



FINANCIAL STATEMENTS

Year Ended December 31, 2008

With Report of

Certified Public Accountants

WASHINGTON COUNTY

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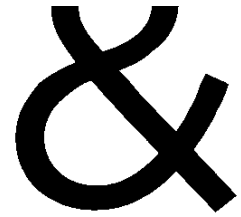
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The County Commission
Washington County
St. George, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, as of and for the year ended December 31, 2008, which collectively comprise the City'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 opinions on these financial statements based on our audit. We did not audit the financial statements of the following component units, Ash Creek SSD, Washington County Solid Waste SSD, Rockville/Springdale Fire Protection District, Northwest Special Service District, and Leeds Area Special Service District, which statements reflect 81% of total assets and 63% of total revenues of the aggregate discretely presented component units as of December 31, 2008, and 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Washington County, as of December 31, 2008, and the respective changes in financial position and, where applicable, cash flows 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 August 10, 2009, on our consideration of Washington County's internal control 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 and budgetary comparison information on pages 3 through 11 and budgetary comparison information on pages 52 through 57, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and the other schedules listed in the table of contents have 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.

Hafen, Buckner, Everett & Graff, PC

Hafen, Buckner, Everett, & Graff, PC
August 10, 2009

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, 2008. 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

- Washington County has consistently been one of the highest growth counties in the state; however, population growth has slowed due to current economic conditions this past year.
- Sales tax revenues have decreased this year by 8.06 %.
- Restaurant and Transient Room Taxes have grown by 9.5 % which includes growth and inflation.
- The County's 2008 unemployment rate has remained lower than the national rate and is comparable with the rest of the State. The County and the State both have one of the best labor and business climates in the western United States; however, along with the rest of the country job growth has declined in the past year.
- During 2008, proceeds from the 2007 \$5.045 million General Obligation Bonds were utilized to complete the Washington City Library and remodel of the Enterprise Library for approximately.
- During 2008 the County's General Fund balance decreased from approximately \$6.1 million to \$5 million mainly due to planned appropriations and transfers. \$3.8 million of the General Fund balances are reserved or designated for future capital project needs.
- Total County assets, excluding component units, exceed total liabilities (net assets) by \$41.5 million at the close of the fiscal year. Total net assets increased by \$670,274.
- Total revenues from all sources, excluding component units, were \$53.4 million.
- The total cost of all County programs, excluding component units, was \$52.8 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 thirteen 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 eight Governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual budget-to-actual reports.

Washington County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for each fund to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the governmental fund financial statements.

Proprietary Funds

The internal service fund accounts for the County's self-funded health insurance services provided to other funds and departments on a cost reimbursement basis. All of the other proprietary funds of the County are in the form of component units. Each of the component units of the county prepare their own financial statements but are summarized in Washington County's presentation because of their financial accountability. The basic, but not the only, 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		Business-type Activities		Component Unit Activities	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 41,897,672	\$ 46,041,843	\$ 608,093	\$ -	\$ 27,715,597	\$ 24,706,384
Capital assets	66,422,432	65,338,275	-	-	30,647,529	27,139,892
Total assets	<u>108,320,104</u>	<u>111,380,118</u>	<u>608,093</u>	<u>-</u>	<u>58,363,126</u>	<u>51,846,276</u>
Long-term liabilities	59,029,933	62,366,866	-	-	11,686,505	12,593,438
Other liabilities	8,355,338	8,140,599	-	-	1,454,745	1,483,675
Total liabilities	<u>67,385,271</u>	<u>70,507,465</u>	<u>-</u>	<u>-</u>	<u>13,141,250</u>	<u>14,077,113</u>
Net assets:						
Invested in capital assets, net of related debt	10,305,702	6,510,837	-	-	22,086,656	16,445,040
Restricted	25,560,191	28,613,183	-	-	10,518,182	9,302,599
Unrestricted	<u>5,068,940</u>	<u>5,748,633</u>	<u>608,093</u>	<u>-</u>	<u>12,617,038</u>	<u>12,021,524</u>
Total net assets	<u>\$ 40,934,833</u>	<u>\$ 40,872,653</u>	<u>\$ 608,093</u>	<u>\$ -</u>	<u>\$ 45,221,876</u>	<u>\$ 37,769,163</u>

Governmental Activities

The cost of all Governmental activities this year was \$48.9 million. As shown on the Statement of Activities on the following page, \$9.8 million of this cost was paid for by those who directly benefited from the programs; \$7.2 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 \$17 million. General taxes and investment earnings totaled \$31.9 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.

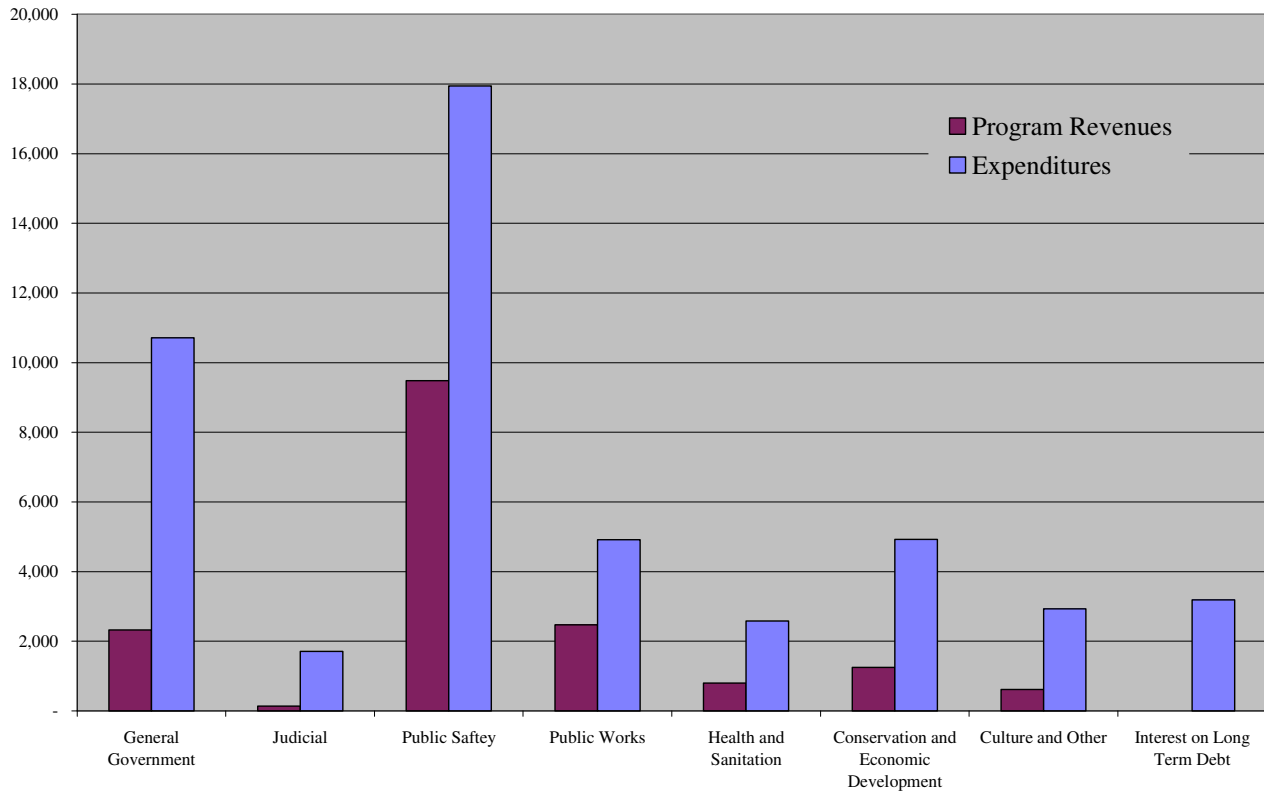
**Washington County
Changes in Net Assets**

	Governmental Activities		Business-type Activities		Component Unit Activities	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 9,873,530	\$ 10,804,345	\$ 4,463,645	\$ -	\$ 12,744,126	\$ 12,630,742
Operating grants and contributions	5,653,610	5,000,840	-	-	7,513,960	6,745,057
Capital grants and contributions	1,550,839	3,195,527	-	-	60,821	229,070
General revenues:						
Taxes	31,031,244	27,345,105	-	-	441,612	473,165
Other	866,472	2,410,088	-	-	5,933,596	2,305,744
Total revenues	<u>48,975,695</u>	<u>48,755,905</u>	<u>4,463,645</u>	<u>-</u>	<u>26,694,115</u>	<u>22,383,778</u>
Expenses:						
General government	10,714,034	9,559,923	3,855,552	-	-	-
Judicial	1,711,489	1,606,277	-	-	-	-
Public safety	17,944,679	17,160,199	-	-	889,589	901,006
Public works	4,917,037	4,156,159	-	-	9,770,703	11,207,826
Health and sanitation	2,584,181	2,312,130	-	-	8,581,110	7,916,506
Conservation and economic development	4,923,958	6,499,366	-	-	-	-
Culture and other	2,932,247	3,323,813	-	-	-	-
Interest on long term debt	3,185,889	3,227,792	-	-	-	-
Total expenses	<u>48,913,514</u>	<u>47,845,659</u>	<u>3,855,552</u>	<u>-</u>	<u>19,241,402</u>	<u>20,025,338</u>
Increase in net assets	62,181	910,246	608,093	-	7,452,713	2,358,440
Net assets, beginning	<u>40,872,652</u>	<u>39,962,407</u>	<u>-</u>	<u>-</u>	<u>37,769,163</u>	<u>35,410,723</u>
Net assets, ending	<u>\$ 40,934,833</u>	<u>\$ 40,872,653</u>	<u>\$ 608,093</u>	<u>\$ -</u>	<u>\$ 45,221,876</u>	<u>\$ 37,769,163</u>

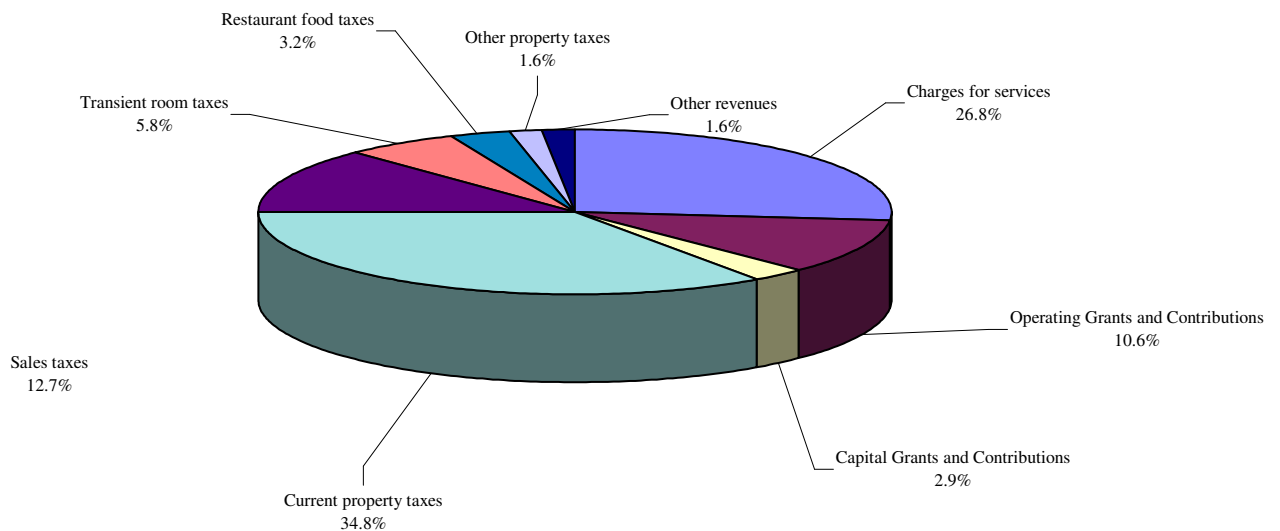
Total resources available during the year to finance operations were \$89.8 million consisting of Net assets at December 31, 2007 of \$40.8 million, program revenues of \$17 million and General Revenues of \$31.9 million. Total Governmental Activities during the year were \$48.9 million; thus Net Assets were increased by \$62,181 to \$40.9 million. One of the most significant changes in Governmental activities this year was the decrease in spending in the Flood Damage special revenue fund. Capital grants decreased by \$1.5 million and Conservation and Economic Development expenditures decreased by \$1.3 million.

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

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



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



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds

The focus of the County's governmental fund financial statements (pages 14 to 21) is to provide information on near-term inflows, outflows, and balances of spendable resources. All major governmental funds are discretely presented in these financial statements, while the non-major funds are combined into a single column. Combining statements for the non-major funds are reported on pages 64 to 66.

For the year ended December 30, 2008, the governmental funds reflect a combined fund balance of \$25,962,873. Of this, \$18,752,263 is reserved because it is not available for expenditure or is legally segregated for a specific future use. The remaining \$7,210,610 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. General fund revenues and expenditures remained fairly consistent with the prior year. Revenues totaled \$23,067,959 and expenditures, before other financing sources and uses, totaled \$22,968,316. The net increase in fund balance before transfers was \$99,643. A transfer from the general fund of \$1,204,613 was made to the debt service fund, Children's Justice Center fund and the Council on Aging fund for 2008.

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. Assessing & Collecting fund revenues and expenditures remained fairly consistent with the prior year. Revenues totaled \$6,557,398 while expenditures, not including transfers, totaled \$5,930,692 in 2008. (See Page 58)

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 decreased from \$1,468,986 in 2007 to \$784,052 mainly due to the economic downturn and decrease in building in the County. Expenditures were also decreased during 2008. (See Page 59)

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. Revenues and Expenditures decreased as expected in 2008 mainly due to activity associated with the Dixie Springs project. (See Page 62)

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 \$150,486 in revenues and \$4,627,519 in capital outlay. The majority of the 2008 capital outlay is for a library in Washington City and the library remodel in Enterprise. The \$3.9 million reduction in fund balance is a result of appropriations against the bond proceeds of \$5,045,000 received in 2007. (See Page 61)

The non-major funds of the County consist of the following funds special revenue funds: Municipal Service, Flood Damage, Children's Justice Center, 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 64 to 75 for combining and individual fund statements)

General Fund Budgetary Highlights

The final appropriations for the General Fund at year-end were \$463,305 lower than actual expenditures. The budget to actual variance in appropriations was the result of various departments slightly over and under and due to estimates in contingency anticipated for miscellaneous services and supplies which were not expended. Actual revenues were less than the final budget by \$1,246,721 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 2008, net capital assets of the government activities totaled \$66.4 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 \$63 million in governmental type debt. The debt is a liability of the government and amounts to approximately \$420.00 per capita. During the current fiscal year, the County's total debt decreased by \$3 million as a result of annual debt payments. (See note 9 to the financial statements for detailed descriptions.)

