



**FINANCIAL STATEMENTS**

**Year Ended December 31, 2012**

**With Report of**

**Certified Public Accountants**

**WASHINGTON COUNTY**

**Table of Contents**

**INTRODUCTORY SECTION:**

Organizational Chart.....i  
List of Elected and Appointed Officials ..... ii

**FINANCIAL SECTION:**

Independent Auditors’ Report..... 1  
Management’s Discussion and Analysis.....3  
Basic Financial Statements:  
    Government-wide Financial Statements:  
        Statement of Net Position ..... 12  
        Statement of Activities ..... 13  
    Fund Financial Statements:  
        Balance Sheet – Governmental Funds..... 14  
        Statement of Revenues, Expenditures, and Changes in Fund  
            Balances – Governmental Funds ..... 16  
        Reconciliation of the Balance Sheet of Governmental Funds  
            to the Statement of Net Assets..... 18  
        Reconciliation of the Statement of Revenues, Expenditures, and  
            Changes in Fund Balances of Governmental Funds to the  
            Statement of Activities ..... 19  
        Statement of Net Position – Proprietary Funds .....20  
        Statement of Revenues, Expenditures, and Changes in  
            Net Position – Proprietary Funds .....21  
        Statement of Cash Flows – Proprietary Funds .....22  
        Statement of Fiduciary Net Position – Fiduciary Funds.....23  
    Component Unit Financial Statements:  
        Combining Statement of Net Position – Component Units.....24  
        Combining Statement of Activities – Component Units .....25  
Notes to the Financial Statements .....26

WASHINGTON COUNTY

Table of Contents  
(Continued)

Required Supplementary Information:

Schedules of Revenues, Expenditures, and Changes in Fund  
Balances – Budget and Actual:  
General Fund (Detailed).....57  
Assessing & Collecting Special Revenue Fund .....61  
Habitat Conservation Plan Special Revenue Fund .....62  
Travel Board Special Revenue Fund.....63

Supplementary Information:

Major Governmental Funds:  
Schedules of Revenues, Expenditures, and Changes in Fund  
Balances – Budget and Actual:  
Debt Service Fund .....65  
Capital Projects Fund .....66

Combining and Individual Fund Financial Statements:

Combining Balance Sheet – Non-major Governmental Funds .....68  
Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances – Non-major Governmental Funds .....70  
Schedules of Revenues, Expenditures, and Changes in Fund  
Balances – Budget and Actual  
Special Revenue Funds .....72  
Combining Statement of Changes in Assets and Liabilities -  
All Trust and Agency Funds .....82

Other Schedules:

Tax Collection Agency Fund – Cash Receipts and Disbursements .....85  
Statement of Taxes Charged and Collected.....86  
Schedule of Expenditures of Transient Room Taxes .....90

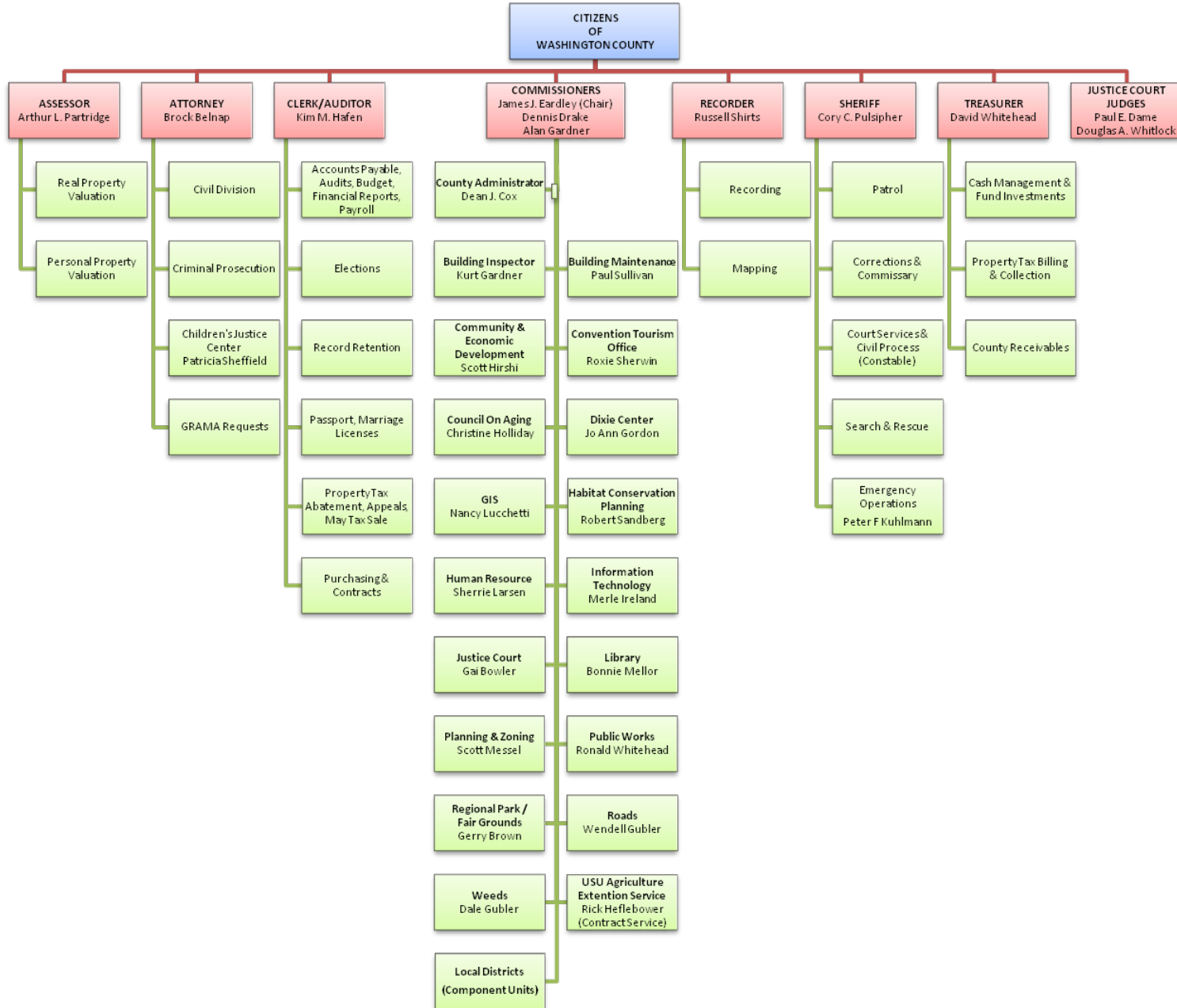
**OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS:**

Report on Compliance and on Internal Control over Financial Reporting .....93  
Report on Compliance with State Fiscal Laws .....95  
Findings and Recommendations .....97  
Responses to Findings and Recommendations .....

## **INTRODUCTORY SECTION**

# WASHINGTON COUNTY ORGANIZATIONAL CHART

## For the Year Ended December 31, 2012



**WASHINGTON COUNTY**  
**List of Elected and Appointed Officials**  
**December 31, 2012**

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**ELECTED OFFICIALS**

James J. Eardley.....	Commissioner Chair
Dennis Drake.....	Commissioner
Alan Gardner.....	Commissioner
Arthur L. Partidge.....	Assessor
Brock Belnap.....	Attorney
Kim M. Hafen.....	Clerk/Auditor
Russell Shirts.....	Recorder
Cory C. Pulsipher.....	Sheriff
David Whitehead.....	Treasurer
Paul E. Dame.....	Justice Court Judge
Douglas A. Whitlock.....	Justice Court Judge

**OTHER COUNTY APPOINTED OFFICIALS**

Dean J Cox.....	County Administrator
Kurt G. Gardner.....	Building Inspector
Paul E. Sullivan.....	Building Maintenance
Patricia Sheffield.....	Children’s Justice Center
Scott Hirsch.....	Community & Economic Development
Roxie Sherwin.....	Convention & Tourism Office
Christine Holliday.....	Council On Aging
Jo Ann Gordon.....	Dixie Center
Peter F. Kuhlmann.....	Emergency Operations
Robert Sandberg.....	Habitat Conservation Planning
Sherrie Larsen.....	Human Resources
Merle Ireland.....	Information Technology
Gai Bowler.....	Justice Court
Bonnie Mellor.....	Library
Scott Messel.....	Planning & Zoning
Ronald G. Whitehead.....	Public Works
Gerry T. Brown.....	Regional Park/Fair
Wendall Gubler.....	Roads
Dale Gubler.....	Weeds

## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

To the County Commission  
Washington County, 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, Utah (the County), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *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 County, as of December 31, 2012, and the respective changes in financial discretely presented component units, each major fund, and the aggregate remaining fund information position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–11 and 57–66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

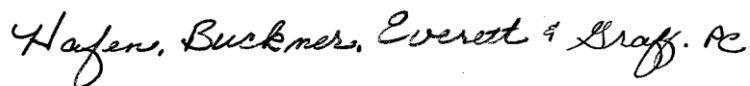
***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.



HAFEN, BUCKNER, EVERETT & GRAFF, PC

May 29, 2013

**WASHINGTON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2012**

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, 2012. This report is in conjunction with the County's financial statements that follow this section.

**HISTORY AND BACKGROUND OF WASHINGTON COUNTY**

Washington County is located in the Southwest corner of the State of Utah with the State of Nevada bordering on the west and the State of Arizona on the South. Washington County was created in 1856 shortly after pioneers settled here in the early 1850's. It 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 141,000. The population has nearly doubled each of the last three decades! National Parks, State Parks, 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 increased during 2012 from \$5.3 million to \$5.7 million or 7.35 %.
- Transient Room Taxes increased during 2012 from \$3.5 million to \$3.9 million or 10.7%.
- Restaurant Taxes increased during 2012 from \$1.9 million to \$2.0 million or 8.44%.
- As of the end of 2012, the County's unemployment rate was 6.3% as compared to the State rate of 5.4% and the National rate of 7.8%.
- During 2012 the County's General Fund balance decreased from \$7.8 million to 6.6 million. \$3.8 million of the General Fund balance is committed for future capital project needs.
- Total County assets, excluding component units, exceed total liabilities (net position) by \$56.2 million at the close of the fiscal year. Total net position increased by \$4.7 million.
- Total revenues from all sources, excluding component units, were \$56.1 million.
- The total cost of all County programs, excluding component units, was \$51.4 million.

**USING THIS ANNUAL REPORT**

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

## **Reporting the County as a Whole**

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

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

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

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

Both of the government-wide financial statements distinguish functions of Washington County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Washington County include general government, judicial, public safety, health and sanitation, culture, 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 fourteen 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, Travel Board fund, Habitat Conservation fund, Assessing and Collecting 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 Position. 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 position may serve over time as a useful indicator of an entity's financial position. In the case of Washington County, assets exceeded liabilities by \$56.2 million at the close of the most recent fiscal year. This is a 9.1% increase over the previous year.

