
LaVerkin	201,006,021	3,636,109	-	204,642,130	5,647,346	210,289,476
Leeds	90,996,525	1,180,887	-	92,177,412	832,829	93,010,241
New Harmony	16,371,367	436,229	-	16,807,596	284,947	17,092,543
St. George	6,631,473,354	130,171,738	(152,879,486)	6,608,765,606	254,109,817	6,862,875,423
Santa Clara	383,904,612	3,126,214	-	387,030,826	3,030,145	390,060,971
Springdale	142,497,966	1,374,096	-	143,872,062	3,280,105	147,152,167
Toquerville	103,091,640	4,271,434	-	107,363,074	283,012	107,646,086
Virgin	42,556,892	1,007,388	-	43,564,280	522,577	44,086,857
Washington	1,568,140,439	12,586,752	-	1,580,727,191	37,349,377	1,618,076,568
Rockville	26,089,025	1,161,645	-	27,250,670	486,217	27,736,887
Apple Valley	44,914,608	370,723	-	45,285,331	337,932	45,623,263
Northwestern SSD	115,842,160	14,673,921	-	130,516,081	1,192,155	131,708,236
Dixie Springs SSD	-	-	-	-	-	-
Dameron Valley SSD	108,280,469	537,239	-	108,817,708	65,027	108,882,735
Dixie Deer SSD	40,434,161	600,744	-	41,034,905	46,930	41,081,835

**Totals**

Current Year Real & Cent. Assessed Tax Rate	Prior Year Personal Property Tax Rate	Total Property Taxes Charged	Personal Property Taxes Charged	Total Taxes Charged
0.000195	0.000216	\$2,368,787	\$81,287	\$2,450,074
0.005655	0.005600	68,694,824	2,107,437	70,802,261
0.000691	0.000788	8,394,009	296,547	8,690,556
0.000300	0.000118	3,644,288	44,407	3,688,695
0.000121	0.000139	1,469,863	52,310	1,522,173
0.000464	0.000514	5,636,498	193,433	5,829,931
0.000186	0.000235	2,259,458	88,437	2,347,895
0.000222	0.000277	37,989	1,043	39,032
0.000025	0.000028	300,094	10,445	310,539
0.000434	0.000492	66,050	210	66,260
0.000000	0.000000	-	-	-
0.000906	0.001168	109,161	992	110,153
0.000461	0.000641	72,606	456	73,062
0.003000	0.003000	697,400	11,240	708,640
0.001738	0.001738	113,928	1,293	115,221
0.002468	0.002156	87,924	4,845	92,769
0.001965	0.002061	1,800,403	92,407	1,892,810
0.001370	0.001413	1,047,450	9,309	1,056,759
0.001197	0.001486	244,957	8,392	253,349
0.000568	0.000777	52,357	647	53,004
0.001141	0.001826	19,177	520	19,697
0.001217	0.001336	8,042,868	339,491	8,382,359
0.001449	0.001073	560,808	3,251	564,059
0.000305	0.000387	43,881	1,269	45,150
0.000845	0.000602	90,722	170	90,892
0.000908	0.001092	39,556	571	40,127
0.001089	0.001308	1,721,412	48,853	1,770,265
0.001060	0.001216	28,886	591	29,477
0.001044	0.001076	47,278	364	47,642
0.000000	0.000000	-	-	-
0.000000	0.000000	-	-	-
0.000000	0.000000	-	-	-
0.000000	0.000000	-	-	-
		<u>\$107,692,634</u>	<u>\$3,400,217</u>	<u>\$111,092,851</u>

(Continued)