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The County uses a conservative approach during the budgeting process in an effort to maintain a healthy fund balance. With the current economic condition of the County, management has proposed to budget revenues and expenditures close to the prior year. The County has strongly maintained that no tax increases are to occur in the County without public input. The County budgets are closely monitored by Administration.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Washington County Auditor at 197 East Tabernacle, St. George, UT 84770

BASIC FINANCIAL STATEMENTS

WASHINGTON COUNTY
Statement of Net Assets
December 31, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 6,210,602	\$ 608,093	\$ 6,818,695	\$ 14,881,629
Receivables (net of allowance for uncollectibles)	16,501,603	-	16,501,603	2,166,558
Prepaid assets	-	-	-	44,483
Deferred charges	409,545	-	409,545	-
Restricted cash and investments	13,657,582	-	13,657,582	10,622,927
Note receivable	5,118,340	-	5,118,340	-
Capital assets not being depreciated	4,359,854	-	4,359,854	9,074,382
Capital assets being depreciated, net of accumulated depreciation	62,062,578	-	62,062,578	21,573,147
Total assets	<u>108,320,104</u>	<u>608,093</u>	<u>108,928,197</u>	<u>58,363,126</u>
Liabilities				
Accounts payable and other current liabilities	2,637,411	-	2,637,411	943,391
Unearned revenue	961,575	-	961,575	-
Accrued interest payable	785,352	-	785,352	188,823
Noncurrent liabilities:				
Due within one year	3,971,000	-	3,971,000	322,531
Due in more than one year	59,029,933	-	59,029,933	11,686,505
Total liabilities	<u>67,385,271</u>	<u>-</u>	<u>67,385,271</u>	<u>13,141,250</u>
Net Assets				
Invested in capital assets, net of related debt	10,305,702	-	10,305,702	22,086,656
Restricted for:				
Capital projects	1,709,807	-	1,709,807	-
Class "B" roads	619,445	-	619,445	-
Debt Service	12,569,840	-	12,569,840	-
Other purposes	10,661,099	-	10,661,099	10,518,182
Unrestricted	5,068,940	608,093	5,677,033	12,617,038
Total net assets	<u>\$ 40,934,833</u>	<u>\$ 608,093</u>	<u>\$ 41,542,926</u>	<u>\$ 45,221,876</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Activities
For the Year Ended December 31, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 10,714,034	\$ 2,140,528	\$ 156,787	\$ 26,506	\$ (8,390,213)	\$ -	\$ (8,390,213)	-
Judicial	1,711,489	62,844	73,350	-	(1,575,295)	-	(1,575,295)	-
Public safety	17,944,679	5,708,870	3,196,605	579,731	(8,459,473)	-	(8,459,473)	-
Public works	4,917,037	56,923	1,903,303	510,984	(2,445,827)	-	(2,445,827)	-
Health and sanitation	2,584,181	611,525	188,384	-	(1,784,272)	-	(1,784,272)	-
Conservation & economic development	4,923,958	676,493	135,181	433,618	(3,678,666)	-	(3,678,666)	-
Culture and other	2,932,247	616,347	-	-	(2,315,900)	-	(2,315,900)	-
Interest on long-term debt	3,185,889	-	-	-	(3,185,889)	-	(3,185,889)	-
Total governmental activities	<u>48,913,514</u>	<u>9,873,530</u>	<u>5,653,610</u>	<u>1,550,839</u>	<u>\$(31,835,535)</u>	<u>-</u>	<u>\$(31,835,535)</u>	<u>-</u>
Business-type activities:								
Internal Service	<u>3,855,552</u>	<u>4,463,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>608,093</u>	<u>608,093</u>	<u>-</u>
Total business-type activities	<u>3,855,552</u>	<u>4,463,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>608,093</u>	<u>608,093</u>	<u>-</u>
Total primary government	<u>\$ 52,769,066</u>	<u>\$ 14,337,175</u>	<u>\$ 5,653,610</u>	<u>\$ 1,550,839</u>	<u>\$(31,835,535)</u>	<u>\$ 608,093</u>	<u>\$(31,227,442)</u>	<u>\$ -</u>
Component units:								
Public safety	889,589	305,544	16,225	59,649	-	-	-	(508,171)
Public works	9,770,703	10,976,710	-	1,172	-	-	-	1,207,179
Health and sanitation	8,581,110	1,461,872	7,497,735	-	-	-	-	378,497
Total component units	<u>\$ 19,241,402</u>	<u>\$ 12,744,126</u>	<u>\$ 7,513,960</u>	<u>\$ 60,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,077,505</u>
General revenues:								
Current property taxes					18,603,521	-	18,603,521	295,891
Sales taxes					6,778,911	-	6,778,911	-
Transient room taxes					3,081,974	-	3,081,974	-
Restaurant food taxes					1,732,505	-	1,732,505	-
Other property taxes					834,333	-	834,333	145,721
Unrestricted investment earnings					732,797	-	732,797	647,258
Gain on the sale of assets					133,675	-	133,675	-
Other revenues					-	-	-	5,286,338
Total general revenues and transfers					<u>31,897,716</u>	<u>-</u>	<u>31,897,716</u>	<u>6,375,208</u>
Change in net assets					62,181	608,093	670,274	7,452,713
Net assets - beginning					<u>40,872,652</u>	<u>-</u>	<u>40,872,652</u>	<u>37,769,163</u>
Net assets - ending					<u>\$ 40,934,833</u>	<u>\$ 608,093</u>	<u>\$ 41,542,926</u>	<u>\$ 45,221,876</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Balance Sheet
Governmental Funds
December 31, 2008

	General Fund	Debt Service	Special Revenue	
			Assessing & Collecting	Habitat Conservation
Assets				
Cash and investments	\$ 1,462,141	\$ 3,541,152	\$ -	\$ 100
Property taxes receivable	2,842,355	896,690	1,971,245	-
Assessments receivable	-	6,879,149	-	-
Due from other governments	1,593,321	-	-	93,071
Due from other funds	320,858	-	-	-
Other receivables	-	21,115	-	-
Prepaid assets	-	-	-	-
Notes receivable	-	-	-	-
Restricted cash and investments	496,155	2,344,595	(1,716,300)	5,283,892
Total assets	<u>\$ 6,714,830</u>	<u>\$ 13,682,701</u>	<u>\$ 254,945</u>	<u>\$ 5,377,063</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	934,369	-	235,731	25,830
Accrued liabilities	613,784	-	74,878	9,100
Due to other funds	-	-	-	-
Unearned revenue	88,352	6,879,149	2,959	-
Total liabilities	<u>1,636,505</u>	<u>6,879,149</u>	<u>313,568</u>	<u>34,930</u>
Fund balances:				
Reserved for:				
Class "B" roads	619,445	-	-	-
Debt service fund	-	5,761,912	-	-
Other purposes	-	-	-	5,342,133
Unreserved, designated for subsequent year	-	1,041,640	-	-
Unreserved, designated for capital projects	3,800,000	-	-	-
Unreserved, undesignated	658,880	-	(58,623)	-
Unreserved, undesignated, reported in nonmajor:				
Special revenue funds	-	-	-	-
Total fund balances	<u>5,078,325</u>	<u>6,803,552</u>	<u>(58,623)</u>	<u>5,342,133</u>
Total liabilities and fund balances	<u>\$ 6,714,830</u>	<u>\$ 13,682,701</u>	<u>\$ 254,945</u>	<u>\$ 5,377,063</u>

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

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,207,209	\$ 6,210,602
-	1,007,211	6,717,501
-	-	6,879,149
-	1,197,446	2,883,838
-	-	320,858
-	-	21,115
-	-	-
-	-	-
1,932,499	5,316,741	13,657,582
<u>\$ 1,932,499</u>	<u>\$ 8,728,607</u>	<u>\$ 36,690,645</u>
222,692	414,029	1,832,651
-	106,998	804,760
-	320,858	320,858
-	799,043	7,769,503
<u>222,692</u>	<u>1,640,928</u>	<u>10,727,772</u>
-	-	619,445
-	-	5,761,912
1,709,807	5,318,966	12,370,906
-	-	1,041,640
-	-	3,800,000
-	-	600,257
-	1,768,713	1,768,713
<u>1,709,807</u>	<u>7,087,679</u>	25,962,873
<u>\$ 1,932,499</u>	<u>\$ 8,728,607</u>	
		5,118,340
		66,422,432
		6,807,928
		<u>(63,376,740)</u>
		<u>\$ 40,934,833</u>

WASHINGTON COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General Fund	Debt Service	Special Revenue	
			Assessing & Collecting	Habitat Conservation
Revenues				
Taxes	\$ 13,921,821	\$ 2,735,413	\$ 5,706,427	\$ -
Licenses and permits	24,112	-	-	-
Intergovernmental	5,663,491	269,090	-	555,294
Charges for services	970,026	-	833,301	-
Fines and forfeitures	1,369,188	-	-	-
Interest	197,244	68,956	-	167,705
Sub-lease revenue	-	-	-	-
Other revenue	922,077	1,293,033	17,670	61,053
Total revenues	<u>23,067,959</u>	<u>4,366,492</u>	<u>6,557,398</u>	<u>784,052</u>
Expenditures				
Current:				
General government	3,608,544	9,494	5,930,692	-
Judicial	1,697,817	-	-	-
Public Safety	13,407,998	-	-	-
Public Works	2,677,492	-	-	-
Health and Sanitation	1,115,735	-	-	-
Conservation & Economic Development	209,767	-	-	805,870
Culture and other	221,426	-	-	-
Matching Funds & contributions	29,537	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	2,323,000	-	-
Interest	-	2,369,543	-	-
Total expenditures	<u>22,968,316</u>	<u>4,702,037</u>	<u>5,930,692</u>	<u>805,870</u>
Excess revenues over (under) expenditures	<u>99,643</u>	<u>(335,545)</u>	<u>626,706</u>	<u>(21,818)</u>
Other financing sources (uses)				
Transfers in	-	643,000	-	-
Transfers out	(1,204,613)	-	(544,100)	-
Bond Issue Costs	-	-	-	-
Debt proceeds	-	-	-	-
Total other financing sources and uses	<u>(1,204,613)</u>	<u>643,000</u>	<u>(544,100)</u>	<u>-</u>
Net change in fund balances	(1,104,970)	307,455	82,606	(21,818)
Fund balances - beginning of year	<u>6,183,295</u>	<u>6,496,097</u>	<u>(141,229)</u>	<u>5,363,951</u>
Fund balances - end of year	<u>\$ 5,078,325</u>	<u>\$ 6,803,552</u>	<u>\$ (58,623)</u>	<u>\$ 5,342,133</u>

The accompanying notes are an integral part of the financial statements

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 8,518,639	\$ 30,882,300
-	133,133	157,245
14,565	5,046,786	11,549,226
-	499,467	2,302,794
-	73,945	1,443,133
135,921	162,971	732,797
-	655,285	655,285
-	430,176	2,724,009
<u>150,486</u>	<u>15,520,402</u>	<u>50,446,789</u>
-	300,217	9,848,947
-	-	1,697,817
-	3,601,575	17,009,573
-	394,397	3,071,889
-	1,290,033	2,405,768
-	3,692,284	4,707,921
-	3,118,611	3,340,037
-	-	29,537
4,627,519	-	4,627,519
-	982,000	3,305,000
-	903,211	3,272,754
<u>4,627,519</u>	<u>14,282,328</u>	<u>53,316,762</u>
<u>(4,477,033)</u>	<u>1,238,074</u>	<u>(2,869,973)</u>
544,100	781,547	1,968,647
-	(219,934)	(1,968,647)
-	-	-
-	-	-
<u>544,100</u>	<u>561,613</u>	<u>-</u>
<u>(3,932,933)</u>	<u>1,799,687</u>	<u>(2,869,973)</u>
<u>5,642,740</u>	<u>5,287,992</u>	<u>28,832,846</u>
<u>\$ 1,709,807</u>	<u>\$ 7,087,679</u>	<u>\$ 25,962,873</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, 2008

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

Net changes in fund balances - total governmental funds	\$ (2,869,973)
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.	1,226,635
The statement of activities only 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.	(142,478)
Donations of capital assets do not provide current financial resources and, therefore, are not reported as revenues/expenditures in governmental funds.	(782,049)
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.	(410,060)
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.	-
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.	3,204,000
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>(163,894)</u>
Change in net assets of governmental activities	<u><u>\$ 62,181</u></u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Net Assets
Proprietary Funds
December 31, 2008

	<u>Internal Service Fund</u>
Assets:	
Cash	\$ 608,093
Total Assets	<u>608,093</u>
Net Assets:	
Unrestricted	608,093
Total Net Assets	<u>\$ 608,093</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2008

	<u>Internal Service Fund</u>
Operating Revenues	
Charges for services	
County contributions	\$ 3,690,864
Employee contributions	668,780
Washington County Solid Waste contributions	<u>104,001</u>
Total operating revenues	<u>4,463,645</u>
Operating Expenses	
Claims expense	2,905,458
Premium expense	<u>950,094</u>
Total operating expenses	<u>3,855,552</u>
Operating income	608,093
Net assets, beginning of the year	<u>-</u>
Net assets, end of the year	<u><u>\$ 608,093</u></u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2008