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

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

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

	Governmental Activities		Component Unit Activities	
	2012	2011	2012	2011
Current and other assets	\$ 52,709,069	\$ 47,136,476	\$ 33,767,620	\$ 33,522,736
Capital assets	57,873,649	60,481,727	36,805,324	37,029,741
Total assets	<u>110,582,718</u>	<u>107,618,203</u>	<u>70,572,944</u>	<u>70,552,477</u>
Long-term liabilities	46,905,114	48,991,970	11,170,100	13,254,866
Other liabilities	7,522,075	7,153,366	1,277,298	2,051,715
Total liabilities	<u>54,427,189</u>	<u>56,145,336</u>	<u>12,447,398</u>	<u>15,306,581</u>
Net position:				
Net investment in capital assets	11,538,739	12,727,380	31,412,853	28,422,514
Restricted	25,219,724	23,114,742	3,017,889	4,266,233
Unrestricted	<u>19,397,066</u>	<u>15,630,745</u>	<u>23,694,804</u>	<u>22,557,149</u>
Total net position	<u>\$ 56,155,529</u>	<u>\$ 51,472,867</u>	<u>\$ 58,125,546</u>	<u>\$ 55,245,896</u>

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 Position**

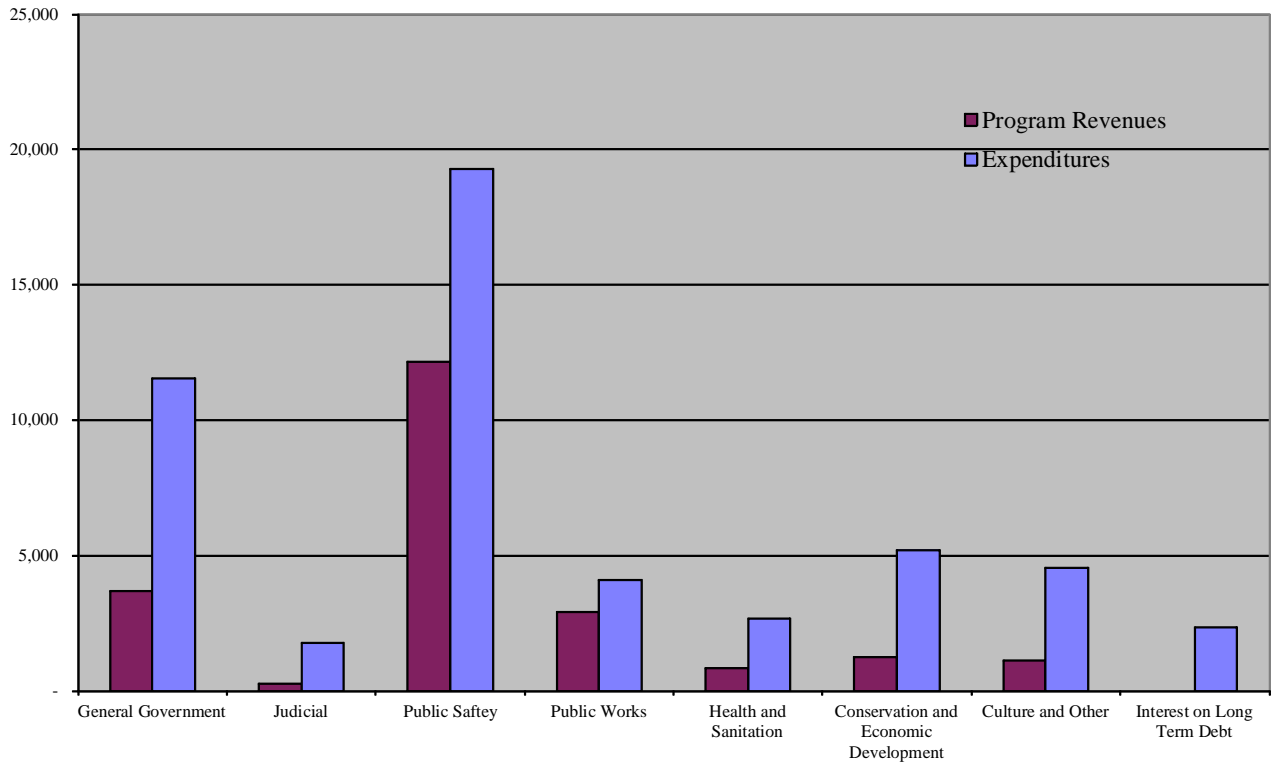
	Governmental Activities		Component Unit Activities	
	2012	2011	2012	2011
Revenues:				
Program revenues:				
Charges for services	\$ 14,704,453	\$ 14,443,049	\$ 13,294,745	\$ 13,477,756
Operating grants and contributions	5,221,023	5,173,112	7,311,414	8,302,550
Capital grants and contributions	2,246,341	3,873,307	1,915,632	1,127,521
General revenues:				
Taxes	36,207,762	34,620,975	990,684	926,551
Other	(2,265,727)	138,435	304,134	470,041
Total revenues	<u>56,113,852</u>	<u>58,248,878</u>	<u>23,816,609</u>	<u>24,304,419</u>
Expenses:				
General government	11,560,550	9,822,804	-	-
Judicial	1,773,147	1,805,174	-	-
Public safety	19,293,681	19,602,250	2,578,236	2,495,332
Public works	4,108,638	2,959,198	10,639,654	10,772,811
Health and sanitation	2,648,805	2,757,558	7,886,038	8,373,521
Conservation and economic development	5,181,373	6,691,090	30,191	8,431
Culture and other	4,525,969	4,223,196	-	-
Interest on long term debt	2,339,027	2,373,208	-	-
Total expenses	<u>51,431,190</u>	<u>50,234,478</u>	<u>21,134,119</u>	<u>21,650,095</u>
Increase in net position	4,682,662	8,014,400	2,682,490	2,654,324
Net position, beginning	51,472,867	43,458,467	55,245,896	52,591,572
Prior period adjustment	-	-	197,160	-
Net position, ending	<u>\$ 56,155,529</u>	<u>\$ 51,472,867</u>	<u>\$ 58,125,546</u>	<u>\$ 55,245,896</u>

The cost of all Governmental activities this year was \$51 million. As shown on the Statement above, \$14.7 million of this cost was paid for by those who directly benefited from the programs; \$7.5 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 \$22.2 million. General taxes, investment earnings, and other general revenues totaled \$34 million.

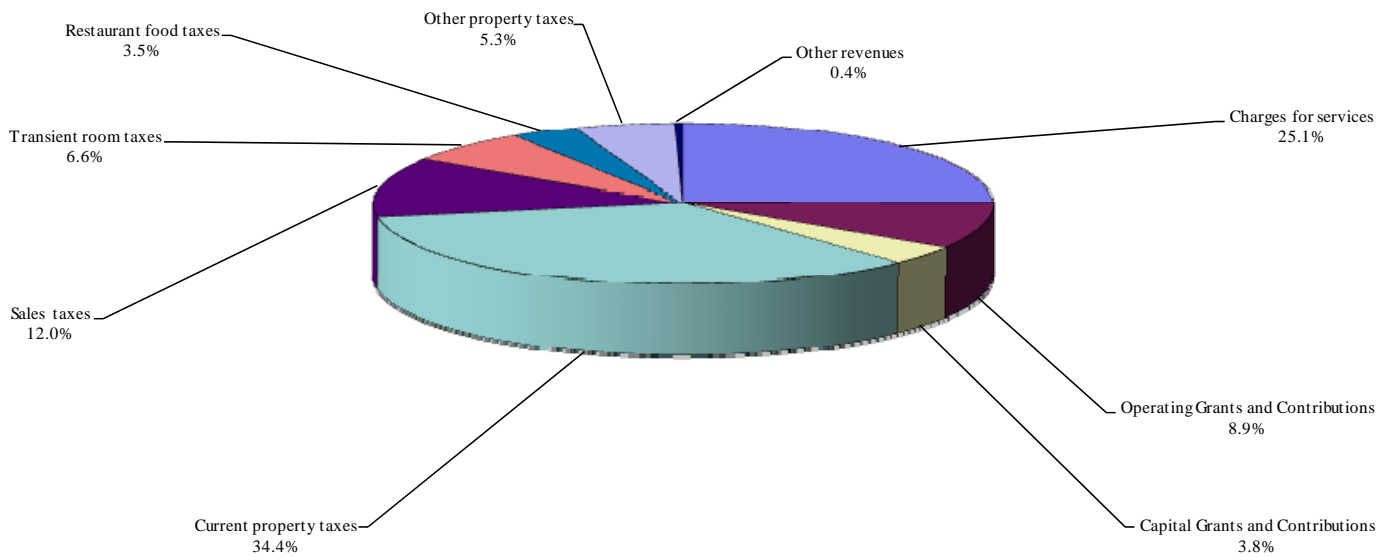
Total resources available during the year to finance operations were \$107.6 million consisting of net position at December 31, 2011 of \$51.5 million, program revenues of \$22.2 million and general revenues of \$33.9 million. Total Governmental Activities during the year were \$51.4 million; thus net position increased by \$4.7 to \$56.2 million. Most of the governmental activities remained consistent from 2011 to 2012.

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

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



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



## **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

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

### **Governmental funds**

The focus of the County's governmental fund financial statements (pages 14 to 19) is to provide information on near-term inflows, outflows, and balances of spendable resources. All major governmental funds are discretely presented in these financial statements, while the non-major funds are combined into a single column. Combining statements for the non-major funds are reported on pages 68 to 71.

For the year ended December 31, 2012, the governmental funds reflect a combined fund balance of \$43,352,486. Of this, \$25,483,625 is not available for expenditure or is restricted and legally segregated for a specific future use. An additional \$3.8 million has been committed to capital projects. The remaining \$14,068,861 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 \$24,346,017 and expenditures, before other financing sources and uses, totaled \$20,647,513. The net increase in fund balance before transfers was \$3,698,504. Transfers from the general fund of \$4,955,562 were made to the Debt Service fund, Children's Justice Center fund, Council on Aging fund and the Capital Projects fund for 2012.