**WASHINGTON COUNTY**

**Statement of Taxes Charged and Collected (Continued)**  
**December 31, 2007**

	<b>TREASURER'S RELIEF</b>				<b>CURRENT YEAR ACTUAL</b>	
	Unpaid Taxes	Abatements	Other	Total Relief	Taxes Collected	Collection Rate
Library Operations	\$ 202,096	\$ 29,373	\$ 13,602	\$ 245,071	\$2,205,003	90.00%
School District	5,855,289	851,825	366,222	7,073,336	63,728,925	90.01%
Water Conservancy District	716,307	104,087	49,161	869,555	7,821,001	89.99%
Assessing & Collecting:						
Local	309,191	45,190	11,811	366,192	3,322,503	90.07%
State	125,443	18,227	8,652	152,322	1,369,851	89.99%
General Fund	468,706	69,890	32,363	570,959	5,258,972	90.21%
County G.O. Bond	192,993	28,018	14,207	235,218	2,112,677	89.98%
Rockville/Springdale	2,788	179	114	3,081	35,951	92.11%
Southwest Mosquito SSD	25,641	3,759	1,747	31,147	279,392	89.97%
Southwestern SSD	3,838	805	185	4,828	61,432	92.71%
Smithsonian SSD	-	-	-	-	-	-
Leeds Area SSD	6,018	1,698	874	8,590	101,563	92.20%
New Harmony Fire	7,006	932	195	8,133	64,929	88.87%
Coral Canyon	24,841	2,453	1,816	29,110	679,530	95.89%
Enterprise	6,213	1,807	176	8,196	107,025	92.89%
Hildale	28,310	151	663	29,124	63,645	68.61%
Hurricane	216,804	28,347	14,783	259,934	1,632,876	86.27%
Ivins	63,913	14,517	1,744	80,174	976,585	92.41%
LaVerkin	35,577	7,838	1,566	44,981	208,368	82.25%
Leeds	2,185	899	544	3,628	49,376	93.16%
New Harmony	178	363	107	648	19,049	96.71%
St. George	578,897	102,514	51,817	733,228	7,649,131	91.25%
Santa Clara	51,402	5,590	2,056	59,048	505,011	89.53%
Springdale	3,378	86	133	3,597	41,553	92.03%
Toquerville	13,749	1,855	115	15,719	75,173	82.71%
Virgin	6,025	547	177	6,749	33,378	83.18%
Washington	174,157	16,882	8,316	199,355	1,570,910	88.74%
Rockville	1,573	557	81	2,211	27,266	92.50%
Apple Valley	5,888	801	147	6,836	40,806	85.65%
Northwestern SSD	-	-	-	-	-	-
Dixie Springs SSD	-	-	-	-	-	-
Dameron Valley SSD	-	-	-	-	-	-
Dixie Deer SSD	-	-	-	-	-	-
<b>Totals</b>	<b>\$9,128,406</b>	<b>\$1,339,190</b>	<b>\$583,374</b>	<b>\$11,050,970</b>	<b>\$100,041,881</b>	

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**OTHER COLLECTIONS**

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Fee in Lieu	Miscellaneous Collections	Delinquent Tax Collected	Interest & Penalty Collected
\$ 286,195	\$ 80,471	\$ 89,183	\$ 4,361
7,596,273	2,289,857	2,273,108	109,857
1,038,015	286,498	320,110	15,292
213,397	110,870	48,494	3,216
182,845	50,225	56,890	2,758
688,607	193,483	211,939	225,335
303,651	78,580	95,043	4,386
2,843	14	2,041	62
36,545	10,305	10,948	513
13,070	1,443	1,856	77
-	106	654	40
16,130	2,544	3,948	208
10,581	1,872	4,400	195
36,477	38	7,810	368
26,431	-	3,292	181
34,595	-	41,185	1,493
222,771	4,156	64,915	4,252
93,818	5,655	32,686	1,221
47,368	796	26,817	862
8,085	177	2,112	111
7,658	-	813	75
938,949	38,259	256,463	12,751
75,250	1,636	13,612	688
2,587	11	2,777	77
8,621	5,713	2,608	151
6,908	1,564	2,741	193
205,870	5,286	61,872	2,806
4,387	27	216	28
9,163	3,963	2,691	188
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ 12,117,090	\$3,173,549	\$3,641,224	\$391,745

**WASHINGTON COUNTY**

**Schedule of Expenditures of Transient Room Taxes and  
Tourism, Recreation, Culture and Convention Facilities Taxes  
December 31, 2007**

**Transient Room Taxes (TRT):**

Establishing and promoting:		
Recreation	\$	467,210
Tourism		683,153
Film production		62,530
Conventions		215,460
Totals		1,428,353
Acquiring, leasing, construction, furnishing, or operating:		
Convention meeting rooms		337,500
Exhibit halls		337,500
Visitor information centers		-
Museums		-
Related facilities		454,500
Totals		1,129,500
Acquiring or leasing land required for or related to:		
Convention meeting rooms		-
Exhibit halls		-
Visitor information centers		-
Museums		-
Related facilities		-
Totals		-
Mitigation costs		-
Payment of principal, interest, premiums, and reserves on bonds		-
Total expenditures of transient room taxes	\$	2,557,853

**Tourism, Recreation, Culture, and Convention Facilities (TRCC):**

Financing tourism promotion		-
Development, operation, and maintenance of:		
Tourist facilities	\$	-
Recreation facilities		826,349
Cultural facilities		-
Convention facilities		975,000
Pledges as security for evidences of indebtedness		-
Total		1,801,349
Total expenditures of tourism, recreation, culture, and convention facilities taxes		\$ 1,801,349

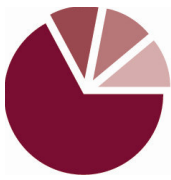
**Reserves and Pledges:**

	1/1/2007	Additions 2007	12/31/2007
Reserves on bonds related to TRT funds	\$ -	\$ -	\$ -
Pledges as security for evidence of indebtedness related to TRCC	\$ -	\$ -	\$ -

**FEDERAL AND STATE REPORTS**



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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 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, 2007, and have issued our report thereon dated July 28, 2008. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

- 06-01 Change in Accounting System – Year-End Adjustments
- 06-05 Fraud Risk Management

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe the following deficiencies described in the accompanying schedule of findings and responses to be material weaknesses in internal control over financial reporting.