	Internal Service Fund
Cash Flows From Operating Activities:	
Cash received from customers, service fees	\$ 4,463,645
Cash paid to suppliers	(3,855,552)
Cash flows from operating activities	608,093
Net Change in Cash and Cash Equivalents	608,093
Cash and cash equivalents including restricted cash, beginning of year	-
Cash and cash equivalents including restricted cash, end of year	\$ 608,093
Reconciliation of operating income (loss) to cash flows from operating activities:	
Net operating income (loss)	\$ 608,093
Adjustments to reconcile net income (loss) to cash flows from operating activities:	-
Net cash flows from operating activities	\$ 608,093

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Combined Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2008

	Agency Funds
Assets	
Cash and investments	\$ 44,999,217
Due from other governments	-
Property taxes receivable	1,715,361
Due from other funds	-
Total Assets	\$ 46,714,578
Liabilities	
Deposits held in trust	\$ 3,677,373
Due to taxing districts	36,430,695
Due to Washington County General Fund	2,842,355
Due to Assessing & Collecting Fund	1,971,245
Due to other funds	1,792,910
Reserve for refund	-
Total Liabilities	\$ 46,714,578
Net Assets	
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, 2008

	Southwest Utah Public Health Dept.	Ash Creek SSD	Washington County Solid Waste SSD	Nonmajor Component Units	Total Component Units
Assets					
Current assets:					
Cash and investments	\$ 526,100	\$ 3,888,384	\$ 9,315,125	\$ 1,152,020	\$ 14,881,629
Property Taxes Receivable	-	-	-	-	-
Taxes Receivable	-	-	-	-	-
Due from other governments	670,444	-	-	78,354	748,798
Due from other sources	-	309,372	781,821	326,567	1,417,760
Prepaid assets	35,527	-	-	8,956	44,483
Total current assets	<u>1,232,071</u>	<u>4,197,756</u>	<u>10,096,946</u>	<u>1,565,897</u>	<u>17,092,670</u>
Noncurrent assets:					
Deferred charges	-	-	-	-	-
Restricted cash and investments	96,975	4,990,846	5,203,408	331,698	10,622,927
Capital assets not being depreciated	-	8,459,869	57,000	557,513	9,074,382
Capital assets being depreciated, net of accumulated depreciation	4,818,591	7,846,098	4,158,197	4,750,261	21,573,147
Total noncurrent assets	<u>4,915,566</u>	<u>21,296,813</u>	<u>9,418,605</u>	<u>5,639,472</u>	<u>41,270,456</u>
Total assets	<u>\$ 6,147,637</u>	<u>\$ 25,494,569</u>	<u>\$ 19,515,551</u>	<u>\$ 7,205,369</u>	<u>\$ 58,363,126</u>
Liabilities					
Current liabilities:					
Accounts payable	\$ 89,344	\$ 16,079	\$ 639,312	\$ 91,899	\$ 836,634
Accrued liabilities	76,867	16,351	3,193	10,346	106,757
Compensated absences	216,235	31,400	12,186	-	259,821
Accrued interest payable	100,491	82,280	-	6,052	188,823
Total current liabilities	<u>482,937</u>	<u>146,110</u>	<u>654,691</u>	<u>108,297</u>	<u>1,392,035</u>
Noncurrent liabilities:					
Due within one year	144,000	151,134	-	27,397	322,531
Due in more than one year	4,173,750	2,111,000	3,899,114	1,242,820	11,426,684
Total noncurrent liabilities	<u>4,317,750</u>	<u>2,262,134</u>	<u>3,899,114</u>	<u>1,270,217</u>	<u>11,749,215</u>
Total liabilities	<u>4,800,687</u>	<u>2,408,244</u>	<u>4,553,805</u>	<u>1,378,514</u>	<u>13,141,250</u>
Net Assets:					
Invested in capital assets, net of related debt	500,841	14,061,967	4,215,197	3,308,651	22,086,656
Restricted	96,975	4,908,566	5,203,408	309,233	10,518,182
Unrestricted	749,134	4,115,792	5,543,141	2,208,971	12,617,038
Total net assets	<u>\$ 1,346,950</u>	<u>\$ 23,086,325</u>	<u>\$ 14,961,746</u>	<u>\$ 5,826,855</u>	<u>\$ 45,221,876</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, 2008

	Southwest Utah Public Health Dept.	Ash Creek SSD	Washington County Solid Waste SSD	Nonmajor Component Units	Total Component Units
Expenses:					
Public safety:					
Fire and emergency services	\$ -	\$ -	\$ -	\$ 889,589	\$ 889,589
Public works					
Sewer services	-	1,750,264	-	-	1,750,264
Solid waste services	-	-	7,710,730	-	7,710,730
Water services	-	-	-	309,709	309,709
Health and sanitation					
Health services	8,581,110	-	-	-	8,581,110
Mosquito abatement	-	-	-	-	-
Total expenses	<u>8,581,110</u>	<u>1,750,264</u>	<u>7,710,730</u>	<u>1,199,298</u>	<u>19,241,402</u>
Program revenues:					
Charges for services	1,461,872	2,118,612	8,497,935	665,707	12,744,126
Operating grants and contributions	7,497,735	-	-	16,225	7,513,960
Capital grants and contributions	-	-	-	60,821	60,821
Net (expense) revenue	<u>378,497</u>	<u>368,348</u>	<u>787,205</u>	<u>(456,545)</u>	<u>1,077,505</u>
General revenues:					
Property taxes	-	-	-	295,891	295,891
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	145,721	145,721
Unrestricted investment earnings	279	257,482	351,795	37,702	647,258
Miscellaneous	84,446	4,870,142	808	330,942	5,286,338
Transfers	-	-	-	-	-
Debt Proceeds	-	-	-	-	-
Total general revenues and transfers	<u>84,725</u>	<u>5,127,624</u>	<u>352,603</u>	<u>810,256</u>	<u>6,375,208</u>
Change in net assets	463,222	5,495,972	1,139,808	353,711	7,452,713
Total net assets - beginning	<u>883,728</u>	<u>17,590,353</u>	<u>13,821,938</u>	<u>5,473,144</u>	<u>37,769,163</u>
Total net assets - ending	<u>\$ 1,346,950</u>	<u>\$ 23,086,325</u>	<u>\$ 14,961,746</u>	<u>\$ 5,826,855</u>	<u>\$ 45,221,876</u>

The accompanying notes are an integral part of the financial statements

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

NOTE 1. Summary of Significant Accounting Policies

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, 2008

NOTE 1. Summary of Significant Accounting Policies (Continued)

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 June 11, 2009.

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 16, 2009.

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 May 19, 2009.

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 26, 2009.

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. The District issued separate audited financial statements dated June 15, 2009.

Leeds 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. The District issued separate audited financial statements dated March 31, 2009.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

NOTE 1. Summary of Significant Accounting Policies (Continued)

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.

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

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

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.

The Hurricane Valley Fire Special Service District was established in December, 2007. The District will not be funded until 2010 and therefore has not been included in these financial statements.

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, 2008

NOTE 1. Summary of Significant Accounting Policies (Continued)

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 2008, the County provided \$390,655 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 2008 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, 2008

NOTE 1. Summary of Significant Accounting Policies (Continued)

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, 2008

NOTE 1. Summary of Significant Accounting Policies (Continued)

The County reports the following major governmental funds:

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

The **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, Children's Justice Center and Grants.

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.

Additionally, the County reports the following fund type:

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

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

NOTE 1. Summary of Significant Accounting Policies (Continued)

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. 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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

NOTE 1. Summary of Significant Accounting Policies (Continued)

and sell the property at a tax sale. As of January 1, all unpaid property taxes are considered to have liens against the property.

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, 2008

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	35,605,000
Less: Deferred charge for issuance costs (to be amortized)	(409,545)
Less: Deferred charge on refunding (to be amortized)	(415,385)
Capital leases payable	18,908,000
Special assessment debt payable	7,547,000
Compensated absences	1,356,318
Accrued interest payable	<u>785,352</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	 <u>\$ 63,376,740</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

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	\$ 6,171,208
Depreciation expense	<u>(4,944,573)</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>\$ 1,226,635</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	\$ -
Principal repayments:	
Bonds payable	2,222,000
Capital leases	982,000
Bond issue costs	<u>-</u>
Net adjustment to increase <i>net changes in fund balances total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 3,204,000</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	\$ (118,144)
Accrued interest	37,481
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>\$ (163,894)</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

NOTE 3. Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

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

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

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

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

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

Expenditures over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level. The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual reports beginning on page 52 present all of the departments which incurred an excess of expenditures/expenses over appropriations for the year ended December 31, 2008, if any.

Deficit Fund Equity

The Assessing & Collecting non-major special revenue fund had deficit fund balance as of December 31, 2008. The County anticipates that the Assessing & Collecting deficit fund balance of \$58,623 will be eliminated through the budget process during 2009.

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, 2008

NOTE 4. Deposits and Investments

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

The County follows the requirements of the Utah Money Management Act (*Utah code*, Section 51, chapter 7) in handling its depository and investment transactions. The Act requires the depositing of County funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

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, 2008, \$16,954,522 of the County's bank balance of \$17,955,522 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, 2008, \$7,506,506 of the Washington County Solid Waste Special Service District bank balance of \$8,006,506 and none of Ash Creek Special Service District bank balance of \$101,904 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, 2008

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, 2008 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	\$ 49,073,558	\$ 49,073,558	\$ -	\$ -	\$ -

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, 2008

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, 2008 the County had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Local Government Pooled Investment Fund	\$ 49,073,558	\$ -	\$ -	\$ -	\$ 49,073,558
Total Fair Value	\$ 49,073,558	\$ -	\$ -	\$ -	\$ 49,073,558

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	\$ 8,809,677	Unrated
Wash. County Solid Waste Special Svc. Dist. No. 1	\$ 6,560,610	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, 2008. These monies were distributed to the various County funds in January 2009 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 2008, 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, 2009.

Notes receivable that are shown on the Statement of Net Assets include \$5,118,340 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, 2008

NOTE 6. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2008, is as follows:

	Due from Other Funds reported in:	
	General Fund	Total
Due to Other Funds reported in:		
Nonmajor Special Revenue Funds:		
Children's Justic Center Fund	\$ 138,763	\$ 138,763
Library Fund	154,378	154,378
Grants Fund	27,717	27,717
Total Interfund Balances	\$ 320,858	\$ 320,858

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, 2008 are shown in the following table:

	Transfers out reported in:					
	General Fund	Recreation Fund	Assessing and Collecting	Children's Justice Center	Municipal Services Fund	Total
Transfers in reported in:						
Debt Service Fund	\$ 643,000	\$ -	\$ -	\$ -	\$ -	\$ 643,000
Capital Projects Fund	-	-	544,100	-	-	544,100
Nonmajor Special Revenue Funds:						
Travel Board Fund	-	200,000	-	-	-	200,000
Flood Damage Fund	-	-	-	-	138,000	138,000
Children's Justic Center Fund	36,783	-	-	-	-	36,783
Council on Aging Fund	524,830	-	-	-	-	524,830
Grants Fund	-	-	-	19,934	-	19,934
Total Transfers	\$ 1,204,613	\$ 200,000	\$ 544,100	\$ 19,934	\$ 138,000	\$ 2,106,647

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, 2008. These monies were distributed in January of 2009 and thereafter.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

NOTE 8. Capital Assets

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

Governmental Activities:	Balance 12/31/2007	Additions	Deletions	Balance 12/31/2008
Capital assets, not being depreciated:				
Land	\$ 4,372,734	\$ -	\$ (12,880)	\$ 4,359,854
Construction in progress	<u>407,668</u>	<u>3,899,979</u>	<u>(4,307,647)</u>	<u>-</u>
Total capital assets, not being depreciated:	<u>4,780,402</u>	<u>3,899,979</u>	<u>(4,320,527)</u>	<u>4,359,854</u>
Capital assets, being depreciated:				
Buildings and improvements	43,281,615	4,299,528	-	47,581,142
Convention Center	12,344,835	-	-	12,344,835
Regional Park	4,313,510	-	-	4,313,510
Museum	2,279,863	-	-	2,279,863
Autos and trucks	4,411,046	757,338	(177,151)	4,991,233
Equipment	7,088,044	1,416,661	(323,232)	8,181,473
Furniture and fixtures	591,206	50,000	-	641,206
Bridges, Towers, Trails	4,401,247	55,349	-	4,456,596
Streets and sidewalks	<u>26,473,463</u>	<u>-</u>	<u>-</u>	<u>26,473,463</u>
Total capital assets, being depreciated:	<u>105,184,829</u>	<u>6,578,876</u>	<u>(500,383)</u>	<u>111,263,321</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,672,950)	(1,370,300)	-	(8,043,250)
Convention Center	(3,508,254)	(316,535)	-	(3,824,789)
Regional Park	(1,202,551)	(120,207)	-	(1,322,758)
Museum	(643,701)	(58,458)	-	(702,159)
Autos and trucks	(2,676,943)	(677,727)	132,990	(3,221,680)
Equipment	(3,740,397)	(889,593)	237,795	(4,392,195)
Furniture and fixtures	(210,029)	(60,879)	-	(270,908)
Bridges, Towers, Trails	(2,227,849)	(127,201)	-	(2,355,050)
Streets and sidewalks	<u>(23,744,282)</u>	<u>(1,323,673)</u>	<u>-</u>	<u>(25,067,955)</u>
Total accumulated depreciation	<u>(44,626,956)</u>	<u>(4,944,573)</u>	<u>370,785</u>	<u>(49,200,744)</u>
Total capital assets, being depreciated, net	<u>60,557,873</u>	<u>1,634,303</u>	<u>(129,598)</u>	<u>62,062,577</u>
Governmental activities capital assets, net	<u>\$ 65,338,275</u>	<u>\$ 5,534,282</u>	<u>\$ (4,450,125)</u>	<u>\$ 66,422,432</u>

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

Governmental Activities:	
General government	\$ 967,991
Public safety	1,090,831
Judicial	7,292
Public works	1,819,598
Health and sanitation	216,135
Conservation and economic development	240,522
Other	<u>602,204</u>
Total depreciation expense - governmental activities	<u>\$ 4,944,573</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

NOTE 9. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2008.