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. Revenues totaled \$6,249,594 while expenditures totaled \$5,166,699 in 2012. (See Page 61)

The Habitat Conservation fund is used to account for revenue sources that are legally restricted to expenditure for habitat conservation and capital improvements. Habitat Conservation fund revenues increased quite a bit from the previous year due to an increase in building activity. Expenditures also increased slightly. Revenues totaled \$814,232 while expenditures totaled \$638,817 in 2012. (See Page 62)

The Travel Board fund is used to account for transient room tax revenues used to promote travel within the County and assist the Washington County/St George Interlocal Agency. Travel Board fund revenues and expenditures remained fairly consistent with the prior year. Revenues and expenditures excluding transfers totaled \$4,203,115 and \$2,713,645 in 2012, respectively. (See Page 63)

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. Expenditures were consistent with 2012. (See Page 65)



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. There was minimal activity in 2012. The fund reported \$12,535 in revenue, before transfers, and \$64,161 in capital outlay. (See Page 66)

The non-major funds of the County consist of the following special revenue funds: Class "B" Roads, Municipal Service, Flood Damage, Children's Justice Center, Library, Council on Aging, Recreation, and Grants. The non-major funds are combined into one column on the governmental fund statements. (See Pages 68 to 79 for nonmajor combining and individual fund statements)

### **General Fund Budgetary Highlights**

The final appropriations for the General Fund at year-end were \$1,638,192 higher 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 more than the final budget by \$879,603. 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 2012, net capital assets of the government activities totaled \$57.8 million. Depreciation on capital assets is recognized in the Government-Wide financial statements. (See note 8 to the financial statements.)

### **Debt**

At year-end, the County had \$52 million in governmental type debt. The debt is a liability of the government and amounts to approximately \$376.90 per capita. During the current fiscal year, the County's total debt had a net decrease of \$1,594,358. (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 for 2013 close to the 2012 actual results. 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 Position**  
**December 31, 2012**

	<b>Primary Government</b>	
	<b>Governmental Activities</b>	<b>Component Units</b>
<b>Assets</b>		
Cash and investments	\$ 11,186,029	\$ 23,851,481
Receivables (net of allowance for uncollectibles)	7,658,078	2,228,052
Prepaid assets	387,779	95,389
Deferred charges	284,313	-
Restricted cash and investments	29,248,120	7,592,698
Note receivable	3,944,750	-
Capital assets not being depreciated	4,325,684	11,309,551
Capital assets being depreciated, net of accumulated depreciation	53,547,965	25,495,773
Total assets	<u>110,582,718</u>	<u>70,572,944</u>
<b>Liabilities</b>		
Accounts payable and other current liabilities	1,835,886	909,033
Unearned revenue	148,630	-
Accrued interest payable	430,559	95,372
Noncurrent liabilities:		
Due within one year	5,107,000	272,893
Due in more than one year	46,905,114	11,170,100
Total liabilities	<u>54,427,189</u>	<u>12,447,398</u>
<b>Net Position</b>		
Net investment in capital assets	11,538,739	31,412,853
Restricted for:		
Capital projects	-	-
Class "B" roads	1,852,463	-
Debt Service	4,661,317	-
Other purposes	18,705,944	3,017,889
Unrestricted	19,397,066	23,694,804
Total net position	<u>\$ 56,155,529</u>	<u>\$ 58,125,546</u>

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Statement of Activities**  
**For the Year Ended December 31, 2012**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units
					Governmental Activities	Total	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 11,560,550	\$ 3,243,318	\$ 391,307	\$ 31,406	\$ (7,894,519)	\$ (7,894,519)	\$ -
Judicial	1,773,147	247,222	-	-	(1,525,925)	(1,525,925)	-
Public safety	19,293,681	8,336,966	3,170,847	654,911	(7,130,957)	(7,130,957)	-
Public works	4,108,638	277,203	1,403,975	1,221,313	(1,206,147)	(1,206,147)	-
Health and sanitation	2,648,805	646,558	175,474	-	(1,826,773)	(1,826,773)	-
Conservation & economic development	5,181,373	952,166	79,128	213,095	(3,936,984)	(3,936,984)	-
Culture and other	4,525,969	1,001,020	292	125,616	(3,399,041)	(3,399,041)	-
Interest on long-term debt	2,339,027	-	-	-	(2,339,027)	(2,339,027)	-
Total primary government	<u>\$ 51,431,190</u>	<u>\$ 14,704,453</u>	<u>\$ 5,221,023</u>	<u>\$ 2,246,341</u>	<u>(29,259,373)</u>	<u>(29,259,373)</u>	<u>-</u>
<b>Component units:</b>							
Public safety	\$ 2,578,236	\$ 363,893	\$ 59,354	\$ 1,040,572	-	-	(1,114,417)
Public works	10,639,654	11,515,594	63,611	875,060	-	-	1,814,611
Health and sanitation	7,886,038	1,402,540	7,162,463	-	-	-	678,965
Conservation & economic development	30,191	12,718	25,986	-	-	-	8,513
Total component units	<u>\$ 21,134,119</u>	<u>\$ 13,294,745</u>	<u>\$ 7,311,414</u>	<u>\$ 1,915,632</u>	<u>-</u>	<u>-</u>	<u>1,387,672</u>
General revenues:							
Current property taxes					20,173,510	20,173,510	878,930
Sales taxes					7,007,982	7,007,982	-
Transient room taxes					3,896,616	3,896,616	-
Restaurant food taxes					2,048,159	2,048,159	-
Other property taxes					3,081,495	3,081,495	111,754
Unrestricted investment earnings					223,320	223,320	167,201
Loss on derivative instruments - swaption					(2,501,370)	(2,501,370)	-
Gain on the sale of assets					12,323	12,323	-
Other revenues					-	-	136,933
Total general revenues and transfers					<u>33,942,035</u>	<u>33,942,035</u>	<u>1,294,818</u>
Change in net position					4,682,662	4,682,662	2,682,490
Net position - beginning					51,472,867	51,472,867	55,245,896
Prior period adjustment					-	-	197,160
Net position - ending					<u>\$ 56,155,529</u>	<u>\$ 56,155,529</u>	<u>\$ 58,125,546</u>

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2012**

	General Fund	Debt Service	Special Revenue Assessing and Collecting
<b>Assets</b>			
Cash and investments	\$ 4,763,500	\$ -	\$ -
Property taxes receivable	2,194,393	355,274	735,750
Assessments receivable	-	1,755,031	-
Due from other governments	261,414	-	500
Due from other funds	16,704	-	-
Prepaid assets	5,779	-	-
Restricted cash and investments	-	7,051,828	2,137,361
Total assets	\$ 7,241,790	\$ 9,162,133	2,873,611
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	346,433	-	29,139
Accrued liabilities	189,427	-	25,431
Due to other funds	-	-	-
Unearned revenue	119,112	1,755,012	-
Total liabilities	654,972	1,755,012	54,570
Fund balances:			
Nonspendable: Prepaid assets	5,779	-	-
Restricted for:			
Class "B" roads	-	-	-
Debt service fund	-	2,887,194	-
Other purposes	-	-	-
Committed to capital projects	-	-	-
Assigned to debt service	-	4,519,927	-
Assigned to special revenue funds	-	-	2,819,041
Assigned to capital projects	-	-	-
Unassigned	6,581,039	-	-
Total fund balances	6,586,818	7,407,121	2,819,041
Total liabilities and fund balances	\$ 7,241,790	\$ 9,162,133	\$ 2,873,611

The accompanying notes are an integral part of the financial statements

Special Revenue		Capital Projects	Other Governmental Funds	Total Governmental Funds
Habitat Conservation	Travel Board			
\$ -	\$ -	\$ -	\$ 4,711,871	\$ 9,475,371
-	-	-	504,752	3,790,169
-	-	-	1,574	1,756,605
146,526	434,411	-	1,266,377	2,109,228
-	-	-	-	16,704
-	-	-	-	5,779
4,789,717	5,856,330	4,027,767	5,385,117	29,248,120
<u>\$ 4,936,243</u>	<u>\$ 6,290,741</u>	<u>\$ 4,027,767</u>	<u>\$ 11,869,691</u>	<u>\$ 46,401,976</u>
7,613	158,328	-	273,904	815,417
2,888	4,808	-	72,062	294,616
-	-	-	16,704	16,704
-	4,500	-	44,129	1,922,753
<u>10,501</u>	<u>167,636</u>	<u>-</u>	<u>406,799</u>	<u>3,049,490</u>
-	-	-	-	5,779
-	-	-	1,852,463	1,852,463
-	-	-	-	2,887,194
4,925,742	6,123,105	-	4,838,056	15,886,903
-	-	3,800,000	-	3,800,000
-	-	-	-	4,519,927
-	-	-	4,772,373	7,591,414
-	-	227,767	-	227,767
-	-	-	-	6,581,039
<u>4,925,742</u>	<u>6,123,105</u>	<u>4,027,767</u>	<u>11,462,892</u>	<u>43,352,486</u>
<u>\$ 4,936,243</u>	<u>\$ 6,290,741</u>	<u>\$ 4,027,767</u>	<u>\$ 11,869,691</u>	<u>\$ 46,401,976</u>

**WASHINGTON COUNTY**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2012**

	General Fund	Debt Service	Special Revenue	
			Assessing and Collecting	Habitat Conservation
<b>Revenues</b>				
Taxes	\$ 16,422,063	\$ 3,142,225	\$ 6,230,671	\$ -
Licenses and permits	23,580	-	-	-
Intergovernmental	3,886,423	294,772	-	778,252
Charges for services	1,836,934	-	18,706	-
Fines and forfeitures	1,088,655	-	-	-
Interest	82,730	6,060	-	33,798
Sub-lease revenue	-	-	-	-
Other revenue	1,005,632	2,086,933	217	2,182
Total revenues	<u>24,346,017</u>	<u>5,529,990</u>	<u>6,249,594</u>	<u>814,232</u>
<b>Expenditures</b>				
Current:				-
General government	4,080,615	85,339	5,166,699	-
Judicial	1,652,109	-	-	-
Public Safety	12,944,498	-	-	-
Public Works	439,337	-	-	-
Health and Sanitation	1,191,276	-	-	-
Conservation & Economic Development	183,948	-	-	638,817
Culture and other	129,730	-	-	-
Matching Funds & contributions	26,000	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	3,224,000	-	-
Interest	-	1,706,857	-	-
Total expenditures	<u>20,647,513</u>	<u>5,016,196</u>	<u>5,166,699</u>	<u>638,817</u>
Excess revenues over (under) expenditures	<u>3,698,504</u>	<u>513,794</u>	<u>1,082,895</u>	<u>175,415</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	648,562	-	-
Transfers out	(4,955,562)	-	(42,993)	-
Total other financing sources and uses	<u>(4,955,562)</u>	<u>648,562</u>	<u>(42,993)</u>	<u>-</u>
Net change in fund balances	(1,257,058)	1,162,356	1,039,902	175,415
Fund balances - beginning of year	7,843,876	6,244,765	1,779,139	4,750,327
Fund balances - end of year	<u>\$ 6,586,818</u>	<u>\$ 7,407,121</u>	<u>\$ 2,819,041</u>	<u>\$ 4,925,742</u>