06-01      Change in Accounting System – Year-End Adjustments

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies that are also considered to be material weaknesses.

Compliance and Other Matters

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

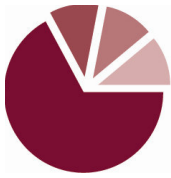
We noted certain matters that we reported to management of the County in the accompanying schedule of findings and responses.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the control board, and the Utah State Auditor and is not intended to be an should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



HINTON, BURDICK, HALL & SPILKER, P.L.L.C.  
July 28, 2008



**Independent Auditors' Report on State Legal Compliance**

Honorable County Commission  
 Washington County  
 St. George, Utah

We have audited the basic financial statements of Washington County for the year ended December 31, 2007, and have issued our report thereon dated July 28, 2008. As part of our audit, we have audited Washington County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2007. The County received the following major State assistance programs from the State of Utah:

- B & C Road Funds (Department of Transportation)
- Liquor Law Enforcement (Tax Commission)
- Adult Services - Alternatives Program (Department of Human Services)
- Disaster Loan Program (Department of Public Safety – Division of Emergency Services)

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

- Public Debt
- Cash Management
- Purchasing Requirements
- Budgetary Compliance
- Truth in Taxation and Property Tax Limitations
- Liquor Law Enforcement
- Justice Courts Compliance
- B & C Road Funds
- Other General Compliance Issues
- Department of Commerce
- Statement of Taxes Charged, Collected and Disbursed
- Assessing and Collecting Property Taxes
- Transient Room Tax
- Impact Fees and Other Development Fees
- Asset Forfeitures

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

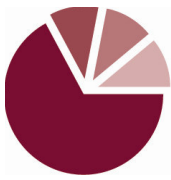
We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in our schedule of findings and recommendations dated July 28, 2008. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Washington County complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2007.



HINTON, BURDICK, HALL & SPILKER, PLLC  
July 28, 2008



**Findings and Recommendations  
 For the Year Ended December 31, 2007**

Honorable County Commission  
 Washington County  
 St. George, Utah

Gentlemen:

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. In planning and performing our audit of the financial statements of Washington County for the fiscal year ended December 31, 2007, we noted some of the prior year findings have been corrected in the County's system of controls and accounting procedures. However, we noted the following circumstances that, if improved, would strengthen the County's accounting system and control over its assets and State Compliance. These items are discussed below for your consideration.

**Material Weaknesses:**

06-1. Change in Accounting System – Year-End Adjustments

It appears that the County has made progress in implementing its new accounting system and in reconciling numerous general ledger accounts on a monthly basis. It also appears that progress has been made in assigning responsibilities for financial accounting and management and in establishing a set of procedures and checklists that should enable management to monitor the numerous accounts and related budgets and reconciliations. However, the County has continued to experience significant growth and has numerous funds and departments and there are a significant number of accounts and transactions involved in the accounting process. This has made it difficult for management to monitor all the accounting activities and perform all of the necessary reconciliations and thus, a significant number of year-end audit adjustments were required.

Recommendation

We recommend that the County continue its efforts to implement monthly and year-end accounting procedures and checklists and provide training or additional staff or provide outside assistance with year-end reconciliations and other accounting functions. We also recommend that management review the journal entries and discuss them with us to ensure you agree with the entries, and understand the purpose and underlying accounting principals associated with each entry.

## **Significant Deficiencies:**

### 06-05. Fraud Risk Management Program

The County has started the process of preparing a fraud risk management program that is appropriate for the size and complexity of the County, including identifying fraud risks and taking appropriate action to reduce or eliminate the risks. However, a formal plan has not yet been documented and implemented.

#### Recommendations

We recommend that the County formally develop and adopt a fraud risk management program that is appropriate for the size and complexity of the County, including identifying fraud risks and taking appropriate action to reduce or eliminate the risks.

## **Control Deficiencies:**

### 07-1. Financial Statement Preparation

Newly issued Statement on Auditing Standards #112 indicates that it may be a significant deficiency in the County's internal controls when the County's personnel do not have sufficient expertise to select and apply generally accepted accounting principles. It is our opinion that the County's personnel could prepare the financial statements and related notes to the financial statements if given the opportunity and training and the tools to prepare the statements; however, currently, the County does not prepare the financial statements and related notes to the financial statements; thus, we are issuing this finding but we do not feel the level of expertise warrants a significant deficiency.