Governmental activities:	Balance			Balance	Current
General Obligation:	12/31/2007	Additions	Retirements	12/31/2008	Portion
Refunding G.O. bonds	\$ 6,475,000	\$ -	\$ 565,000	\$ 5,910,000	\$ 575,000
Less deferred amounts on refunding	(467,308)	-	(51,923)	(415,385)	-
Library G.O. bonds	7,180,000	-	305,000	6,875,000	315,000
Series 2002 G.O. bonds	7,965,000	-	400,000	7,565,000	410,000
Series 2007 G.O. bonds	5,045,000	-	90,000	4,955,000	190,000
Capital leases (Convention)	16,460,000	-	745,000	15,715,000	820,000
Capital leases (Museum)	577,000	-	35,000	542,000	38,000
Capital leases (Land)	2,853,000	-	202,000	2,651,000	209,000
Accrued Compensated Absences	1,238,174	239,058	120,914	1,356,318	261,000
Total General Obligation	<u>47,325,866</u>	<u>239,058</u>	<u>2,410,991</u>	<u>45,153,933</u>	<u>2,818,000</u>
Revenue Obligation:					
Sales tax revenue bonds, series 2006	8,195,000	-	115,000	8,080,000	120,000
MBA Lease revenue bonds, series 2006	845,000	-	20,000	825,000	21,000
Lease revenue bonds	1,500,000	-	105,000	1,395,000	110,000
Total Revenue Obligation	<u>10,540,000</u>	<u>-</u>	<u>240,000</u>	<u>10,300,000</u>	<u>251,000</u>
Special Assessment Debt with Government Commitment:					
SID No. 2002-1 - Diamond Valley	41,000	-	-	41,000	41,000
SID No. 2004-1 - Dixie Springs	8,128,000	-	622,000	7,506,000	861,000
Total Special Assessment	<u>8,169,000</u>	<u>-</u>	<u>622,000</u>	<u>7,547,000</u>	<u>902,000</u>
Total Governmental activity long-term liabilities	<u>\$ 66,034,866</u>	<u>\$ 239,058</u>	<u>\$ 3,272,991</u>	<u>\$ 63,000,933</u>	<u>\$ 3,971,000</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

NOTE 9. Long-Term Debt (Continued)

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

Period Ending December 31	Principal	Interest	Total
2009	2,620,000	2,045,638	4,665,638
2010	2,782,000	1,927,183	4,709,183
2011	2,882,000	1,796,230	4,678,230
2012	3,044,000	1,657,320	4,701,320
2013	3,187,000	1,507,460	4,694,460
2014-2018	13,329,000	5,122,733	18,451,733
2019-2023	8,215,000	2,606,172	10,821,172
2024-2028	3,443,000	1,101,805	4,544,805
2029-2033	2,140,000	604,931	2,744,931
2034-2037	1,510,000	131,602	1,641,602
	<u>\$ 43,152,000</u>	<u>\$ 18,501,074</u>	<u>\$ 61,653,074</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, 2008

NOTE 9. Long-Term Debt (Continued)

Bonds payable at December 31, 2008, 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. \$ 5,910,000

G. O. Bonds Series 2002 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. 7,565,000

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. 6,875,000

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. 4,955,000

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. 7,506,000

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. 8,080,000

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. 825,000

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. 1,395,000

Total Bonds Payable \$43,152,000

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

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
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	225,837	809,248	-	1,035,085
2014-2018	1,331,829	4,810,407	-	6,142,236
2019-2022	1,605,411	5,032,333	-	6,637,744
Total remaining minimum lease payments	4,504,116	11,405,287	2,087,710	17,997,113
Less amount representing interest	599,116	1,195,287	487,710	2,282,113
Present value of net remaining minimum lease payments	<u>\$ 3,905,000</u>	<u>\$ 10,210,000</u>	<u>\$ 1,600,000</u>	<u>\$ 15,715,000</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

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 City Share	County Share	Total
Ending December 31			
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	21,461	35,014	56,475
2014-2018	106,332	173,488	279,820
2019-2020	42,408	69,192	111,600
Total remaining minimum lease payments	255,637	417,088	672,725
Less amount representing interest	49,677	81,048	130,725
Present value of net remaining minimum lease payments	<u>\$ 205,960</u>	<u>\$ 336,040</u>	<u>\$ 542,000</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

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	St. George	County	Total
Ending December 31	City Share	Share	
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	117,539	191,773	309,312
2014-2018	588,883	960,807	1,549,690
2019-2020	55,849	91,121	146,970
Total remaining minimum lease payments	1,233,327	2,012,267	3,245,594
Less amount representing interest	225,947	368,647	594,594
Present value of net remaining minimum lease payments	<u>\$ 1,007,380</u>	<u>\$ 1,643,620</u>	<u>\$ 2,651,000</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

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, 2008, the County's reserved and designated fund equity balances are as follows:

General Fund:	
Reserved for B & C Road Funds	<u>\$ 619,445</u>
Designated for Capital Projects	<u>\$ 3,800,000</u>
Special Revenue Fund:	
Library	\$ 25,000
Children's Justice Center`	3,186
Habitat Conservation Plan	5,342,133
Council on Aging	195,637
Travel Board/Transient Room Tax	2,726,745
Recreation/Restaurant Tax	988,143
Flood Damage	1,355,163
Miscellaneous Grants	<u>25,092</u>
	<u>\$10,661,099</u>
Debt Service Fund:	
Debt Service Reserve/Lease Revenue Bond	\$ 260,546
General Obligation Bond	1,871,367
Special Assessment Bonds	<u>3,629,999</u>
	<u>\$ 5,761,912</u>
Public Safety Bond (designated)	\$ 924,148
Lease Revenue Bond (designated)	<u>117,492</u>
	<u>\$ 1,041,640</u>
Capital Projects Fund:	
Bond Construction Funds	<u>\$ 1,709,807</u>

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

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 11.62% 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 11.22% of their annual salary and 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 2008 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:	2008	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Local Governmental Division	2007	0.00	0.00	0.00	0.00
	2006	0.00	0.00	0.00	0.00
Noncontributory System	2008	N/A	N/A	\$ 1,270,976	\$ 10,937,806
Local Governmental Division	2007	N/A	N/A	1,180,107	10,168,714
	2006	N/A	N/A	1,057,375	9,318,308
Public Safety System:	2008	\$ 0.00	\$ 21,985	\$ 20,071	\$ 178,884
Other Division A Contributory	2007	0.00	42,388	38,270	344,898
	2006	0.00	48,054	37,190	390,998

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

NOTE 11. Defined Benefit Pension Plan (Continued)

Required contributions and amounts received for the 2008 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	2008	N/A	N/A	\$ 1,244,095	\$ 5,502,403
	2007	N/A	N/A	1,113,409	4,949,235
	2006	N/A	N/A	978,603	4,690,162
Defined Contribution System:					
457 Plan	2008	\$ 71,936	\$ 0.00	N/A	N/A
	2007	84,459	0.00	N/A	N/A
	2006	54,905	0.00	N/A	N/A
401(k) Plan	2008	\$ 450,823	\$ 253,307	N/A	N/A
	2007	473,878	223,708	N/A	N/A
	2006	398,320	238,491	N/A	N/A
IRA Plans	2008	\$ 18,990	\$ 0.00	N/A	N/A
	2007	14,462	0.00	N/A	N/A
	2006	7,255	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	2008	N/A	N/A	\$ 10,183	
	2007	N/A	N/A	16,147	
	2006	N/A	N/A	18,453	
Local Governmental- Noncontributory	2008	N/A	N/A	\$ 284,813	
	2007	N/A	N/A	277,203	
	2006	N/A	N/A	339,525	
401(k) Contributions	2008	\$ 112,162	\$ 95,808	N/A	N/A
	2007	106,809	91,180	N/A	N/A
	2006	100,775	59,497	N/A	N/A
IRA Plans	2008	\$ 700	\$ 0.00	N/A	N/A
	2007	0.00	0.00	N/A	N/A
	2006	0.00	0.00	N/A	N/A

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

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	2008	0	0	0	0
	2007	0	0	0	0
	2006	0	0	0	0
Local Governmental- Noncontributory	2008	N/A	N/A	\$ 50,164	\$ 431,703
	2007	N/A	N/A	41,780	359,929
	2006	N/A	N/A	30,936	271,870
457 Contributions	2008	\$ 6,921	0	N/A	
	2007	6,205	0	N/A	
	2006	16,065	0	N/A	
401(k) Contributions	2008	\$ 3,953	\$ 5,957	N/A	
	2007	8,555	5,021	N/A	
	2006	10,114	4,407	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.

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

NOTE 12. Risk Management (Continued)

The County, effective January 1, 2008 is partially self-insured up to \$50,000 per insured for health and prescription drug coverage with excess loss insurance up to \$950,000 provided by Westport Insurance Corporation. Educators Mutual administers the partially self-funded insurance plan. Alternative Risk Solutions, LLC administers the excess loss insurance. The County has an additional aggregating specific deductible liability of \$150,000 and has aggregate excess loss insurance for medical, prescription drugs and dental based on a factor of \$1,040.32 per employee per month.

	<u>12/31/2008</u>
Unpaid claims beginning of year	\$ -
Incurred claims	2,905,459
Claim payments	<u>(2,905,459)</u>
Unpaid claims, end of year	<u>\$ -</u>

NOTE 13. Commitments and Contracts

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

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

St. George City Sub-Lease Agreement:

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

NOTE 14. Contingencies

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

WASHINGTON COUNTY
Notes to the Financial Statements
December 31, 2008

NOTE 15. Component Unit Disclosures

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

NOTE 16. Conduit Debt Obligations

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.

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, 2008, the principal amount outstanding on the bonds was \$3,410,000 and \$278,000.

NOTE 17. Contingencies and Commitments

As of December 31, 2008, 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 69 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. 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.

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, 2008

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Taxes:				
Current Property Taxes	\$7,253,000	\$7,253,000	\$6,603,155	(\$649,845)
Fee in lieu Taxes	700,000	760,000	988,593	228,593
Prior Years Delinquent Taxes	300,000	300,000	308,477	8,477
County Sales & Use Taxes	6,550,000	6,050,000	5,641,159	(408,841)
Penalties & Interest	300,000	300,000	380,437	80,437
Total Taxes	<u>15,103,000</u>	<u>\$14,663,000</u>	<u>13,921,821</u>	<u>(741,179)</u>
Licenses, Permits:				
Marriage licenses	<u>30,000</u>	<u>30,000</u>	<u>24,112</u>	<u>(5,888)</u>
Intergovernmental:				
Class "B" Roads	-	1,300,000	1,337,684	37,684
Forest Reserve	-	73,000	72,079	(921)
Prison Reimbursement	3,000,000	3,000,000	2,974,244	(25,756)
FHWA Reimbursement	290,000	558,000	553,051	(4,949)
Miscellaneous Reimbursements	217,000	217,000	205,227	(11,773)
Bailiff/Security Reimbursement	280,000	570,000	521,206	(48,794)
Total Intergovernmental	<u>3,787,000</u>	<u>5,718,000</u>	<u>5,663,491</u>	<u>(54,509)</u>
Charges for Services:				
Clerk's Fees	75,000	75,000	73,319	(1,681)
Data Processing Fees	85,000	85,000	70,955	(14,045)
Jail Commissary, Phone and Medical	580,000	580,000	431,807	(148,193)
State Medical Reimbursements	108,000	100,000	72,260	(27,740)
Prisoner Industry and Other	314,500	328,500	296,183	(32,317)
Fuel Revenue - Other Departments	-	26,000	25,502	(498)
Total Charges for Services	<u>1,162,500</u>	<u>1,194,500</u>	<u>970,026</u>	<u>(224,474)</u>
Fines and Forfeitures:				
Court and Precinct Fines	<u>1,486,500</u>	<u>1,486,500</u>	<u>1,369,188</u>	<u>(117,312)</u>
Total Fines and Forfeitures	<u>1,486,500</u>	<u>1,486,500</u>	<u>1,369,188</u>	<u>(117,312)</u>
Other Revenues:				
Interest Revenue	200,000	200,000	197,244	(2,756)
Rent-Property	611,700	611,700	606,811	(4,889)
Sale of Property, Material & Supplies	75,000	190,000	121,880	(68,120)
Noxious Weed Revenue	5,000	5,000	4,698	(302)
Vending Revenue	300	300	79	(221)
Xerox Revenue	3,100	8,100	8,401	301
Other	78,000	207,580	180,208	(27,372)
Total Other Revenues	<u>973,100</u>	<u>1,222,680</u>	<u>1,119,321</u>	<u>(103,359)</u>
TOTAL REVENUES	<u>\$ 22,542,100</u>	<u>\$24,314,680</u>	<u>\$ 23,067,959</u>	<u>\$ (1,246,721)</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, 2008

EXPENDITURES:	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
GENERAL GOVERNMENT				
Commission:				
Salaries	\$ 305,650	\$ 305,650	\$ 289,777	15,873
Employee Benefits	153,900	153,900	153,494	406
Services, Supplies and Other	73,000	73,000	84,661	(11,661)
Capital Outlay	4,000	4,000	223	3,777
	<u>536,550</u>	<u>536,550</u>	<u>528,155</u>	<u>8,395</u>
Human Resource:				
Salaries	129,000	129,000	135,123	(6,123)
Employee Benefits	76,900	76,900	74,172	2,728
Services, Supplies and Other	32,400	37,400	31,647	5,753
Capital Outlay	3,000	3,000	819	2,181
	<u>241,300</u>	<u>246,300</u>	<u>241,761</u>	<u>4,539</u>
Info Tech Services:				
Salaries	97,000	97,000	99,805	(2,805)
Employee Benefits	63,600	63,600	57,348	6,252
Services, Supplies and Other	138,500	138,500	98,251	40,249
Capital Outlay	46,000	46,000	52,837	(6,837)
	<u>345,100</u>	<u>345,100</u>	<u>308,241</u>	<u>36,859</u>
Clerk/Auditor:				
Salaries	182,500	177,000	157,208	19,792
Employee Benefits	63,100	63,100	57,953	5,147
Services, Supplies and Other	73,500	81,000	72,224	8,776
Capital Outlay	7,000	5,000	7,784	(2,784)
	<u>326,100</u>	<u>326,100</u>	<u>295,169</u>	<u>30,931</u>
Attorney:				
Salaries	1,072,700	1,072,700	1,019,719	52,981
Employee Benefits	616,500	616,500	594,414	22,086
Services, Supplies and Other	150,300	150,300	123,610	26,690
Capital Outlay	17,500	17,500	1,925	15,575
	<u>1,857,000</u>	<u>1,857,000</u>	<u>1,739,668</u>	<u>117,332</u>
Non-Departmental:				
Services, Supplies and Other	35,000	35,000	40,172	(5,172)
Insurance - Buildings and Vehicles	240,000	240,000	224,305	15,695
	<u>275,000</u>	<u>275,000</u>	<u>264,477</u>	<u>10,523</u>
Elections:				
Services, Supplies and Other	217,000	232,000	213,783	18,217
Capital Outlay	63,000	48,000	17,290	30,710
	<u>280,000</u>	<u>280,000</u>	<u>231,073</u>	<u>48,927</u>
Total General Government	<u>3,861,050</u>	<u>3,866,050</u>	<u>3,608,544</u>	<u>257,506</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, 2008