The accompanying notes are an integral part of the financial statements

<u>Special Revenue</u>		<u>Other</u>	<u>Total</u>
<u>Travel</u>	<u>Capital</u>	<u>Governmental</u>	<u>Governmental</u>
<u>Board</u>	<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
\$ 3,896,616	\$ -	\$ 6,729,995	\$ 36,421,570
-	-	80,527	104,107
-	6,118	7,197,479	12,163,044
-	-	604,161	2,459,801
-	-	88,949	1,177,604
36,438	6,417	57,877	223,320
-	-	450,212	450,212
270,061	-	209,479	3,574,504
<u>4,203,115</u>	<u>12,535</u>	<u>15,418,679</u>	<u>56,574,162</u>
-	-	290,810	9,623,463
-	-	-	1,652,109
-	-	3,685,992	16,630,490
-	-	3,163,501	3,602,838
-	-	1,235,524	2,426,800
2,200,648	-	1,877,178	4,900,591
-	-	3,465,958	3,595,688
-	-	-	26,000
-	64,161	-	64,161
299,323	-	721,677	4,245,000
213,674	-	502,849	2,423,380
<u>2,713,645</u>	<u>64,161</u>	<u>14,943,489</u>	<u>49,190,520</u>
<u>1,489,470</u>	<u>(51,626)</u>	<u>475,190</u>	<u>7,383,642</u>
200,000	3,800,000	1,249,993	5,898,555
(700,000)	-	(200,000)	(5,898,555)
<u>(500,000)</u>	<u>3,800,000</u>	<u>1,049,993</u>	<u>-</u>
989,470	3,748,374	1,525,183	7,383,642
5,133,635	279,393	9,937,709	35,968,844
<u>\$ 6,123,105</u>	<u>\$ 4,027,767</u>	<u>\$ 11,462,892</u>	<u>\$ 43,352,486</u>



**WASHINGTON COUNTY**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**To the Statement of Net Position**  
**December 31, 2012**

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Total governmental fund balances		\$ 43,352,486
Amounts reported for governmental activities in the statement of net position are different because:		
Some receivables are not available in the current period and therefore are not reported in the funds.		3,944,750
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 119,761,772	
Accumulated depreciation	<u>(61,888,123)</u>	
		57,873,649
Revenues considered unearned and not reported in the funds		1,774,123
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.		
Bonds payable	(30,737,000)	
Less: Deferred charge for issuance costs (to be amortized)	284,313	
Less: Deferred charge on refunding (to be amortized)	1,209,628	
Net unamortized premiums	(1,006,102)	
Capital leases payable	(17,266,499)	
Special assessment debt payable	(2,764,000)	
Compensated absences	(1,448,141)	
Accrued interest payable	<u>(430,559)</u>	
		(52,158,360)
Assets and liabilities of the internal service fund included in governmental activities.		<u>1,368,881</u>
Total net position of governmental activities		<u>\$ 56,155,529</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, 2012**

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

Net changes in fund balances - total governmental funds \$ 7,383,642

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 depreciation exceeded capital outlays in the current period.

Capital outlay	\$ 622,867	
Depreciation expense	<u>(3,223,129)</u>	(2,600,262)

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. (7,816)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount of current year payments on assessments. (1,784,962)

Sub-lease revenues reported in the funds that provide current financial resources are reported as a reduction of notes receivable in the statement of net position. (269,880)

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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.

Principal repayments:		
Bonds payable	3,095,000	
Capital leases	1,178,502	
Amortization of bond premiums	100,610	
Amortization of deferred charge on refunding and bond issuance costs	<u>(183,425)</u>	4,190,687

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.

Compensated absences	126,863	
Loss on derivative instruments - swaption	(2,501,370)	
Accrued interest	<u>36,871</u>	(2,337,636)

Internal service funds are used by management to charge costs of certain activities to individual funds. This amount represents the net revenue (expense) of the internal service fund reported as governmental activities 108,889

Change in net position of governmental activities \$ 4,682,662

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2012**

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	<u>Internal Service Fund</u>
<b>Assets:</b>	
Cash	\$ 1,710,658
Accounts receivable	2,076
Prepaid expenses	<u>382,000</u>
Total Assets	<u>2,094,734</u>
<b>Liabilities:</b>	
Accounts payable	<u>725,853</u>
Total Liabilities	<u>725,853</u>
<b>Net Position:</b>	
Unrestricted	<u>1,368,881</u>
Total Net Position	<u>\$ 1,368,881</u>

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2012**

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	<u>Internal Service Fund</u>
<b>Operating Revenues</b>	
Charges for services	
County contributions	\$ 3,582,932
Employee contributions	<u>790,568</u>
Total operating revenues	<u>4,373,500</u>
<b>Operating Expenses</b>	
Claims expense	3,884,423
Premium expense	<u>380,188</u>
Total operating expenses	<u>4,264,611</u>
Operating income	108,889
<b>Net position, beginning of the year</b>	<u>1,259,992</u>
<b>Net position, end of the year</b>	<u><u>\$ 1,368,881</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, 2012**

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	Internal Service Fund
<b>Cash Flows From Operating Activities:</b>	
Cash received from customers, service fees	\$ 4,414,097
Cash paid to suppliers	(4,343,699)
Cash flows from operating activities	70,398
<b>Net Change in Cash and Cash Equivalents</b>	70,398
Cash and cash equivalents including restricted cash, beginning of year	1,640,260
Cash and cash equivalents including restricted cash, end of year	\$ 1,710,658
Reconciliation of operating income (loss) to cash flows from operating activities:	
Net operating income (loss)	\$ 108,889
Adjustments to reconcile net income (loss) to cash flows from operating activities:	
Changes in operating assets and liabilities	
(Increase)/Decrease in receivables	40,597
(Increase)/Decrease in prepaid expenses	(100,000)
Increase/(Decrease) in accounts payable	20,912
Net cash flows from operating activities	\$ 70,398

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Combined Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2012**

---

	Agency Funds
<b>Assets</b>	
Cash and investments	\$ 25,908,332
Property taxes receivable	-
Total Assets	\$ 25,908,332
<b>Liabilities</b>	
Deposits held in trust	\$ 10,169,261
Due to taxing districts	12,998,065
Due to Washington County General Fund	1,291,108
Due to Assessing & Collecting Fund	735,750
Due to other funds	714,148
Total Liabilities	\$ 25,908,332
<b>Net Position</b>	
Held in trust for individuals, organizations, and other governments	\$ -

The accompanying notes are an integral part of the financial statements

**WASHINGTON COUNTY**  
**Combining Statement of Net Position**  
**Component Units**  
**December 31, 2012**

	Southwest Utah Public Health Dept.	Ash Creek SSD	Washington County Solid Waste SSD	Nonmajor Component Units	Total Component Units
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 3,431,868	\$ 6,271,458	\$ 11,519,750	\$ 2,628,405	\$ 23,851,481
Property taxes receivable	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Due from other governments	365,222	-	-	144,181	509,403
Due from other sources	-	710,776	735,335	272,538	1,718,649
Prepaid assets	72,790	-	1,800	20,799	95,389
Total current assets	<u>3,869,880</u>	<u>6,982,234</u>	<u>12,256,885</u>	<u>3,065,923</u>	<u>26,174,922</u>
Noncurrent assets:					
Deferred charges	-	-	-	-	-
Restricted cash and investments	177,375	1,314,347	5,682,927	418,049	7,592,698
Capital assets not being depreciated	850,000	9,313,017	57,000	1,089,534	11,309,551
Capital assets being depreciated, net of accumulated depreciation	4,417,471	9,363,647	4,195,753	7,518,902	25,495,773
Total noncurrent assets	<u>5,444,846</u>	<u>19,991,011</u>	<u>9,935,680</u>	<u>9,026,485</u>	<u>44,398,022</u>
Total assets	<u>\$ 9,314,726</u>	<u>\$ 26,973,245</u>	<u>\$ 22,192,565</u>	<u>\$ 12,092,408</u>	<u>\$ 70,572,944</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	\$ 46,123	\$ 18,740	\$ 645,761	\$ 13,695	\$ 724,319
Accrued liabilities	57,566	16,833	2,513	107,802	184,714
Compensated absences	166,732	98,706	60,820	-	326,258
Accrued interest payable	88,556	-	-	6,816	95,372
Total current liabilities	<u>358,977</u>	<u>134,279</u>	<u>709,094</u>	<u>128,313</u>	<u>1,330,663</u>
Noncurrent liabilities:					
Due within one year	107,000	-	-	165,893	272,893
Due in more than one year	2,911,000	-	4,782,765	3,150,077	10,843,842
Total noncurrent liabilities	<u>3,018,000</u>	<u>-</u>	<u>4,782,765</u>	<u>3,315,970</u>	<u>11,116,735</u>
Total liabilities	<u>3,376,977</u>	<u>134,279</u>	<u>5,491,859</u>	<u>3,444,283</u>	<u>12,447,398</u>
<b>Net Position:</b>					
Net investment in capital assets	3,510,903	18,676,664	4,252,753	4,972,533	31,412,853
Restricted	177,375	1,483,112	900,162	457,240	3,017,889
Unrestricted	2,249,471	6,679,190	11,547,791	3,218,352	23,694,804
Total net position	<u>\$ 5,937,749</u>	<u>\$ 26,838,966</u>	<u>\$ 16,700,706</u>	<u>\$ 8,648,125</u>	<u>\$ 58,125,546</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, 2012**

	Southwest Utah Public Health Dept.	Ash Creek SSD	Washington County Solid Waste SSD	Nonmajor Component Units	Total Component Units
<b>Expenses:</b>					
Public safety:					
Fire and emergency services	\$ -	\$ -	\$ -	\$ 2,578,236	\$ 2,578,236
Public works					
Sewer services	-	1,934,837	-	-	1,934,837
Solid waste services	-	-	7,920,639	-	7,920,639
Water services	-	-	-	407,357	407,357
Transportation services	-	-	-	376,821	376,821
Health and sanitation					
Health services	7,886,038	-	-	-	7,886,038
Conservation & economic development					
	-	-	-	30,191	30,191
Total expenses	<u>7,886,038</u>	<u>1,934,837</u>	<u>7,920,639</u>	<u>3,392,605</u>	<u>21,134,119</u>
<b>Program revenues:</b>					
Charges for services	1,402,540	2,317,172	8,822,583	752,450	13,294,745
Operating grants and contributions	7,162,463	320	-	148,631	7,311,414
Capital grants and contributions	-	582,071	-	1,333,561	1,915,632
Net (expense) revenue	<u>678,965</u>	<u>964,726</u>	<u>901,944</u>	<u>(1,157,963)</u>	<u>1,387,672</u>
<b>General revenues:</b>					
Property taxes	-	-	-	878,930	878,930
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	111,754	111,754
Unrestricted investment earnings	9,385	59,221	84,242	14,353	167,201
Miscellaneous	41,199	87,523	20,225	(12,014)	136,933
Debt Proceeds	-	-	-	-	-
Total general revenues and transfers	<u>50,584</u>	<u>146,744</u>	<u>104,467</u>	<u>993,023</u>	<u>1,294,818</u>
Change in net position	729,549	1,111,470	1,006,411	(164,940)	2,682,490
Total net position - beginning	5,208,200	25,727,496	15,694,295	8,615,905	55,245,896
Prior period adjustment	-	-	-	197,160	197,160
Total net position - ending	<u>\$ 5,937,749</u>	<u>\$ 26,838,966</u>	<u>\$ 16,700,706</u>	<u>\$ 8,648,125</u>	<u>\$ 58,125,546</u>

The accompanying notes are an integral part of the financial statements



**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

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**General**

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

**Reporting Entity**

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

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

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

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

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

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

Southwest Utah Public Health Department (Major Special Revenue Fund) - The Department provides health related services to the citizens and government units in Washington, Iron, Kane, Beaver, and Garfield counties. The department is funded by state and federal financial assistance, county contributions and charges for services. The District issued separate audited financial statements dated May 31, 2013.