#### Recommendation

We recommend that management prepare a financial statement disclosure checklist that we can provide in order to elevate the level of understanding and involvement with the financial statements. The County also might consider providing its accounting personnel with the appropriate training to provide them with the needed accounting expertise after considering the cost effectiveness of providing such a level of expertise.

### 07-2. Grant Reconciliations

The County has established procedures and assigned responsibilities for all of the County's grants and the majority of the grants and grant tracking procedures seem to be working very effectively; however, we noted a couple of grants in the grant fund that were not reconciled at year end and/or requests for reimbursements had been late and/or not accrued properly at year-end.

#### Recommendation

We recommend that the County follow established procedures for all of its grants and monitor grant expenditures and prepare and monitor requests for reimbursements so that cash is properly managed and the accounting records are accurately stated on a timely basis.

06-11. Cash Disbursements

The County has established procedures for the use of purchase orders and documenting the purpose of credit card purchases; however, we noted some purchase orders that were written after invoice dates for the associated purchase.

Recommendations

We recommend that the County adhere to its purchasing policies and establish procedures to ensure that purchase orders are used in a timely manner and for all purchases over the set amount in order to manage the budget and expenditure of funds before funds are expended.

**Compliance Findings:**

07-3. Assessing & Collecting Fund – Deficit Fund Balance

The Assessing & Collecting Special Revenue fund has a \$141,229 deficit fund balance as of 12/31/07. Appropriations in the final budgets may not be made for any fund in excess of the estimated expendable revenues for the budget year, or in other words, fund deficits are not allowed by State law.

Recommendations

We recommend that the County budget to eliminate this deficit in accordance with State law.

06-06. Timeliness of Cash Deposits - Compliance

Finding

Utah Code section 51-4-2(2) requires all public funds to be deposited daily, whenever practical, but not later than three days after receipt. This law provides an important control for safeguarding the County's assets. While performing our testwork we noted that all receipts tested were deposited within three days of receipt by the Treasurer's office; however, we noted some items that appear to have been received by various departments that were not deposited with the Treasurer within three days of receipt.

Recommendation

We recommend the County follow procedures to insure that each department's cash receipts are deposited with the Treasurer within three days of being received in accordance with State law.

06-09. Adopted Budget - Compliance

We noted that the County's adopted budget and resolution included budget line items for the "Dixie Center" and the Southwest Mosquito Abatement District. These are separate legal entities and thus, these budgets are approved and adopted by the respective boards of the Washington County/St. George City Inter-local Agency and the Southwest Mosquito Abatement District.

Recommendations

We understand that the County has contracted with these entities to perform accounting and other related services; however, we recommend that the County properly omit these budget line items from future County budgets.



06-10. Exceeding Budget Appropriations - Compliance

The Fiscal Procedures Act for Utah Counties requires Counties to restrict expenditures to the authorized department budget. The "Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual" identifies the departments which have over-expended budget amounts.

Recommendations

We recommend that the County operate within the confines of State law by limiting expenditures or following proper procedures to adjust the departmental budgets.

**Other Matters:**

06-3. Payroll Trust Fund – Health Insurance

The County had a significant amount (\$568,657 for 2007 and \$764,020 for 2006) of claims paid under the self-funded insurance plan that had not been expensed out to the funds/departments at year end. This expense is over and above the amounts that the County had accumulated via employee contributions and County contributions for expected insurance premiums (catastrophic coverage through Educators Mutual) and expected claims. Apparently the payroll trust fund account 76-2235 for health insurance had not been monitored on a monthly basis. This was brought to the attention of management with the prior year findings; however, the findings were not issued until mid-year. This procedure is an integral part of effectively monitoring the insurance plan on a timely basis.

Recommendations

We understand that the County has take steps to establish procedures for monitoring the plan and has taken steps to get a handle on the health insurance and expense and possibly re-evaluate the costs associated with being self-insured compared to purchasing coverage. We recommend continued efforts in this regard. Also, in order for financial statements to be an accurate reflection of expenses, we recommend that expenses or excess contributions accumulating in Fund 76 are allocated to funds/departments. The balance can then be reversed back to Fund 76 after the year-end close in order to continue to track the excess or deficiencies for the plan.

This report is intended solely for the information and use of the County Commission, management, and various federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

It has been a pleasure to be of service to the County this past year. We would like to express special thanks to all those who assisted us in this year's audit. We invite you to ask questions of us throughout the year and we look forward to a continued professional relationship.

Sincerely,



HINTON, BURDICK, HALL & SPILKER, PLLC  
July 28, 2008