EXPENDITURES (Continued):	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
JUDICIAL				
Justice of the Peace:				
Salaries	688,600	688,600	680,101	8,499
Employee Benefits	275,500	275,500	313,811	(38,311)
Services and Supplies	83,100	83,100	72,010	11,090
Capital Outlay	8,500	8,500	4,755	3,745
	1,055,700	1,055,700	1,070,677	(14,977)
Public Defender:				
Services, Supplies and Other	626,800	641,800	627,140	14,660
Total Judicial	1,682,500	1,697,500	1,697,817	(317)
PUBLIC SAFETY				
Public Safety/County Jail:				
Salaries	7,649,850	7,654,850	7,726,487	(71,637)
Employee Benefits	3,613,000	3,613,000	3,903,266	(290,266)
Services, Supplies and Other	715,350	1,252,350	1,123,451	128,899
Capital Outlay	602,000	574,000	654,794	(80,794)
	12,580,200	13,094,200	13,407,998	(313,798)
Total Public Safety	12,580,200	13,094,200	13,407,998	(313,798)
PUBLIC WORKS				
Maintenance:				
Motor Pool	4,000	8,000	6,971	1,029
County Buildings Maintenance	461,700	461,700	439,325	22,375
	465,700	469,700	446,296	22,375
Weed Control:				
Salaries	44,700	44,700	51,137	(6,437)
Employee Benefits	17,880	17,880	24,155	(6,275)
Services, Supplies and Other	31,100	31,500	34,113	(2,613)
Capital Outlay	10,400	10,000	485	9,515
	104,080	104,080	109,890	(5,810)
B&C Roads:				
Salaries	654,500	654,500	576,860	77,640
Employee Benefits	261,800	261,800	255,175	6,625
Services, Supplies and Other	749,500	1,425,080	1,113,274	311,806
Capital Outlay	94,000	94,000	175,997	(81,997)
	1,759,800	2,435,380	2,121,306	314,074
Total Public Works	2,329,580	3,009,160	2,677,492	330,639

(continued)

WASHINGTON COUNTY
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Continued)
For the Year Ended December 31, 2008

EXPENDITURES (Continued):	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
PUBLIC HEALTH				
Health Services:				
Services, Supplies and Other	<u>1,078,300</u>	<u>1,078,300</u>	<u>1,115,735</u>	<u>(37,435)</u>
Total Public Health	<u>1,078,300</u>	<u>1,078,300</u>	<u>1,115,735</u>	<u>(37,435)</u>
CONSERVATION & DEVELOPMENT				
Agricultural Extension Service:				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Services, Supplies and Other	<u>179,100</u>	<u>179,100</u>	<u>180,140</u>	<u>(1,040)</u>
Capital Outlay	<u>5,800</u>	<u>5,800</u>	<u>4,627</u>	<u>1,173</u>
	<u>184,900</u>	<u>184,900</u>	<u>184,767</u>	<u>133</u>
Contribution to Economic Development Fund:				
Services, Supplies and Other	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total Conservation & Development	<u>209,900</u>	<u>209,900</u>	<u>209,767</u>	<u>133</u>
MISCELLANEOUS				
Services, Supplies and Other	<u>828,540</u>	<u>439,540</u>	<u>221,426</u>	<u>218,114</u>
MATCHING FUNDS & CONTRIBUTIONS				
Contributions	<u>38,000</u>	<u>38,000</u>	<u>29,537</u>	<u>8,463</u>
TOTAL EXPENDITURES	<u>22,608,070</u>	<u>23,432,650</u>	<u>22,968,316</u>	<u>463,305</u>
Excess of Revenues Over Expenditures	<u>(65,970)</u>	<u>882,030</u>	<u>99,643</u>	<u>(783,416)</u>
Other Financing Sources (Uses):				
Transfer to Debt Service Fund	<u>(643,000)</u>	<u>(643,000)</u>	<u>(643,000)</u>	<u>-</u>
Transfer to Special Revenue Funds	<u>(732,990)</u>	<u>(544,830)</u>	<u>(561,613)</u>	<u>(16,783)</u>
Transfer from Other Funds	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>
Total Other Financing Sources (Uses):	<u>(1,371,990)</u>	<u>(1,183,830)</u>	<u>(1,204,613)</u>	<u>(20,783)</u>
Net Change in Fund Balance	<u>(1,437,960)</u>	<u>(301,800)</u>	<u>(1,104,970)</u>	<u>(804,199)</u>
Fund Balance, Beginning of Year	<u>6,183,295</u>	<u>6,183,295</u>	<u>6,183,295</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,745,335</u>	<u>\$ 5,881,495</u>	<u>\$ 5,078,325</u>	<u>\$ (804,199)</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, 2008

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Assessing & Collecting Tax	\$ 5,475,000	\$ 5,775,000	\$ 5,696,189	\$ (78,811)
Penalties & Interest	5,000	13,000	10,238	(2,762)
Total Taxes	<u>5,480,000</u>	<u>5,788,000</u>	<u>5,706,427</u>	<u>(81,573)</u>
Recorder's Fees	1,100,000	850,000	794,012	(55,988)
Copy Revenue	75,000	45,000	39,289	(5,711)
Other	15,000	30,000	17,670	(12,330)
Total Revenues	<u>6,670,000</u>	<u>6,713,000</u>	<u>6,557,398</u>	<u>(155,602)</u>
EXPENDITURES:				
Commission	79,000	79,000	79,000	-
Human Resources	63,000	63,000	63,000	-
Info Tech Services	620,000	620,000	620,000	-
Clerk Auditor	495,000	495,000	495,000	-
Treasurer:				
Salaries	221,500	221,500	201,428	20,072
Employee Benefits	83,800	83,800	81,017	2,783
Services, Supplies and Other	56,900	56,900	46,941	9,959
Capital Outlay	8,000	8,000	565	7,435
Total Treasurer	<u>370,200</u>	<u>370,200</u>	<u>329,951</u>	<u>40,249</u>
Recorder:				
Salaries	550,400	550,400	525,561	24,839
Employee Benefits	220,200	220,200	234,843	(14,643)
Services, Supplies and Other	47,000	47,000	48,272	(1,272)
Capital Outlay	55,000	55,000	48,548	6,452
Total Recorder	<u>872,600</u>	<u>872,600</u>	<u>857,224</u>	<u>15,376</u>
Attorney	468,500	468,500	468,500	-
Assessor:				
Salaries	1,503,000	1,503,000	1,457,119	45,881
Employee Benefits	601,300	601,300	631,270	(29,970)
Services, Supplies and Other	453,000	453,000	444,982	8,018
Capital Outlay	265,000	265,000	218,453	46,547
Total Assessor	<u>2,822,300</u>	<u>2,822,300</u>	<u>2,751,824</u>	<u>70,476</u>
Administration Building	242,300	242,300	242,300	-
Miscellaneous Contingent	78,000	136,000	23,893	112,107
Total Expenditures	<u>6,110,900</u>	<u>6,168,900</u>	<u>5,930,692</u>	<u>238,208</u>
Excess of Revenues				
Over (Under) Expenditures	559,100	544,100	626,706	82,606
Other Financing Sources (Uses):				
Transfers:				
To Capital Projects Fund	(544,100)	(544,100)	(544,100)	-
Net Change in Fund Balance	15,000	-	82,606	82,606
Fund Balance, Beginning of Year	(141,229)	(141,229)	(141,229)	-
Fund Balance, End of Year	<u>\$ (126,229)</u>	<u>\$ (141,229)</u>	<u>\$ (58,623)</u>	<u>\$ 82,606</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, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental - HCP Fees	\$ 900,000	\$ 600,000	\$ 555,294	\$ (44,706)
Other Revenues:				
Interest Earnings	100,000	100,000	167,705	67,705
Other	3,500	17,500	61,053	43,553
Total Revenues	<u>1,003,500</u>	<u>717,500</u>	<u>784,052</u>	<u>66,552</u>
EXPENDITURES:				
Other Expenditures - HCP:				
Salaries	227,600	227,600	201,205	26,395
Employee Benefits	91,000	91,000	74,399	16,601
Services, Supplies and Other	1,224,400	938,400	482,364	456,036
Capital Outlay	107,000	107,000	47,902	59,098
Total Expenditures	<u>1,650,000</u>	<u>1,364,000</u>	<u>805,870</u>	<u>558,130</u>
Net Change in Fund Balance	(646,500)	(646,500)	(21,818)	624,682
Fund Balance, Beginning of Year	<u>5,363,951</u>	<u>5,363,951</u>	<u>5,363,951</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,717,451</u>	<u>\$ 4,717,451</u>	<u>\$ 5,342,133</u>	<u>\$ 624,682</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.
- **Children's Justice Center fund** is used to account for grants and other revenues used to provide services to children and families in crisis.
- **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 and Drug Court.

WASHINGTON COUNTY
Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues	\$ 2,567,000	\$ 2,567,000	\$ 2,735,413	\$ 168,413
Other Revenues:				
Intergovernmental Revenues	25,100	25,100	269,090	243,990
Assessment Revenues	2,075,000	2,075,000	1,293,033	(781,967)
Insurance Proceeds	-	-	-	-
Interest Income	-	-	68,956	68,956
Total Revenues	<u>4,667,100</u>	<u>4,667,100</u>	<u>4,366,492</u>	<u>(300,608)</u>
EXPENDITURES:				
Bank and Other Fees	36,600	32,000	9,494	22,506
Health and Sanitation	-	-	-	-
Capital Outlay	710,000	710,000	-	710,000
Debt Service:				
Principal, Public Safety Bond	565,000	759,600	756,000	3,600
Principal, Lease Revenue Bonds	105,000	105,000	105,000	-
Principal, Library Bonds	795,000	705,000	705,000	-
Principal, Special Assessment Bonds	1,510,000	1,510,000	622,000	888,000
Principal, MBA Lease Revenue Bonds	203,000	20,000	20,000	-
Principal, Sales Tax Revenue Bonds	115,000	115,000	115,000	-
Interest, Public Safety Bond	228,500	669,500	666,093	3,407
Interest, Lease Revenue Bonds	73,500	73,500	73,405	95
Interest, Library Bond	974,500	669,000	669,091	(91)
Interest, Special Assessment Bonds	-	-	591,138	(591,138)
Interest, MBA Lease Revenue Bonds	35,200	21,700	21,125	575
Interest, Sales Tax Revenue Bond	305,300	350,300	348,691	1,609
Total Expenditures	<u>5,656,600</u>	<u>5,740,600</u>	<u>4,702,037</u>	<u>1,038,563</u>
Excess of Revenues				
Over (Under) Expenditures	<u>(989,500)</u>	<u>(1,073,500)</u>	<u>(335,545)</u>	<u>737,955</u>
Other Financing Sources (Uses):				
Operating Transfers:				
From General Fund	643,000	643,000	643,000	-
From Other Funds	345,500	215,500	-	(215,500)
Bond Issue Costs	-	-	-	-
Debt Proceeds	-	-	-	-
Total Other Financing Sources (Uses):	<u>988,500</u>	<u>858,500</u>	<u>643,000</u>	<u>(215,500)</u>
Net Change in Fund Balance	(1,000)	(215,000)	307,455	522,455
Fund Balance, Beginning of Year	6,496,097	6,496,097	6,496,097	-
Fund Balance, End of Year	<u>\$ 6,495,097</u>	<u>\$ 6,281,097</u>	<u>\$ 6,803,552</u>	<u>\$ 522,455</u>

WASHINGTON COUNTY
Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 14,565	\$ 14,565
Other Revenues:				
Interest Earnings	190,000	190,000	135,921	(54,079)
Miscellaneous Revenue	-	-	-	-
Total Revenues	190,000	190,000	150,486	(39,514)
EXPENDITURES:				
Debt Service	-	-	-	-
Capital Outlay:				
Buildings	4,070,000	4,070,000	3,641,472	428,528
Equipment	926,600	926,600	638,319	288,281
Other	250,000	250,000	347,728	(97,728)
Total Expenditures	5,246,600	5,246,600	4,627,519	619,081
Excess of Revenues Over (Under) Expenditures	(5,056,600)	(5,056,600)	(4,477,033)	579,567
Other Financing Sources (Uses):				
Transfer from Assessing & Collecting Fund	544,100	544,100	544,100	-
Bond Issue Costs	-	-	-	-
Debt Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	544,100	544,100	544,100	-
Net Change in Fund Balance	(4,512,500)	(4,512,500)	(3,932,933)	579,567
Fund Balance, Beginning of Year	5,642,740	5,642,740	5,642,740	-
Fund Balance, End of Year	<u>\$ 1,130,240</u>	<u>\$ 1,130,240</u>	<u>\$ 1,709,807</u>	<u>\$ 579,567</u>