Ash Creek Special Service District (Major Enterprise Fund) - The District provides sewer service to the communities of Hurricane, LaVerkin and Toquerville and is funded mainly through user fees. The District was created by the County under the Utah Special Service District Act. The District issued separate audited financial statements dated June 11, 2013.

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 16, 2013.

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 30, 2013.

The Hurricane Valley Fire Special Service District (Non-major General Fund) - The District provides fire protection to the communities of LaVirkin, Toquerville, Virgin and unincorporated areas of western Washington county, funded through property taxes, user fees and other revenues. The District issued separate audited financial statements dated July 29, 2013.

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.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

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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.

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

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

Leeds Area Special Service District (Non-major General Fund) - The District provides fire protection and ambulatory services to the community of Leeds, Utah 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.

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

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

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

Southern Utah Shooting Sports Park Special Service District (Non-major General Fund) – The District operates a shooting range near Hurricane and is funded through user fees and other revenues.

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.

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

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

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

Washington County Water Conservancy District.

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

Southwest Behavioral Health Center - the Center provides mental health and drug and alcohol services to the five counties of southwestern Utah. One of the County's commissioners serves on the center's authority board. The Center is funded through state and federal government grants and contracts, fees for services and contributions from the five counties served. In 2012, the County provided \$353,340 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 2012 the County contributed \$25,000 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 position and the statement of changes in net position) 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, 2012**

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

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

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

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

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

The use of financial resources to acquire capital assets is 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, 2012**

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

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The County reports the following major governmental funds:

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

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

The **Assessing and Collection 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 function of assessing, collecting, and distribution property taxes.

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

The **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 Class "B" Roads, Municipal Services, Library, Council on Aging, 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.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

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

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

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

**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.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

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Approved changes in assessed value are made by the County Auditor by November 1, who also delivers the completed assessment rolls to the County Treasurer on that same date. September 1, is the approximate levy date with a due date of November 30. Delinquent taxes are subject to 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15, of the following year, these delinquent taxes, including penalties, are subject to an interest charge at a rate equal to the federal discount rate plus 6%; the interest period is from January 1 until date paid. If in May of the fifth year, the taxes remain delinquent, the County will advertise and sell the property at a tax sale. As of January 1, all unpaid property taxes are considered to have liens against the property.

**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



**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

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**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.

**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 positions. 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.

**Net Position and Fund Equity**

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

Equity is classified in the government-wide financial statements and in the proprietary fund financial statements as net position and is displayed in three components as follows:

**Net investment in capital assets** represents capital assets, net of accumulated depreciation and reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets.

**Restricted net position** is net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

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**Unrestricted net position** is all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Equity is classified in the governmental fund financial statements as fund balance and is further classified as nonspendable, restricted, committed, assigned or unassigned as follows:

**Nonspendable fund balance** cannot be spent because it is either (1) not in spendable form, or (2) legally or contractually required to be maintained intact.

**Restricted fund balance** is fund balance with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**Committed fund balance** can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority, the County Commission. A resolution, ordinance or vote by the County Commission is required to establish, modify or rescind a fund balance commitment.

**Assigned fund balance** is constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The County Auditor is authorized to assign amounts to a specific purpose in accordance with the County’s budget policy.

**Unassigned fund balance** is a residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

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

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

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

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

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

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**Budgets and Budgetary Accounting**

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

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

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

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

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

**Expenditures over Appropriations**

Expenditures may not legally exceed budgeted appropriations at the department level. The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual reports beginning on page 57 present all of the departments which incurred an excess of expenditures/expenses over appropriations for the year ended December 31, 2012, if any.

**Encumbrances**

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

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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**NOTE 4. Deposits and Investments**

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

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

**Deposits**

*Custodial Credit Risk*

For deposits this is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The County does not have a formal policy for custodial credit risk. As of December 31, 2012, \$1,413,337 of the County's bank balance of \$2,425,759 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, 2012, \$9,324,885 of the Washington County Solid Waste Special Service District bank balance of \$10,320,399 and none of Ash Creek Special Service District bank balance of \$262,226 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.

Washington County/St. George Interlocal Agency and Southwestern Mosquito Abatement District are jointly governed organizations. The organizations' 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, 2012**

**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, 2012 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	\$ 56,723,417	\$56,723,417	\$ -	\$ -	\$ -

**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, 2012**

**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, 2012 the County had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Local Government Pooled Investment Fund	\$ 56,723,417	\$ -	\$ -	\$ -	\$ 56,723,417
<b>Total Fair Value</b>	<b>\$ 56,723,417</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 56,723,417</b>

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

	Carrying Amount	Quality Rating
Ash Creek Special Service District	\$ 7,476,938	Unrated
Wash. County Solid Waste Special Svc. Dist. No. 1	\$ 6,906,092	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, 2012. These monies were distributed to the various County funds in January 2013 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 2012, the County's combined tax rate for assessing and collecting was .000626. 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, 2013.

**Notes receivable** that are shown on the Statement of Net Position include \$3,944,750 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, 2012**

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

Transfers between funds occur primarily to finance programs accounted for in one fund with resources collected in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended December 31, 2012 are shown in the following table:

	<b>Transfers out reported in:</b>				<b>Total</b>
	<b>General Fund</b>	<b>Travel Board</b>	<b>Assessing and Collecting</b>	<b>Recreation Fund</b>	
<b>Transfers in reported in:</b>					
Debt Service Fund	\$ 648,562	\$ -	\$ -	\$ -	\$ 648,562
Travel Board Fund	-	-	-	200,000	200,000
Capital Projects Fund	3,800,000	-	-	-	3,800,000
Nonmajor Special Revenue Funds:					
Municipal Service Fund	-	-	42,993	-	42,993
Children's Justic Center Fund	17,000	-	-	-	17,000
Council on Aging Fund	490,000	-	-	-	490,000
Recreation Fund	-	700,000	-	-	700,000
<b>Total Transfers</b>	<u>\$4,955,562</u>	<u>\$ 700,000</u>	<u>\$ 42,993</u>	<u>\$ 200,000</u>	<u>\$5,898,555</u>

**NOTE 7. Due to Taxing Districts**

Due to taxing districts shown in the combined statement of fiduciary net position represents property taxes collected by the County for the various taxing districts in the County and held in the treasurer's Trust Fund at December 31, 2012. These monies were distributed in January of 2013 and thereafter.



**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

**NOTE 8. Capital Assets**

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

<b>Governmental Activities:</b>	<b>Balance 12/31/2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/2012</b>
Capital assets, not being depreciated:				
Land	\$ 4,325,684	\$ -	\$ -	\$ 4,325,684
Total capital assets, not being depreciated:	<u>4,325,684</u>	<u>-</u>	<u>-</u>	<u>4,325,684</u>
Capital assets, being depreciated:				
Buildings and improvements	51,785,925	109,005	-	51,894,930
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	5,084,343	168,653	(169,832)	5,083,164
Equipment	7,375,528	324,647	(96,426)	7,603,749
Furniture and fixtures	737,260	-	(24,226)	713,034
Bridges, Towers, Trails	4,708,978	20,562	-	4,729,540
Streets and sidewalks	26,473,463	-	-	26,473,463
Total capital assets, being depreciated:	<u>115,103,705</u>	<u>622,867</u>	<u>(290,484)</u>	<u>115,436,088</u>
Less accumulated depreciation for:				
Buildings and improvements	(12,517,740)	(1,574,909)	-	(14,092,649)
Convention Center	(4,774,394)	(316,535)	-	(5,090,929)
Regional Park	(1,685,914)	(118,802)	-	(1,804,716)
Museum	(877,533)	(58,458)	-	(935,991)
Autos and trucks	(4,183,150)	(406,715)	165,924	(4,423,941)
Equipment	(5,547,912)	(532,723)	92,518	(5,988,117)
Furniture and fixtures	(475,139)	(57,604)	24,226	(508,517)
Bridges, Towers, Trails	(2,580,345)	(145,759)	-	(2,726,104)
Streets and sidewalks	(26,305,535)	(11,624)	-	(26,317,159)
Total accumulated depreciation	<u>(58,947,662)</u>	<u>(3,223,129)</u>	<u>282,668</u>	<u>(61,888,123)</u>
Total capital assets, being depreciated, net	<u>56,156,043</u>	<u>(2,600,262)</u>	<u>(7,816)</u>	<u>53,547,965</u>
Governmental activities capital assets, net	<u>\$ 60,481,727</u>	<u>\$(2,600,262)</u>	<u>\$ (7,816)</u>	<u>\$ 57,873,649</u>

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

<b>Governmental Activities:</b>	
General government	\$ 960,959
Public safety	807,101
Public works	380,643
Health and sanitation	182,874
Conservation and economic development	245,072
Other	646,216
Judicial	264
Total depreciation expense - governmental activities	<u>\$ 3,223,129</u>