WASHINGTON COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Special Revenue Funds				
	Municipal Services	Flood Damage	Children's Justice Center	Library	Council on Aging
ASSETS					
Cash and Investments	\$ 1,171,920	\$ -	\$ -	\$ -	\$ 35,154
Property taxes receivable	115,070	-	-	892,141	-
Assessments receivable		-	-	-	-
Due from other governments	-	105,759	152,909	-	229,171
Due from other funds	-	-	-	-	-
Restricted Cash	-	2,036,939	-	25,000	-
Total assets	<u>1,286,990</u>	<u>2,142,698</u>	<u>152,909</u>	<u>917,141</u>	<u>264,325</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	48,948	3,992	7,078	137,964	42,491
Accrued liabilities	18,247	-	3,882	50,881	15,197
Due to other funds	-	-	138,763	154,378	-
Unearned revenue	-	783,543	-	-	11,000
Total liabilities	<u>67,195</u>	<u>787,535</u>	<u>149,723</u>	<u>343,223</u>	<u>68,688</u>
Fund balances:					
Reserved for:					
Other Purposes	-	1,355,163	3,186	25,000	195,637
Unreserved, undesignated	<u>1,219,795</u>	<u>-</u>	<u>-</u>	<u>548,918</u>	<u>-</u>
Total fund balances	<u>1,219,795</u>	<u>1,355,163</u>	<u>3,186</u>	<u>573,918</u>	<u>195,637</u>
Total liabilities & fund balance	<u>\$ 1,286,990</u>	<u>\$ 2,142,698</u>	<u>\$ 152,909</u>	<u>\$ 917,141</u>	<u>\$ 264,325</u>

<u>Special Revenue Funds</u>			<u>Total</u>
<u>Travel Board</u>	<u>Recreation Fund</u>	<u>Grants Fund</u>	<u>Nonmajor Gvtl. Funds</u>
\$ 35	\$ 100	\$ -	\$ 1,207,209
-	-	-	1,007,211
-	-	-	-
333,240	282,882	93,485	1,197,446
-	-	-	-
<u>2,505,020</u>	<u>749,782</u>	<u>-</u>	<u>5,316,741</u>
<u>2,838,295</u>	<u>1,032,764</u>	<u>93,485</u>	<u>8,728,607</u>
97,635	35,245	40,676	414,029
9,415	9,376	-	106,998
-	-	27,717	320,858
<u>4,500</u>	<u>-</u>	<u>-</u>	<u>799,043</u>
<u>111,550</u>	<u>44,621</u>	<u>68,393</u>	<u>1,640,928</u>
2,726,745	988,143	25,092	5,318,966
-	-	-	1,768,713
<u>2,726,745</u>	<u>988,143</u>	<u>25,092</u>	<u>7,087,679</u>
<u>\$ 2,838,295</u>	<u>\$ 1,032,764</u>	<u>\$ 93,485</u>	<u>\$ 8,728,607</u>

WASHINGTON COUNTY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008

	Special Revenue Funds				
	Municipal Services	Flood Damage	Children's Justice Center	Library	Council on Aging
REVENUES:					
Taxes	\$ 709,028	\$ -	\$ -	\$ 2,715,353	\$ -
Licenses, permits and fees	133,133	-	-	-	-
Intergovernmental	2,821,965	187,480	183,348	48,302	794,887
Charges for services	68,285	-	-	-	5,024
Fines and forfeitures	-	-	-	73,945	-
Interest	27,699	62,404	-	-	-
Sub-lease revenue	-	-	-	-	-
Miscellaneous	165,995	150	-	59,369	-
Total	3,926,105	250,034	183,348	2,896,969	799,911
EXPENDITURES:					
General Government	300,217	-	-	-	-
Public Safety	2,473,934	-	197,011	-	-
Public Works	394,397	-	-	-	-
Health and Sanitation	-	-	-	-	1,290,033
Conservation and Economic Development	-	329,195	-	-	-
Culture and other	186,742	-	-	2,931,869	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total	3,355,290	329,195	197,011	2,931,869	1,290,033
Excess of revenues over (under) expenditures	570,815	(79,161)	(13,663)	(34,900)	(490,122)
Other financing sources (uses):					
Transfers in	(138,000)	138,000	36,783	-	524,830
Transfers out	-	-	(19,934)	-	-
Debt proceeds	-	-	-	-	-
Total other financing sources (uses)	(138,000)	138,000	16,849	-	524,830
Net change in fund balances	432,815	58,839	3,186	(34,900)	34,708
Fund Balances - Beginning	786,980	1,296,324	-	608,818	160,929
Fund Balances - Ending	\$ 1,219,795	\$ 1,355,163	\$ 3,186	\$ 573,918	\$ 195,637

Special Revenue Funds			Total
Travel Board	Recreation Fund	Grants Fund	Non-major Gvtl. Funds
\$ 3,081,974	\$ 2,012,284	\$ -	\$ 8,518,639
-	-	-	133,133
-	-	1,010,804	5,046,786
-	426,158	-	499,467
-	-	-	73,945
54,380	18,488	-	162,971
-	655,285	-	655,285
196,686	7,976	-	430,176
<u>3,333,040</u>	<u>3,120,191</u>	<u>1,010,804</u>	<u>15,520,402</u>
-	-	-	300,217
-	-	930,630	3,601,575
-	-	-	394,397
-	-	-	1,290,033
1,936,450	1,294,096	132,543	3,692,284
-	-	-	3,118,611
244,121	737,879	-	982,000
280,754	622,457	-	903,211
<u>2,461,325</u>	<u>2,654,432</u>	<u>1,063,173</u>	<u>14,282,328</u>
<u>871,715</u>	<u>465,759</u>	<u>(52,369)</u>	<u>1,238,074</u>
200,000	-	19,934	781,547
-	(200,000)	-	(219,934)
-	-	-	-
<u>200,000</u>	<u>(200,000)</u>	<u>19,934</u>	<u>561,613</u>
1,071,715	265,759	(32,435)	1,799,687
1,655,030	722,384	57,527	5,287,992
<u>\$ 2,726,745</u>	<u>\$ 988,143</u>	<u>\$ 25,092</u>	<u>\$ 7,087,679</u>

WASHINGTON COUNTY
Municipal Services Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Sales Tax Revenue	\$ 775,000	\$ 775,000	\$ 709,028	\$ (65,972)
Business Licenses and Building Permits	279,000	149,000	133,133	(15,867)
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	1,612,000	2,572,000	2,557,168	(14,832)
State Mineral Lease	-	85,000	84,707	(293)
Sheriff Protection	23,000	133,000	135,521	2,521
Federal Public Safety Grant & GIS	-	32,000	32,000	-
Erosion Hazard Grant	-	13,000	12,569	(431)
Total Intergovernmental	<u>1,635,000</u>	<u>2,835,000</u>	<u>2,821,965</u>	<u>(13,035)</u>
Charges for Services	70,000	87,500	68,285	(19,215)
Other Revenue:				
Interest Earnings	-	-	27,699	27,699
Sale of Land & Equipment	106,000	106,000	13,000	(93,000)
Liquor Allocation	100,000	100,000	148,944	48,944
Miscellaneous	25,500	23,000	4,051	(18,949)
Total Other	<u>231,500</u>	<u>229,000</u>	<u>193,694</u>	<u>(35,306)</u>
Total Revenues	<u>2,990,500</u>	<u>4,075,500</u>	<u>3,926,105</u>	<u>(149,395)</u>
EXPENDITURES:				
General Government:				
Engineering & Surveying	-	-	-	-
Planning & Zoning	140,700	140,700	142,726	(2,026)
GIS	154,500	154,500	157,491	(2,991)
Total General Government	<u>295,200</u>	<u>295,200</u>	<u>300,217</u>	<u>(5,017)</u>
Public Safety:				
Sheriff	1,420,000	1,920,000	1,920,000	-
Fire Control	298,500	298,500	242,567	55,933
Building Inspector	198,200	336,200	311,367	24,833
Total Public Safety	<u>1,916,700</u>	<u>2,554,700</u>	<u>2,473,934</u>	<u>80,766</u>
Public Works	516,600	516,600	394,397	122,203
Miscellaneous Contingent	164,000	611,000	186,742	424,258
Total Expenditures	<u>2,892,500</u>	<u>3,977,500</u>	<u>3,355,290</u>	<u>622,210</u>
Excess of Revenues				
Over (Under) Expenditures	98,000	98,000	570,815	472,815
Other Financing Sources (Uses):				
To Flood Damage Special Revenue Fund	<u>(138,000)</u>	<u>(138,000)</u>	<u>(138,000)</u>	<u>-</u>
Net Change in Fund Balance	(40,000)	(40,000)	432,815	472,815
Fund Balance, Beginning of Year	786,980	786,980	786,980	-
Fund Balance, End of Year	<u>\$ 746,980</u>	<u>\$ 746,980</u>	<u>\$ 1,219,795</u>	<u>\$ 472,815</u>

WASHINGTON COUNTY
Flood Damage Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental:				
Federal Revenue	\$ -	\$ 84,000	\$ 187,480	\$ 103,480
Total Intergovernmental	-	84,000	187,480	103,480
Interest Revenue	-	-	62,404	62,404
Other Revenues	-	-	150	150
Total Revenues	-	84,000	250,034	166,034
EXPENDITURES:				
Other Expenditures - Flood:				
Payments to Other Governments	-	-	-	-
Services, Supplies and Other	-	222,000	329,195	(107,195)
Total Expenditures	-	222,000	329,195	(107,195)
Excess of Revenues Over (Under) Expenditures	-	(138,000)	(79,161)	58,839
Other Financing Sources (Uses):				
Transfers:				
From Municipal Special Revenue Fund	-	138,000	138,000	-
Net Change in Fund Balance	-	-	58,839	58,839
Fund Balance, Beginning of Year	1,296,324	1,296,324	1,296,324	-
Fund Balance, End of Year	\$ 1,296,324	\$ 1,296,324	\$ 1,355,163	\$ 58,839

WASHINGTON COUNTY
Children's Justice Center Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental Revenue	218,800	218,800	183,348	(35,452)
Total Revenues	<u>218,800</u>	<u>218,800</u>	<u>183,348</u>	<u>(35,452)</u>
EXPENDITURES:				
Public Safety				
AG's Children Justice Center	134,200	132,200	146,413	(14,213)
VOCA	74,600	74,600	46,736	27,864
NCA	10,000	9,125	3,862	5,263
Total Expenditures	<u>218,800</u>	<u>215,925</u>	<u>197,011</u>	<u>18,914</u>
Other Financing Sources (Uses):				
Transfers:				
From General Fund	-	20,000	36,783	16,783
To Other Funds	-	-	(19,934)	(19,934)
Net Change in Fund Balance	-	22,875	3,186	(19,689)
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 22,875</u>	<u>\$ 3,186</u>	<u>\$ (19,689)</u>

WASHINGTON COUNTY
Library Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Current Property Taxes	\$ 2,400,000	\$ 2,400,000	\$ 2,237,148	\$ (162,852)
Fee Assessed Taxes	275,000	325,000	343,025	18,025
Prior Years Delinquent Taxes	130,000	130,000	129,578	(422)
Penalties & Interest	5,000	5,000	5,602	602
Total Taxes	<u>2,810,000</u>	<u>2,860,000</u>	<u>2,715,353</u>	<u>(144,647)</u>
Intergovernmental Revenue	37,100	50,640	48,302	(2,338)
Fines and Forfeitures	75,000	75,000	73,945	(1,055)
Other Revenues:				
Interest Earnings	-	-	-	-
Sale of Buildings	-	-	-	-
Xerox Revenue	-	17,000	19,604	2,604
Miscellaneous	57,000	43,000	39,765	(3,235)
Contributions	40,000	-	-	-
Total Other	<u>97,000</u>	<u>60,000</u>	<u>59,369</u>	<u>(631)</u>
Total Revenues	<u>3,019,100</u>	<u>3,045,640</u>	<u>2,896,969</u>	<u>(148,671)</u>
EXPENDITURES:				
Culture and other expenditures:				
St. George Library	1,207,300	1,207,300	1,186,849	20,451
Hurricane Library	468,200	468,200	472,644	(4,444)
Santa Clara Library	561,620	561,620	563,902	(2,282)
Springdale Library	162,220	162,220	147,410	14,810
Enterprise Library	100,430	100,430	89,398	11,032
New Harmony Branch	91,730	91,730	73,595	18,135
Other Branches & Misc. Grants	427,600	494,140	398,071	96,069
Total Expenditures	<u>3,019,100</u>	<u>3,085,640</u>	<u>2,931,869</u>	<u>153,771</u>
Net Change in Fund Balance	-	(40,000)	(34,900)	5,100
Fund Balance, Beginning of Year	<u>608,818</u>	<u>608,818</u>	<u>608,818</u>	-
Fund Balance, End of Year	<u>\$ 608,818</u>	<u>\$ 568,818</u>	<u>\$ 573,918</u>	<u>\$ 5,100</u>

WASHINGTON COUNTY
Council on Aging Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental Revenue:				
Council on Aging Contract	\$ 162,800	\$ 166,400	\$ 153,991	\$ (12,409)
Nutrition Contract - St. George	417,500	417,500	352,416	(65,084)
Nutrition Contract - Hurricane	119,300	154,300	166,010	11,710
Nutrition Contract - Enterprise	59,650	99,650	61,993	(37,657)
Miscellaneous - C.O.A.	30,250	44,650	43,011	(1,639)
Miscellaneous - Transportation	6,900	22,400	17,466	(4,934)
Miscellaneous - Grants	-	-	-	-
Charges for services	-	2,500	5,024	2,524
Total Revenues	<u>796,400</u>	<u>907,400</u>	<u>799,911</u>	<u>(107,489)</u>
EXPENDITURES:				
Health & Sanitation:				
Council on Aging - General	151,620	151,620	150,112	1,508
Council on Aging - St. George Center	719,440	719,440	637,742	81,698
Council on Aging - Hurricane Center	317,700	420,700	365,011	55,689
Council on Aging - Enterprise Center	132,470	140,470	137,168	3,302
Total Expenditures	<u>1,321,230</u>	<u>1,432,230</u>	<u>1,290,033</u>	<u>142,197</u>
Excess of Revenues Over (Under) Expenditures	(524,830)	(524,830)	(490,122)	34,708
Other Financing Sources (Uses):				
Transfers:				
From General Fund	524,830	524,830	524,830	-
Net Change in Fund Balance	-	-	34,708	34,708
Fund Balance, Beginning of Year	<u>160,929</u>	<u>160,929</u>	<u>160,929</u>	-
Fund Balance, End of Year	<u>\$ 160,929</u>	<u>\$ 160,929</u>	<u>\$ 195,637</u>	<u>\$ 34,708</u>