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

**NOTE 9. Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended December 31, 2012.

<b>Governmental activities:</b>	Balance			Balance	Current
<b>General Obligation:</b>	12/31/2011	Additions	Retirements	12/31/2012	Portion
Refunding G.O. bonds					
Series 2004 Refunding G.O. bonds	\$ 4,145,000	\$ -	\$ (630,000)	\$ 3,515,000	\$ 655,000
Series 2010 Refunding G.O. bonds	8,900,000	-	(25,000)	8,875,000	25,000
Less deferred amounts on refunding	(1,361,745)	-	152,117	(1,209,628)	-
Series 2004B G.O. bonds	2,300,000	-	(350,000)	1,950,000	360,000
Series 2002 G.O. bonds	925,000	-	(455,000)	470,000	470,000
Series 2007 G.O. bonds	4,365,000	-	(215,000)	4,150,000	220,000
Net unamortized premiums	1,106,712	-	(100,610)	1,006,102	-
Capital leases (Convention)	13,250,000	2,754,500	(745,000)	15,259,500	1,240,000
Capital leases (Museum)	426,000	-	(41,000)	385,000	43,000
Capital leases (Land)	1,856,999	-	(235,000)	1,621,999	245,000
Capital leases (Vehicles)	157,502	-	(157,502)	-	-
Accrued Compensated Absences	1,575,004	-	(126,863)	1,448,141	261,000
<b>Total General Obligation</b>	<b>37,645,472</b>	<b>2,754,500</b>	<b>(2,928,858)</b>	<b>37,471,114</b>	<b>3,519,000</b>
<b>Revenue Obligation:</b>					
Sales tax revenue bonds, series 2006	7,625,000	-	(180,000)	7,445,000	185,000
MBA lease revenue bonds, series 2006	761,000	-	(22,000)	739,000	23,000
MBA lease revenue bonds, series 2010	2,950,000	-	(94,000)	2,856,000	98,000
MBA refunding lease bonds, series 2010	852,000	-	(115,000)	737,000	115,000
<b>Total Revenue Obligation</b>	<b>12,188,000</b>	<b>-</b>	<b>(411,000)</b>	<b>11,777,000</b>	<b>421,000</b>
<b>Special Assessment Debt with Government Commitment:</b>					
SID No. 2002-1 - Diamond Valley	41,000	-	(13,000)	28,000	28,000
SID No. 2004-1 - Dixie Springs	3,732,000	-	(996,000)	2,736,000	1,139,000
<b>Total Special Assessment</b>	<b>3,773,000</b>	<b>-</b>	<b>(1,009,000)</b>	<b>2,764,000</b>	<b>1,167,000</b>
<b>Total Governmental activity long-term liabilities</b>	<b>\$ 53,606,472</b>	<b>\$ 2,754,500</b>	<b>\$ (4,348,858)</b>	<b>\$ 52,012,114</b>	<b>\$ 5,107,000</b>

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

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

Period Ending December 31	Principal	Interest	Total
2013	\$ 3,318,000	\$ 1,453,818	\$ 4,771,818
2014	3,443,000	1,291,873	4,734,873
2015	2,673,000	1,140,890	3,813,890
2016	2,389,000	1,051,675	3,440,675
2017	2,485,000	1,132,070	3,617,070
2018-2022	9,297,000	3,378,878	12,675,878
2023-2027	5,054,000	1,577,103	6,631,103
2028-2032	2,869,000	785,412	3,654,412
2033-2037	1,973,000	216,327	2,189,327
	<u>\$ 33,501,000</u>	<u>\$ 12,028,046</u>	<u>\$ 45,529,046</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 position. 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.

The County issued \$8,960,000 of general obligation refunding bonds in 2010 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 \$8,965,000 of general obligation 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 position. The reacquisition price exceeded the net carrying amount of the old debt by \$1,202,322. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 14 years by \$452,486 and resulted in an economic gain of \$375,969.

In addition, the County issued \$961,000 of lease revenue refunding bonds for the current refunding of \$1,170,000 of lease revenue bonds. The refunding was undertaken to reduce total debt service payment over the next eight years by \$358,666 and resulted in an economic gain of \$52,244.

See note 15 regarding conduit debt obligations outstanding and related lease receivables.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

Bonds payable at December 31, 2012, 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.	\$ 3,515,000
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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.	470,000
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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.	1,950,000
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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.	4,150,000
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Refunding G. O. Bonds Series 2010 for the purpose of partially refunding Library Bonds Series 2002 and Series 2004B, payable in amounts ranging from \$25,000 to \$1,225,000 plus interest ranging from 2% to 5%, maturing October 1, 2024.	8,875,000
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**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.	2,736,000
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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.	28,000
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**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.	7,445,000
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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.	739,000
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MBA Lease Revenue Bonds, Series 2010, for the purpose of paying the cost of building acquisitions and improvements, payable in amounts ranging from \$94,000 to \$217,000 plus interest at 4.5%, maturing September 15, 2031.	2,856,000
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Lease Revenue Bonds, Series 2010, for the purpose of refunding MBA Lease Revenue Bonds Series 1998, payable in amounts ranging from \$109,000 to \$135,000 plus interest ranging from 1.5% to 4%, maturing June 15, 2018.	<u>737,000</u>
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Total Bonds Payable	<u>\$33,501,000</u>
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**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

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**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 and was amended December 27, 2007, and again on November 27, 2012. The lease term has been continued, and may be continued, solely at the option of the County, beyond the first “renewal term” and for 16 consecutive additional renewal terms thereafter each of one year in duration (except that the final renewal term shall commence January 1, 2022 and end on December 31, 2022). The County pays base rentals which correspond with the debt service on the Agency’s \$16,945,000 Lease Revenue Bonds.

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

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:

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

Fiscal Period Ending December 31	St. George City Share	County Share	Total
2013	\$ 571,070	\$ 1,086,927	\$ 1,657,997
2014	584,009	1,106,334	1,690,343
2015	384,687	1,038,519	1,423,206
2016	404,928	1,355,628	1,760,556
2017	407,958	1,365,773	1,773,731
2018-2022	<u>2,281,336</u>	<u>7,637,519</u>	<u>9,918,855</u>
Total remaining minimum lease payments	4,633,988	13,590,700	18,224,688
Less amount representing interest	<u>689,238</u>	<u>2,275,950</u>	<u>2,965,188</u>
Present value of net remaining minimum lease payments	<u>\$ 3,944,750</u>	<u>\$ 11,314,750</u>	<u>\$ 15,259,500</u>

**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:

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

Fiscal Period Ending December 31	St. George City Share	County Share	Total
2013	\$ 21,461	\$ 35,014	\$ 56,475
2014	21,269	34,701	55,970
2015	21,443	34,987	56,430
2016	21,592	35,228	56,820
2017	20,953	34,187	55,140
2018-2020	<u>63,483</u>	<u>103,577</u>	<u>167,060</u>
Total remaining minimum lease payments	170,201	277,694	447,895
Less amount representing interest	<u>23,901</u>	<u>38,994</u>	<u>62,895</u>
Present value of net remaining minimum lease payments	<u>\$ 146,300</u>	<u>\$ 238,700</u>	<u>\$ 385,000</u>

**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:

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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

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Fiscal Period Ending December 31	St. George City Share	County Share	Total
2013	\$ 117,539	\$ 191,773	\$ 309,312
2014	117,863	192,303	310,166
2015	117,865	192,305	310,170
2016	117,747	192,113	309,860
2017	117,889	192,345	310,234
2018-2019	<u>173,368</u>	<u>282,862</u>	<u>456,230</u>
Total remaining minimum lease payments	762,271	1,243,701	2,005,972
Less amount representing interest	<u>145,911</u>	<u>238,061</u>	<u>383,972</u>
Present value of net remaining minimum lease payments	<u>\$ 616,360</u>	<u>\$ 1,005,640</u>	<u>\$ 1,622,000</u>

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.



**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

**NOTE 10. 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 16.04% 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 19.08% to 19.25% of their annual salary and 27.07 to 30.45% 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 2012 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:	2012	\$ 0.00	\$ 0.00	\$ 13,683	\$ 168,414
Local Governmental Division	2011	0.00	0.00	803	10,382
	2010	0.00	0.00	0.00	0.00
Noncontributory System	2012	N/A	N/A	\$ 1,458,411	\$ 9,935,973
Local Governmental Division	2011	N/A	N/A	1,320,284	9,878,207
	2010	N/A	N/A	1,251,738	10,007,324
Public Safety System:	2012	\$ 0.00	\$ 5,986	\$ 18,393	\$ 139,349
Other Division A Contributory	2011	0.00	12,722	15,826	103,515
	2010	0.00	13,594	15,115	110,614

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

**NOTE 10. Defined Benefit Pension Plan (Continued)**

Required contributions and amounts received for the 2012 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	2012	N/A	N/A	\$ 1,742,117	\$ 6,234,409
	2011	N/A	N/A	1,586,310	6,172,976
	2010	N/A	N/A	1,422,210	5,748,349
Defined Contribution System:					
457 Plan	2012	\$ 74,967	\$ 0.00	N/A	N/A
	2011	50,728	0.00	N/A	N/A
	2010	44,292	0.00	N/A	N/A
401(k) Plan	2012	\$ 380,271	\$ 35,654	N/A	N/A
	2011	380,271	30,717	N/A	N/A
	2010	385,932	126,980	N/A	N/A
IRA Plans	2012	\$ 35,955	\$ 0.00	N/A	N/A
	2011	35,390	0.00	N/A	N/A
	2010	36,790	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	2012	N/A	N/A	\$ 0.00	
	2011	N/A	N/A	0.00	
	2010	N/A	N/A	1,886	
Local Governmental- Noncontributory	2012	N/A	N/A	\$ 324,127	
	2011	N/A	N/A	317,482	
	2010	N/A	N/A	301,370	
401(k) Contributions	2012	\$ 54,935	\$ 76,667	N/A	N/A
	2011	85,766	85,987	N/A	N/A
	2010	103,206	91,607	N/A	N/A
457 Plan	2012	\$ 25,898	\$ 0.00	N/A	N/A
	2011	26,019	0.00	N/A	N/A
	2010	31,338	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, 2012**

**NOTE 10. 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	2012	0	0	\$ 1,736	\$ 20,290
	2011	0	0	0	0
	2010	0	0	0	0
Local Governmental- Noncontributory	2012	N/A	N/A	\$ 82,931	\$ 552,882
	2011	N/A	N/A	80,150	590,444
	2010	N/A	N/A	72,706	535,980
457 Contributions	2012	\$ 5,159	0	N/A	
	2011	6,682	0	N/A	
	2010	7,095	0	N/A	
401(k) Contributions	2012	\$ 3,041	\$ 323	N/A	
	2011	2,182	2,538	N/A	
	2010	2,062	7,614	N/A	

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

**NOTE 11. 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, 2012**

**NOTE 11. 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.

	12/31/2012
Unpaid claims beginning of year	\$ -
Incurred claims	4,072,837
Claim payments	(4,072,837)
Unpaid claims, end of year	\$ -

**NOTE 12. Commitments and Contracts**

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

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

**St. George City Sub-Lease Agreement:**

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

**Washington County/St. George City Interlocal Agreement:**

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

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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**NOTE 13. Contingencies**

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

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**NOTE 14. Component Unit Disclosures**

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

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**NOTE 15. Conduit Debt Obligations**

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

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

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

The lease payments coincide with the debt service payments on the bonds. The bonds are payable from and secured by the lease payments and do not constitute a pledge of the faith and credit of the County and have not been reported in the accompanying financial statements. At December 31, 2012, the principal amount outstanding on the bonds was \$3,114,000, \$242,000 and \$510,000.

**WASHINGTON COUNTY**  
**Notes to the Financial Statements**  
**December 31, 2012**

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**NOTE 16. Loss on Derivative Instruments - Swaption**

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As discussed in Note 9, the County has entered into a direct financing lease with the Washington County/St. George City Interlocal Agency (the Agency). In 2005 the Agency entered into a swaption contract that provided the Agency with an up-front payment of \$1,003,000. As part of the Agency's 2012 refunding bonds, the swaption was terminated. The swaption's termination payment has been added to the convention center lease payments resulting in a loss of \$2,501,370 reported on the statement of activities.