WASHINGTON COUNTY
Travel Board Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Tax Revenues:				
Transient Room Taxes	\$ 2,780,000	\$ 2,780,000	\$ 3,081,974	\$ 301,974
Other Revenues:				
Interest Earnings	-	-	54,380	54,380
Other	180,000	225,000	196,686	(28,314)
Total Revenues	<u>2,960,000</u>	<u>3,005,000</u>	<u>3,333,040</u>	<u>328,040</u>
EXPENDITURES:				
Conservation & Economic Development:				
Convention Center Operations	700,000	175,125	145,549	29,576
Travel Board:				
Salaries	215,000	270,000	263,274	6,726
Employee Benefits	-	108,000	109,571	(1,571)
Services, Supplies and Other	2,245,000	2,197,000	1,413,843	783,157
Capital Outlay	-	5,000	4,213	787
Debt Service				
Principal	-	244,121	244,121	-
Interest	-	280,754	280,754	-
Total Expenditures	<u>3,160,000</u>	<u>3,280,000</u>	<u>2,461,325</u>	<u>818,675</u>
Excess of Revenues				
Over (Under) Expenditures	(200,000)	(275,000)	871,715	1,146,715
Other Financing Sources (Uses):				
Transfers:				
From Recreation Special Revenue Fund	200,000	200,000	200,000	-
Net Change in Fund Balance	-	(75,000)	1,071,715	1,146,715
Fund Balance, Beginning of Year	<u>1,655,030</u>	<u>1,655,030</u>	<u>1,655,030</u>	-
Fund Balance, End of Year	<u>\$ 1,655,030</u>	<u>\$ 1,580,030</u>	<u>\$ 2,726,745</u>	<u>\$ 1,146,715</u>

WASHINGTON COUNTY
Recreation Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Tax Revenues:				
Restaurant Food Tax	\$ 1,750,000	\$ 1,750,000	\$ 1,732,505	\$ (17,495)
Leasing Sales Tax	300,000	300,000	279,779	(20,221)
Total Taxes	<u>2,050,000</u>	<u>2,050,000</u>	<u>2,012,284</u>	<u>(37,716)</u>
Charges for Services:				
County Fair	83,000	87,000	96,669	9,669
Regional Park	289,500	329,500	329,489	(11)
Total Charges for Services	<u>372,500</u>	<u>416,500</u>	<u>426,158</u>	<u>9,658</u>
Other Revenues:				
Interest Earnings	-	-	18,488	18,488
Vision Dixie and Other Revenue	-	6,000	7,976	1,976
Sub-lease Revenue	-	-	655,285	655,285
Total Revenues	<u>2,422,500</u>	<u>2,472,500</u>	<u>3,120,191</u>	<u>647,691</u>
EXPENDITURES:				
Conservation & Economic Development:				
Regional Park Facility	844,000	991,800	834,467	157,333
County Fair	176,700	180,700	191,514	(10,814)
Vision Dixie	100,000	100,000	12,883	87,117
TV Operations	-	-	-	-
Convention Center Operations	1,271,800	440,000	195,232	244,768
Dixie College Eccles Fine Arts Center	30,000	60,000	60,000	-
Debt Service				
Principal	-	500,000	737,879	(237,879)
Interest	-	-	622,457	(622,457)
Total Expenditures	<u>2,422,500</u>	<u>2,272,500</u>	<u>2,654,432</u>	<u>(381,932)</u>
Excess of Revenues				
Over (Under) Expenditures	-	200,000	465,759	265,759
Other Financing Sources (Uses):				
Transfers:				
To Travel Board Special Revenue Fund	-	(200,000)	(200,000)	-
Net Change in Fund Balance	-	-	265,759	265,759
Fund Balance, Beginning of Year	<u>722,384</u>	<u>722,384</u>	<u>722,384</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 722,384</u>	<u>\$ 722,384</u>	<u>\$ 988,143</u>	<u>\$ 265,759</u>

WASHINGTON COUNTY
Miscellaneous Grants Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Intergovernmental Revenues:				
CDBG Grants	\$ -	\$ 122,000	\$ 121,456	\$ (544)
LLEBG/SCAAP	-	55,000	45,350	(9,650)
Drug Court	381,000	381,000	297,370	(83,630)
WMD and Emergency OPS Grants	684,500	714,500	508,534	(205,966)
Other Grants	21,000	46,000	38,094	(7,906)
Total Revenues	<u>1,086,500</u>	<u>1,318,500</u>	<u>1,010,804</u>	<u>(307,696)</u>
EXPENDITURES:				
Public Safety:				
LLEBG/SCAAP	-	65,000	62,497	2,503
WMD - Emergency Operations	696,500	751,500	521,453	230,047
Children's Safety Council	1,000	1,000	499	501
Drug Court	381,000	381,000	346,181	34,819
Total Public Safety	<u>1,078,500</u>	<u>1,198,500</u>	<u>930,630</u>	<u>267,870</u>
Conservation & Economic Development:				
CDBG	-	122,000	123,243	(1,243)
Predator Control	9,000	9,000	9,300	(300)
Extension Grant	-	-	-	-
Total Conservation & Economic Devel.	<u>9,000</u>	<u>131,000</u>	<u>132,543</u>	<u>(1,543)</u>
Total Expenditures	<u>1,087,500</u>	<u>1,329,500</u>	<u>1,063,173</u>	<u>266,327</u>
Excess of Revenues Over (Under) Expenditures	(1,000)	(11,000)	(52,369)	(41,369)
Other Financing Sources (Uses):				
Transfers:				
From Other Funds	<u>1,000</u>	<u>-</u>	<u>19,934</u>	<u>19,934</u>
Net Change in Fund Balance	-	(11,000)	(32,435)	(21,435)
Fund Balance, Beginning of Year	<u>57,527</u>	<u>57,527</u>	<u>57,527</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 57,527</u>	<u>\$ 46,527</u>	<u>\$ 25,092</u>	<u>\$ (21,435)</u>

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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, 2008

	Balance 12/31/2007	Additions	Deductions	Balance 12/31/2008
TAX COLLECTION TRUST FUND:				
Assets:				
Cash & Investments	\$ 19,778,193	\$ 123,743,387	\$ 100,408,140	\$ 43,113,440
Due from Other Governments	-	-	-	-
Property Taxes Receivable	1,578,944	1,715,361	1,578,944	1,715,361
Total Assets	<u>\$ 21,357,137</u>	<u>\$ 125,458,748</u>	<u>\$ 101,987,084</u>	<u>\$ 44,828,801</u>
Liabilities:				
Deposits Held in Trust	\$ 1,751,421	\$ 153,558	\$ 113,383	1,791,596
Due to Taxing Districts	16,764,659	106,144,084	86,478,048	36,430,695
Due to Washington Co. General Fund	1,076,014	7,772,295	6,005,954	2,842,355
Due to Assessing & Collecting Fund	925,961	5,881,499	4,836,215	1,971,245
Due to Other Funds	839,082	5,507,312	4,553,484	1,792,910
Reserve for Refund	-	-	-	-
Total Liabilities	<u>\$ 21,357,137</u>	<u>\$ 125,458,748</u>	<u>\$ 101,987,084</u>	<u>\$ 44,828,801</u>
DEPOSIT FUND:				
Assets:				
Cash & Investments	\$ 915,453	\$ 50,001,337	\$ 50,102,274	\$ 814,516
Other Receivables	-	-	-	-
Total Assets	<u>\$ 915,453</u>	<u>\$ 50,001,337</u>	<u>\$ 50,102,274</u>	<u>\$ 814,516</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 915,453</u>	<u>\$ 50,001,337</u>	<u>\$ 50,102,274</u>	<u>\$ 814,516</u>
HEALTH DEPARTMENT:				
Assets:				
Cash & Investments	\$ 587,991	\$ 5,768,701	\$ 5,720,477	\$ 636,215
Other Receivables	-	-	-	-
Total Assets	<u>\$ 587,991</u>	<u>\$ 5,768,701</u>	<u>\$ 5,720,477</u>	<u>\$ 636,215</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 587,991</u>	<u>\$ 5,768,701</u>	<u>\$ 5,720,477</u>	<u>\$ 636,215</u>
ECONOMIC DEVELOPMENT COUNCIL:				
Assets:				
Cash & Investments	\$ 356,924	\$ 341,743	\$ 263,621	\$ 435,046
Other Receivables	-	-	-	-
Total Assets	<u>\$ 356,924</u>	<u>\$ 341,743</u>	<u>\$ 263,621</u>	<u>\$ 435,046</u>
Liabilities:				
Deposits Held in Trust	<u>\$ 356,924</u>	<u>\$ 341,743</u>	<u>\$ 263,621</u>	<u>\$ 435,046</u>

(Continued)

WASHINGTON COUNTY
All Trust and Agency Funds
Combining Statement of Changes in Assets and Liabilities (Continued)
For the Year Ended December 31, 2008

	Balance 12/31/2007	Additions	Deductions	Balance 12/31/2008
TOTAL - ALL TRUST AND AGENCY FUNDS:				
Assets:				
Cash & Investments	\$ 21,638,561	\$ 179,855,168	\$ 156,494,512	\$ 44,999,217
Due from Other Governments	-	-	-	-
Property Taxes Receivable	1,578,944	1,715,361	1,578,944	1,715,361
Due from Other Funds	-	-	-	-
Other Receivables	-	-	-	-
Total Assets	<u>\$ 23,217,505</u>	<u>\$ 181,570,529</u>	<u>\$ 158,073,456</u>	<u>\$ 46,714,578</u>
Liabilities:				
Deposits Held in Trust	\$ 3,611,789	\$ 56,265,339	\$ 56,199,755	\$ 3,677,373
Due to Taxing Districts	16,764,659	106,144,084	86,478,048	36,430,695
Due to Washington Co. General Fund	1,076,014	7,772,295	6,005,954	2,842,355
Due to Assessing & Collecting Fund	925,961	5,881,499	4,836,215	1,971,245
Due to Other Funds	839,082	5,507,312	4,553,484	1,792,910
Reserve for Refund	-	-	-	-
Total Liabilities	<u>\$ 23,217,505</u>	<u>\$ 181,570,529</u>	<u>\$ 158,073,456</u>	<u>\$ 46,714,578</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, 2008

	Treasurer's Balance 12/31/2007	Tax Collection Receipts	Current Year's Taxes & Interest Apportioned	Prior Year's Taxes & Interest Apportioned	Disburse- ments	Treasurer's Balance 12/31/2008
Tax Collection Amounts:						
Current Taxes	\$ -	\$ 119,312,422	\$ (119,312,422)		\$ -	\$ -
Prior Year's Redemptions	-	5,748,298	-	(5,748,298)	-	-
Over Collected & Double Pmts	-	183,177	-	-	183,177	-
Penalties & Interest	-	244,470	(25,540)	(218,930)	-	-
Other Collections	1,751,421	153,558	-	-	113,383	1,791,596
Total	\$ 1,751,421	\$ 125,641,925	\$ (119,337,962)	\$ (5,967,228)	\$ 296,560	\$ 1,791,596
Tax Units:						
Library Operating Fund	\$ 429,258		\$ 2,588,190	\$ 134,272	\$ 2,259,579	\$ 892,141
School District	12,438,122		75,193,277	3,795,530	65,386,775	26,040,154
Water Conservancy District	1,520,359		9,030,067	475,826	7,942,129	3,084,123
Assessing & Collecting	925,961		5,614,463	267,036	4,836,215	1,971,245
General Fund	1,076,014		7,452,493	319,802	6,005,954	2,842,355
County G.O. Bond	409,824		2,653,339	131,511	2,293,905	900,769
Special Service Districts:						
Rockville/Springdale	10,168		44,684	2,138	40,200	16,790
Southwest Mosquito SSD	54,004		333,391	16,937	288,923	115,409
Southwestern SSD	8,092		76,322	1,951	62,898	23,467
Smithsonian SSD	9		-	12	21	-
Leeds Area SSD	26,709		112,783	4,558	103,209	40,841
New Harmony SSD	13,283		79,474	5,250	71,887	26,120
Cities & Towns:						
Enterprise	24,984		137,142	4,660	120,268	46,518
Hildale	18,639		82,718	22,411	97,198	26,570
Hurricane	354,261		2,061,962	141,122	1,307,604	1,249,741
Ivins	179,970		1,079,322	43,701	937,032	365,961
LaVerkin	41,111		340,404	32,206	274,855	138,866
Leeds	13,842		55,343	1,943	52,679	18,449
New Harmony	4,465		22,447	593	20,590	6,915
St. George	1,598,226		8,899,979	382,629	6,824,654	4,056,180
Santa Clara	82,467		628,219	29,603	552,551	187,738
Springdale	12,409		53,167	2,568	47,145	20,999
Toquerville	17,101		96,965	11,032	88,630	36,468
Virgin	8,232		37,040	3,261	35,186	13,347
Washington	251,561		1,879,239	117,706	1,576,157	672,349
Rockville	5,428		39,743	1,247	33,806	12,612
Apple Valley	10,220		57,076	2,919	52,376	17,839
Coral Canyon SID	70,997		688,712	14,805	561,275	213,239
Total Due Units	\$19,605,716		\$ 119,337,961	\$ 5,967,229	\$ 101,873,701	\$43,037,205
Total	\$21,357,137	\$ 125,641,925			\$ 102,170,261	\$44,828,801