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**NOTE 17. Restatement of General Fund Balance**

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The Class "B" Roads fund is used principally to account for funds received from the State of Utah for restricted use on county roads. In prior years, this fund had been combined as part of the General Fund for financial statement presentation. In the current year, the Class "B" Roads fund has been separately presented as a non-major, special revenues fund. As a result, the beginning fund balance for the General fund has been restated for the \$1,608,871 beginning fund balance attributable to the Class "B" Roads fund.

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

**WASHINGTON COUNTY**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended December 31, 2012**

<b>REVENUES:</b>	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
<b>Taxes:</b>				
Current Property Taxes	\$ 7,370,642	\$ 7,555,319	\$ 7,891,516	\$ 336,197
Fee in lieu Taxes	725,000	1,075,000	1,050,179	(24,821)
Prior Years Delinquent Taxes	475,500	677,500	756,892	79,392
County Sales & Use Taxes	5,450,000	5,700,000	5,731,714	31,714
Penalties & Interest	555,000	780,000	991,762	211,762
Total Taxes	14,576,142	\$15,787,819	16,422,063	634,244
<b>Licenses, Permits:</b>				
Marriage Licenses	23,000	23,000	23,580	580
<b>Intergovernmental:</b>				
Prison Reimbursement	3,247,500	3,417,500	3,455,338	37,838
Bailiff/Security Reimbursement	220,000	360,000	431,085	71,085
Total Intergovernmental	3,467,500	3,777,500	3,886,423	108,923
<b>Charges for Services:</b>				
Clerk's Fees	55,000	55,000	59,092	4,092
Data Processing Fees	56,200	56,200	57,173	973
Jail Commissary, Phone and Medical	530,000	530,000	526,479	(3,521)
Recorder's Fees	50,000	700,000	752,550	52,550
State Medical Reimbursements	8,000	16,000	14,347	(1,653)
Prisoner Industry and Other	377,395	431,395	427,293	(4,102)
Total Charges for Services	1,076,595	\$1,788,595	1,836,934	48,339
<b>Fines and Forfeitures:</b>				
Court and Precinct Fines	1,088,500	1,088,500	1,088,655	155
Total Fines and Forfeitures	1,088,500	1,088,500	1,088,655	155
<b>Other Revenues:</b>				
Interest Revenue	-	-	82,730	82,730
Rent-Property	890,000	890,000	892,414	2,414
Sale of Property, Material & Supplies	12,000	12,000	12,323	323
Vending Revenue	-	-	1,001	1,001
Xerox Revenue	8,500	28,500	23,473	(5,027)
Other	70,500	70,500	76,421	5,921
Total Other Revenues	981,000	1,001,000	1,088,362	87,362
<b>TOTAL REVENUES</b>	<b>\$ 21,212,737</b>	<b>\$ 23,466,414</b>	<b>\$ 24,346,017</b>	<b>\$ 879,603</b>

(continued)



**WASHINGTON COUNTY**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Continued)**  
**For the Year Ended December 31, 2012**

<b>EXPENDITURES:</b>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>GENERAL GOVERNMENT</b>				
<b>Commission:</b>				
Salaries	\$ 315,990	\$ 325,590	\$ 328,564	\$ (2,974)
Employee Benefits	167,300	167,300	169,890	(2,590)
Services, Supplies and Other	84,100	84,100	56,753	27,347
Capital Outlay	5,000	5,000	-	5,000
	<u>572,390</u>	<u>581,990</u>	<u>555,207</u>	<u>26,783</u>
<b>Human Resource:</b>				
Salaries	152,290	156,490	158,054	(1,564)
Employee Benefits	77,600	77,600	76,775	825
Services, Supplies and Other	47,800	45,800	30,662	15,138
Capital Outlay	2,500	2,500	274	2,226
	<u>280,190</u>	<u>282,390</u>	<u>265,765</u>	<u>16,625</u>
<b>Info Tech Services:</b>				
Salaries	663	1,079	5,088	(4,009)
Employee Benefits	33,469	38,061	45,500	(7,439)
Services, Supplies and Other	131,769	136,361	56,247	80,114
Capital Outlay	22,200	22,200	74,469	(52,269)
	<u>188,101</u>	<u>197,701</u>	<u>181,304</u>	<u>16,397</u>
<b>Clerk/Auditor:</b>				
Salaries	321,909	338,167	332,493	5,674
Employee Benefits	149,747	149,747	145,675	4,072
Services, Supplies and Other	69,700	69,700	66,466	3,234
Capital Outlay	2,500	2,500	2,496	4
	<u>543,856</u>	<u>560,114</u>	<u>547,130</u>	<u>12,984</u>
<b>Recorder:</b>				
Salaries	33,966	45,366	51,812	(6,446)
Employee Benefits	15,614	15,614	17,505	(1,891)
Services, Supplies and Other	41,000	41,000	18,414	22,586
Capital Outlay	-	8,000	8,702	(702)
	<u>90,580</u>	<u>109,980</u>	<u>96,433</u>	<u>13,547</u>
<b>Attorney:</b>				
Salaries	1,227,133	1,254,933	1,270,071	(15,138)
Employee Benefits	589,100	589,100	584,309	4,791
Services, Supplies and Other	155,390	155,390	104,951	50,439
Capital Outlay	13,250	13,250	12,203	1,047
	<u>1,984,873</u>	<u>2,012,673</u>	<u>1,971,534</u>	<u>41,139</u>
<b>Non-Departmental:</b>				
Services, Supplies and Other	65,000	65,000	54,350	10,650
Insurance - Buildings and Vehicles	227,159	227,159	220,530	6,629
	<u>292,159</u>	<u>292,159</u>	<u>274,880</u>	<u>17,279</u>
<b>Elections:</b>				
Services, Supplies and Other	195,500	195,500	188,247	7,253
Capital Outlay	6,000	6,000	115	5,885
	<u>201,500</u>	<u>201,500</u>	<u>188,362</u>	<u>13,138</u>
Total General Government	<u>4,153,649</u>	<u>4,238,507</u>	<u>4,080,615</u>	<u>144,345</u>

(continued)

**WASHINGTON COUNTY**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Continued)**  
**For the Year Ended December 31, 2012**

<b>EXPENDITURES (Continued):</b>	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<b>JUDICIAL</b>				
<b>Justice of the Peace:</b>				
Salaries	610,600	628,000	620,789	7,211
Employee Benefits	278,700	278,700	273,571	5,129
Services and Supplies	59,000	59,000	68,377	(9,377)
Capital Outlay	18,000	24,000	20,149	3,851
	966,300	989,700	982,886	6,814
<b>Public Defender:</b>				
Services, Supplies and Other	717,620	717,620	669,223	48,397
Total Judicial	1,683,920	1,707,320	1,652,109	55,211
<b>PUBLIC SAFETY</b>				
<b>Public Safety/County Jail:</b>				
Salaries	7,516,000	7,711,700	7,787,359	(75,659)
Employee Benefits	4,139,900	4,202,900	4,064,148	138,752
Services, Supplies and Other	974,259	1,140,839	972,707	168,132
Capital Outlay	169,278	143,998	120,284	23,714
Total Public Safety	12,799,437	13,199,437	12,944,498	254,939
<b>PUBLIC WORKS</b>				
<b>Maintenance:</b>				
Motor Pool	14,000	14,000	11,017	2,983
County Buildings Maintenance	446,025	449,325	428,320	21,005
Total Public Works	460,025	463,325	439,337	23,988
<b>PUBLIC HEALTH</b>				
<b>Health Services:</b>				
Services, Supplies and Other	1,262,926	1,262,926	1,191,276	71,650
Total Public Health	1,262,926	1,262,926	1,191,276	71,650
<b>CONSERVATION &amp; DEVELOPMENT</b>				
<b>Agricultural Extension Service:</b>				
Services, Supplies and Other	169,760	169,750	156,731	13,019
Capital Outlay	800	800	2,217	(1,417)
	170,560	170,550	158,948	11,602
<b>Contribution to Economic Development Fund:</b>				
Services, Supplies and Other	25,000	25,000	25,000	-
Total Conservation & Development	25,000	25,000	183,948	-

(continued)

**WASHINGTON COUNTY**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Continued)**  
**For the Year Ended December 31, 2012**

<b>EXPENDITURES (Continued):</b>	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<b>MISCELLANEOUS</b>				
Services, Supplies and Other	605,328	1,213,789	129,730	1,084,059
<b>MATCHING FUNDS &amp; CONTRIBUTIONS</b>				
Contributions	30,000	30,000	26,000	4,000
<b>TOTAL EXPENDITURES</b>	<b>21,020,285</b>	<b>22,140,304</b>	<b>20,647,513</b>	<b>1,638,192</b>
Excess of Revenues Over Expenditures	192,452	1,326,110	3,698,504	2,517,795
<b>Other Financing Sources (Uses):</b>				
Transfer to Debt Service Fund	(648,562)	(648,562)	(648,562)	-
Transfer to Special Revenue Funds	(507,000)	(507,000)	(507,000)	-
Transfer to Capital Projects Fund	-	(3,800,000)	(3,800,000)	-
Total Other Financing Sources (Uses):	(1,155,562)	(4,955,562)	(4,955,562)	-
<b>Net Change in Fund Balance</b>	(963,110)	(3,629,452)	(1,257,058)	2,517,795
Fund Balance, Beginning of Year	7,843,876	7,843,876	7,843,876	-
Fund Balance, End of Year	<b>\$ 6,880,766</b>	<b>\$ 4,214,424</b>	<b>\$ 6,586,818</b>	<b>\$ 2,517,795</b>