WASHINGTON COUNTY

Statement of Taxes Charged and Collected December 31, 2008

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	\$ 13,026,307,777	\$ 496,010,835	\$ (341,903,768)	\$ 13,180,414,844	\$ 467,179,302	\$ 13,647,594,146
School District	13,026,307,777	496,010,835	(341,903,768)	13,180,414,844	467,179,302	13,647,594,146
Water Conservancy District	13,026,307,777	496,010,835	(341,903,768)	13,180,414,844	467,179,302	13,647,594,146
Assessing & Collecting:						
Local	13,026,307,777	496,010,835	(341,903,768)	13,180,414,844	467,179,302	13,647,594,146
State	13,026,307,777	496,010,835	(341,903,768)	13,180,414,844	467,179,302	13,647,594,146
General Fund	13,026,307,777	496,010,835	(341,903,768)	13,180,414,844	467,179,302	13,647,594,146
County G.O. Bond	13,026,307,777	496,010,835	(341,903,768)	13,180,414,844	467,179,302	13,647,594,146
Rockville/Springdale	227,840,415	2,673,635	-	230,514,050	4,180,949	234,694,999
Southwest Mosquito SSD	13,026,307,777	496,010,835	(341,903,768)	13,180,414,844	467,179,302	13,647,594,146
Southwestern SSD	159,341,735	1,343,419	-	160,685,154	362,906	161,048,060
Smithsonian SSD	-	-	-	-	-	-
Leeds Area SSD	126,588,250	2,193,072	-	128,781,322	782,161	129,563,483
New Harmony Fire	178,255,145	1,460,618	-	179,715,763	511,349	180,227,112
Coral Canyon	254,854,335	302,408	-	255,156,743	5,423,897	260,580,640
Enterprise	71,481,245	1,138,278	-	72,619,523	901,016	73,520,539
Hildale	35,082,885	726,101	-	35,808,986	2,221,588	38,030,574
Hurricane	1,204,909,037	17,622,516	(177,005,239)	1,045,526,314	63,029,393	1,108,555,707
Ivins	797,507,715	4,901,661	-	802,409,376	7,577,167	809,986,543
LaVerkin	211,755,505	4,078,728	-	215,834,233	5,627,681	221,461,914
Leeds	94,208,410	1,302,071	-	95,510,481	751,825	96,262,306
New Harmony	16,647,910	471,498	-	17,119,408	284,346	17,403,754
St. George	7,091,312,275	234,970,051	(164,898,529)	7,161,383,797	312,165,989	7,473,549,786
Santa Clara	437,177,795	3,298,596	-	440,476,391	3,512,268	443,988,659
Springdale	183,812,400	1,521,870	-	185,334,270	3,687,992	189,022,262
Toquerville	113,100,840	4,600,485	-	117,701,325	319,297	118,020,622
Virgin	63,219,385	1,075,896	-	64,295,281	609,613	64,904,894
Washington	1,673,542,815	12,721,031	-	1,686,263,846	40,805,963	1,727,069,809
Rockville	44,028,015	1,151,765	-	45,179,780	492,957	45,672,737
Apple Valley	57,715,455	378,892	-	58,094,347	288,623	58,382,970
Northwestern SSD	128,561,430	14,832,904	-	143,394,334	1,326,168	144,720,502
Dixie Springs SSD	-	-	-	-	-	-
Dameron Valley SSD	108,356,880	575,351	-	108,932,231	103,275	109,035,506
Dixie Deer SSD	49,896,600	644,509	-	50,541,109	67,596	50,608,705

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
0.000194	0.000195	\$2,557,000	\$91,100	\$2,648,100
0.005637	0.005655	74,297,998	2,641,899	76,939,897
0.000676	0.000691	8,909,960	322,821	9,232,781
0.000300	0.000300	3,954,124	140,154	4,094,278
0.000121	0.000121	1,594,830	56,529	1,651,359
0.000564	0.000464	7,433,754	216,771	7,650,525
0.000200	0.000186	2,636,083	86,895	2,722,978
0.000199	0.000222	45,872	928	46,800
0.000025	0.000025	329,510	11,679	341,189
0.000438	0.000434	70,380	158	70,538
0.000000	0.000000	-	-	-
0.000878	0.000906	113,070	709	113,779
0.000461	0.000461	82,849	236	83,085
0.002593	0.003000	661,621	16,272	677,893
0.001698	0.001738	123,308	1,566	124,874
0.002677	0.002468	95,861	5,483	101,344
0.002010	0.001965	2,101,508	123,853	2,225,361
0.001389	0.001370	1,114,547	10,381	1,124,928
0.001629	0.001197	351,594	6,736	358,330
0.000566	0.000568	54,059	427	54,486
0.001143	0.001141	19,567	324	19,891
0.001206	0.001217	8,636,629	379,906	9,016,535
0.001423	0.001449	626,798	5,089	631,887
0.000297	0.000305	55,044	1,125	56,169
0.000861	0.000845	101,341	270	101,611
0.000675	0.000908	43,399	554	43,953
0.001124	0.001089	1,895,361	44,438	1,939,799
0.000884	0.001060	39,939	523	40,462
0.001136	0.001044	65,995	301	66,296
0.000000	0.000000	-	-	-
0.000000	0.000000	-	-	-
0.000000	0.000000	-	-	-
0.000000	0.000000	-	-	-
		<u>\$118,012,001</u>	<u>\$4,167,127</u>	<u>\$122,179,128</u>

(Continued)

WASHINGTON COUNTY

Statement of Taxes Charged and Collected (Continued) December 31, 2008

	TREASURER'S RELIEF				CURRENT YEAR ACTUAL	
	Unpaid Taxes	Abatements	Other	Total Relief	Taxes Collected	Collection Rate
Library Operations	\$ 276,981	\$ 31,951	\$ 3,950	\$ 312,882	\$2,335,218	88.18%
School District	8,047,998	928,384	119,915	9,096,297	67,843,600	88.18%
Water Conservancy District	965,270	111,334	8,416	1,085,020	8,147,761	88.25%
Assessing & Collecting:						
Local	428,303	49,408	6,827	484,538	3,609,740	88.17%
State	172,752	19,928	2,754	195,434	1,455,925	88.17%
General Fund	774,054	92,888	59,279	926,221	6,724,304	87.89%
County G.O. Bond	285,384	32,939	11,054	329,377	2,393,601	87.90%
Rockville/Springdale	3,717	370	(18)	4,069	42,731	91.31%
Southwest Mosquito SSD	35,695	4,118	568	40,381	300,808	88.16%
Southwestern SSD	4,518	959	165	5,642	64,896	92.00%
Smithsonian SSD	-	-	-	-	-	-
Leeds Area SSD	10,569	2,061	8	12,638	101,141	88.89%
New Harmony Fire	9,967	1,100	120	11,187	71,898	86.54%
Coral Canyon	19,055	3,851	(303)	22,603	655,290	96.67%
Enterprise	7,966	2,073	351	10,390	114,484	91.68%
Hildale	50,471	164	641	51,276	50,068	49.40%
Hurricane	342,558	33,904	12,471	388,933	1,836,428	82.52%
Ivins	118,191	15,804	1,182	135,177	989,751	87.98%
LaVerkin	53,360	11,131	3,436	67,927	290,403	81.04%
Leeds	4,037	1,111	17	5,165	49,321	90.52%
New Harmony	778	364	7	1,149	18,742	94.22%
St. George	846,777	106,104	4,967	957,848	8,058,687	89.38%
Santa Clara	80,011	7,236	1,828	89,075	542,812	85.90%
Springdale	4,974	233	(18)	5,189	50,980	90.76%
Toquerville	13,144	2,093	399	15,636	85,975	84.61%
Virgin	10,679	677	(91)	11,265	32,688	74.37%
Washington	218,854	19,320	7,568	245,742	1,694,057	87.33%
Rockville	1,704	949	224	2,877	37,585	92.89%
Apple Valley	16,383	1,004	175	17,562	48,734	73.51%
Northwestern SSD	-	-	-	-	-	-
Dixie Springs SSD	-	-	-	-	-	-
Dameron Valley SSD	-	-	-	-	-	-
Dixie Deer SSD	-	-	-	-	-	-
Totals	\$12,804,150	\$1,481,458	\$245,892	\$14,531,500	\$107,647,628	

OTHER COLLECTIONS

Fee in Lieu	Miscellaneous Collections	Delinquent Tax Collected	Interest & Penalty Collected
\$ 252,418	\$ 82,501	\$ 129,224	\$ 5,602
7,333,581	2,393,213	3,657,406	154,220
880,373	287,694	457,960	19,799
390,203	126,403	177,519	6,732
157,393	51,475	80,481	3,506
726,594	238,815	307,526	13,871
259,170	85,069	126,388	5,691
1,943	13	2,061	87
32,512	10,557	16,308	700
11,411	307	1,872	94
-	-	7	5
11,618	88	4,372	210
7,559	1,253	5,069	198
33,267	-	14,426	534
22,631	816	4,430	257
32,638	37	21,502	921
225,098	9,578	135,279	6,279
89,336	27,838	42,346	1,590
49,932	201	30,837	1,438
6,010	-	1,875	80
3,701	-	525	72
839,380	20,236	368,264	16,277
85,278	1,095	28,681	1,051
2,175	-	2,482	98
10,970	7,482	10,503	549
4,344	94	3,141	128
184,780	15,954	113,877	4,231
2,149	58	1,177	79
8,330	276	2,760	171
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ 11,664,794	\$ 3,361,053	\$ 5,748,298	\$ 244,470

WASHINGTON COUNTY

**Schedule of Expenditures of Transient Room Taxes and
Tourism, Recreation, Culture and Convention Facilities Taxes
December 31, 2008**

Transient Room Taxes (TRT):

Establishing and promoting:		
Recreation	\$	512,480
Tourism		722,455
Film production		45,620
Conventions		233,154
Totals		<u>1,513,709</u>
Acquiring, leasing, construction, furnishing, or operating:		
Convention meeting rooms		350,000
Exhibit halls		350,000
Visitor information centers		-
Museums		-
Related facilities		535,025
Totals		<u>1,235,025</u>
Acquiring or leasing land required for or related to:		
Convention meeting rooms		-
Exhibit halls		-
Visitor information centers		-
Museums		-
Related facilities		-
Totals		<u>-</u>
Mitigation costs		-
Payment of principal, interest, premiums, and reserves on bonds		-
Total expenditures of transient room taxes		<u>\$ 2,748,734</u>

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

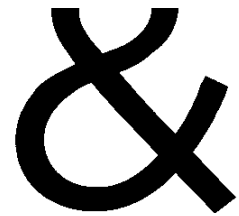
Financing tourism promotion		-
Development, operation, and maintenance of:		
Tourist facilities	\$	-
Recreation facilities		1,044,916
Cultural facilities		-
Convention facilities		687,589
Pledges as security for evidences of indebtedness		-
Total		<u>1,732,505</u>
Total expenditures of tourism, recreation, culture, and convention facilities taxes		<u>\$ 1,732,505</u>

Reserves and Pledges:

	1/1/2008	Additions 2008	12/31/2008
Reserves on bonds related to TRT funds	\$ -	\$ -	\$ -
Pledges as security for evidence of indebtedness related to TRCC	\$ -	\$ -	\$ -

OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS

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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*

The County Commission
Washington County
St. George, Utah

We have audited the basic financial statements of Washington County, Utah (the County) as of and for the year ended December 31, 2008, and have issued our report thereon, dated August 10, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the County's internal control over financial reporting 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 a governmental unit'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.

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 a 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.

A material weakness is a significant deficiency, or a 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not

identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

COMPLIANCE AND OTHER MATTERS

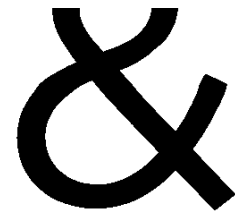
As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material affect 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 to our tests disclosed no instances of noncompliance or other matters that are required to be reported *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated August 10, 2009.

This communication is intended solely for the information and use of management, the County, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.


Hafen Buckner Everett & Graff, PC

St George, Utah
August 10, 2009



INDEPENDENT AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE

The County Commission
Washington County
St. George, Utah

We have audited the general purpose financial statements of Washington County, Utah, for the year ended December 31, 2008 and have issued our report thereon dated August 10, 2009. As part of our audit, we have audited the County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the year ended December 31, 2008. The County received the following major State assistance programs from the State of Utah:

- B & C Road Funds
- Liquor Law Enforcement
- Adult Services – Alternative Program

Our audit also included testwork on the County's compliance with those general compliance requirements identified in the Compliance manual for Audits of Local Governments in Utah including:

- | | |
|------------------------------------|--|
| Public Debt | Other General Compliance Issues |
| Cash Management | Uniform Building Code Standards |
| Purchasing Requirements | Statement of Taxes Charged, Collected, and Disbursed |
| Budgetary Compliance | Assessing and Collecting of Property Taxes |
| Truth in Taxation and Property Tax | Transient Room Tax and Tourism, Recreation, Culture, |
| Limitations | and Convention Facilities Tax |
| Liquor Law Enforcement | Impact Fees and Other Development Fees |
| Justice Courts Compliance | Asset Forfeiture |
| B&C Road Funds | |

The management of the 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.

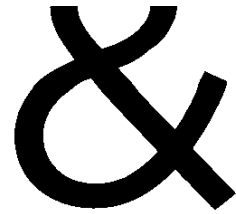
We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with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

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

In our opinion, Washington County complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of service allowed and 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, 2008.

Hafen, Buckner, Everett & Graff, PC
Hafen, Buckner, Everett & Graff, PC

St. George, Utah
August 10, 2009



LETTER TO MANAGEMENT

The County Commission
Washington County
St. George, Utah

In planning and performing our audit of the financial statements of Washington County (the County), for the year ended December 31, 2008, we noted certain matters for your consideration. This letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated August 10, 2009, on the financial statements of the County. Also, significant deficiencies and material deficiencies, if any, are included in our reports dated August 10, 2009, in accordance with *Government Auditing Standards*.

Comments from prior years have been addressed and have been or are being resolved. Certain prior year comments noted in the current year are repeated for your consideration.

Cash Deposits

Cash deposits are not always being made daily or within three banking days as required by state law. We recommend that the County implement procedures to ensure that all cash received is deposited timely in accordance with state law.

Expenditures in Excess of Budget

Several departments within the County had expenditures in excess of budgeted amounts which is a violation of Utah State law. We recommend that the County establish procedures which will prevent expenditures in excess of budgeted amounts.

The status of these comments will be reviewed as part of the next audit. We recommend that management establish monitoring policies and procedures to provide the County with reasonable assurance that the County complies with various state and federal program requirements and reports be made periodically to the Board and the Audit Committee to evaluate progress made and additional recommendations for improvement,

Hafen, Buckner, Everett & Graff, PC

HAFEN, BUCKNER, EVERETT & GRAFF, PC

August 10, 2009

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