**WASHINGTON COUNTY**  
**Assessing and Collecting Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Assessing & Collecting Tax	\$ 5,634,580	\$ 5,634,580	\$ 6,202,200	\$ 567,620
Penalties & Interest	15,000	15,000	28,471	13,471
Total Taxes	<u>5,649,580</u>	<u>5,649,580</u>	<u>6,230,671</u>	<u>581,091</u>
Recorder's Fees	-	-	18,706	18,706
Other	-	-	217	217
Total Revenues	<u>5,649,580</u>	<u>5,649,580</u>	<u>6,249,594</u>	<u>600,014</u>
<b>EXPENDITURES:</b>				
Commission	153,570	101,010	97,978	3,032
Human Resources	30,910	30,910	29,529	1,381
Info Tech Services	765,300	765,300	744,916	20,384
Clerk Auditor	292,845	292,845	294,609	(1,764)
Treasurer:				
Salaries	200,600	200,600	200,470	130
Employee Benefits	93,100	93,100	82,718	10,382
Services, Supplies and Other	55,550	55,550	55,316	234
Capital Outlay	6,500	6,500	3,465	3,035
Total Treasurer	<u>355,750</u>	<u>355,750</u>	<u>341,969</u>	<u>13,781</u>
Recorder:				
Salaries	558,620	558,620	546,451	12,169
Attorney	104,467	104,467	103,765	702
Assessor:				
Salaries	1,449,200	1,449,200	1,448,525	675
Employee Benefits	648,300	648,300	626,282	22,018
Services, Supplies and Other	473,300	473,300	378,698	94,602
Capital Outlay	100,800	100,800	69,701	31,099
Total Assessor	<u>2,671,600</u>	<u>2,671,600</u>	<u>2,523,206</u>	<u>148,394</u>
Administration Building	164,675	164,675	158,773	5,902
Miscellaneous Contingent	559,915	559,915	325,503	234,412
Total Expenditures	<u>5,657,652</u>	<u>5,605,092</u>	<u>5,166,699</u>	<u>438,393</u>
Excess of Revenues				
Over (Under) Expenditures	(8,072)	44,488	1,082,895	1,038,407
<b>Other Financing Sources (Uses):</b>				
Transfers:				
To Capital Projects Fund	(44,488)	(44,488)	(42,993)	1,495
<b>Net Change in Fund Balance</b>	<u>(52,560)</u>	<u>-</u>	<u>1,039,902</u>	<u>1,039,902</u>
Fund Balance, Beginning of Year	<u>1,779,139</u>	<u>1,779,139</u>	<u>1,779,139</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,726,579</u>	<u>\$ 1,779,139</u>	<u>\$ 2,819,041</u>	<u>\$ 1,039,902</u>

**WASHINGTON COUNTY**  
**Habitat Conservation Plan Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental - HCP Fees				
HCP Fees	\$ 255,000	\$ 495,000	\$ 652,636	\$ 157,636
Grants	-	25,000	125,616	100,616
Total intergovernmental	<u>255,000</u>	<u>520,000</u>	<u>778,252</u>	<u>258,252</u>
Other Revenues:				
Interest Earnings	5,000	5,000	33,798	28,798
Other	1,250	1,250	2,182	932
Total Revenues	<u>261,250</u>	<u>526,250</u>	<u>814,232</u>	<u>287,982</u>
<b>EXPENDITURES:</b>				
Other Expenditures - HCP:				
Salaries	241,000	241,000	237,223	3,777
Employee Benefits	95,800	95,800	86,008	9,792
Services, Supplies and Other	886,200	886,200	315,586	570,614
Capital Outlay	69,000	69,000	-	69,000
Total Expenditures	<u>1,292,000</u>	<u>1,292,000</u>	<u>638,817</u>	<u>653,183</u>
<b>Net Change in Fund Balance</b>	(1,030,750)	(765,750)	175,415	941,165
Fund Balance, Beginning of Year	<u>4,750,327</u>	<u>4,750,327</u>	<u>4,750,327</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 3,719,577</u></u>	<u><u>\$ 3,984,577</u></u>	<u><u>\$ 4,925,742</u></u>	<u><u>\$ 941,165</u></u>

**WASHINGTON COUNTY**  
**Travel Board Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Tax Revenues:				
Transient Room Taxes	\$ 3,800,000	\$ 3,800,000	\$ 3,896,616	\$ 96,616
Other Revenues:				
Interest Earnings	5,000	5,000	36,438	31,438
Other	274,000	274,000	270,061	(3,939)
Total Revenues	<u>4,079,000</u>	<u>4,079,000</u>	<u>4,203,115</u>	<u>124,115</u>
<b>EXPENDITURES:</b>				
Conservation & Economic Development:				
Convention Center Operations	187,003	187,003	135,889	51,114
Travel Board:				
Salaries	297,200	297,200	299,717	(2,517)
Employee Benefits	126,200	126,200	124,798	1,402
Services, Supplies and Other	2,425,600	2,425,600	1,611,905	813,695
Capital Outlay	30,000	30,000	28,339	1,661
Debt Service				
Principal	299,323	299,323	299,323	-
Interest	213,674	213,674	213,674	-
Total Expenditures	<u>3,579,000</u>	<u>3,579,000</u>	<u>2,713,645</u>	<u>865,355</u>
Excess of Revenues Over (Under) Expenditures	500,000	500,000	1,489,470	989,470
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From Recreation Special Revenue Fund	200,000	200,000	200,000	-
To Recreation Special Revenue Fund	(700,000)	(700,000)	(700,000)	-
Total Other Financing Sources (Uses):	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	989,470	989,470
Fund Balance, Beginning of Year	<u>5,133,635</u>	<u>5,133,635</u>	<u>5,133,635</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,133,635</u>	<u>\$ 5,133,635</u>	<u>\$ 6,123,105</u>	<u>\$ 989,470</u>

## 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.

- **Class “B” Roads fund** is used to account for intergovernmental revenue used for the maintenance and construction of roads.
- **Municipal Services fund** is used to account for sales tax revenues, fees, intergovernmental and other revenues used for providing Engineering and Surveying, GIS, Planning and Zoning, Building Inspection, Sheriff, Fire Control Services, Maintenance Shop, and Weed Control.
- **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.
- **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**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Tax Revenues	\$ 2,552,704	\$ 2,552,704	\$ 3,142,225	\$ 589,521
Other Revenues:				
Intergovernmental Revenues	298,590	298,590	294,772	(3,818)
Assessment Revenues	1,895,000	1,925,000	2,086,933	161,933
Interest Income	(40,000)	-	6,060	6,060
Total Revenues	<u>4,706,294</u>	<u>4,776,294</u>	<u>5,529,990</u>	<u>753,696</u>
<b>EXPENDITURES:</b>				
Bank and Other Fees	733,400	736,900	85,339	651,561
Debt Service:				
Principal, Public Safety Bond	746,000	746,000	746,000	-
Principal, Lease Revenue Bonds	115,000	115,000	115,000	-
Principal, Library Bonds	985,000	1,045,000	1,045,000	-
Principal, Special Assessment Bonds	804,456	1,432,956	1,022,000	410,956
Principal, MBA Lease Revenue Bonds	116,000	116,000	116,000	-
Principal, Sales Tax Revenue Bonds	180,000	180,000	180,000	-
Interest, Public Safety Bond	321,090	321,090	266,360	54,730
Interest, Lease Revenue Bonds	24,306	24,306	24,304	2
Interest, Library Bond	795,249	703,224	698,530	4,694
Interest, Special Assessment Bonds	12,775	12,775	285,301	(272,526)
Interest, MBA Lease Revenue Bonds	184,747	184,747	105,313	79,434
Interest, Sales Tax Revenue Bond	327,256	327,256	327,049	207
Total Expenditures	<u>5,345,279</u>	<u>5,945,254</u>	<u>5,016,196</u>	<u>929,058</u>
Excess of Revenues Over (Under) Expenditures	<u>(638,985)</u>	<u>(1,168,960)</u>	<u>513,794</u>	<u>1,682,754</u>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers:				
From General Fund	<u>648,562</u>	<u>648,562</u>	<u>648,562</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	9,577	(520,398)	1,162,356	1,682,754
Fund Balance, Beginning of Year	<u>6,244,765</u>	<u>6,244,765</u>	<u>6,244,765</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,254,342</u>	<u>\$ 5,724,367</u>	<u>\$ 7,407,121</u>	<u>\$ 1,682,754</u>



**WASHINGTON COUNTY**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 6,200	\$ 6,118	\$ (82)
Other Revenues:				
Interest Earnings	-	2,500	6,417	3,917
Total Revenues	-	8,700	12,535	3,835
<b>EXPENDITURES:</b>				
Capital Outlay:				
Buildings	-	16,400	16,362	38
Equipment	43,000	104,200	47,799	56,401
Other	-	3,800,000	-	3,800,000
Total Expenditures	43,000	3,920,600	64,161	3,856,439
Excess of Revenues Over (Under) Expenditures	(43,000)	(3,911,900)	(51,626)	3,860,274
<b>Other Financing Sources (Uses):</b>				
Transfer from General Fund	-	3,800,000	3,800,000	-
Total Other Financing Sources (Uses)	-	3,800,000	3,800,000	-
<b>Net Change in Fund Balance</b>	(43,000)	(111,900)	3,748,374	3,860,274
Fund Balance, Beginning of Year	279,393	279,393	279,393	-
Fund Balance, End of Year	\$ 236,393	\$ 167,493	\$ 4,027,767	\$ 3,860,274

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**WASHINGTON COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2012**

	Special Revenue Funds				
	Class "B" Roads	Municipal Services	Flood Damage	Children's Justice Center	Library
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 3,306,207	\$ -	\$ -	\$ 1,162,122
Property taxes receivable	-	145,878	-	-	358,874
Assessments receivable	-	-	-	-	-
Due from other governments	213,009	5,783	551,876	55,340	4,289
Restricted cash	1,703,032	-	1,085,832	-	25,000
Total assets	<u>1,916,041</u>	<u>3,457,868</u>	<u>1,637,708</u>	<u>55,340</u>	<u>1,550,285</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	55,659	23,984	568	1,398	89,791
Accrued liabilities	7,919	28,278	-	1,954	24,598
Due to other funds	-	-	-	16,704	-
Unearned revenue	-	-	-	-	44,129
Total liabilities	<u>63,578</u>	<u>52,262</u>	<u>568</u>	<u>20,056</u>	<u>158,518</u>
Fund balances:					
Restricted for:					
Class "B" roads	1,852,463	-	-	-	-
Other purposes	-	-	1,637,140	35,284	25,000
Assigned	-	3,405,606	-	-	1,366,767
Total fund balances	<u>1,852,463</u>	<u>3,405,606</u>	<u>1,637,140</u>	<u>35,284</u>	<u>1,391,767</u>
Total liabilities & fund balance	<u>\$ 1,916,041</u>	<u>\$ 3,457,868</u>	<u>\$ 1,637,708</u>	<u>\$ 55,340</u>	<u>\$ 1,550,285</u>

Council on Aging	Recreation Fund	Grants Fund	Total Nonmajor Gvtl. Funds
\$ 243,442	\$ 100	\$ -	\$ 4,711,871
-	-	-	504,752
-	-	1,574	1,574
43,697	378,524	13,859	1,266,377
-	2,137,126	434,127	5,385,117
287,139	2,515,750	449,560	11,869,691
34,768	10,248	57,488	273,904
5,581	3,732	-	72,062
-	-	-	16,704
-	-	-	44,129
40,349	13,980	57,488	406,799
-	-	-	1,852,463
246,790	2,501,770	392,072	4,838,056
-	-	-	4,772,373
246,790	2,501,770	392,072	11,462,892
\$ 287,139	\$ 2,515,750	\$ 449,560	\$ 11,869,691

**WASHINGTON COUNTY**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2012**

	Special Revenue Funds				
	Class "B" Roads	Municipal Services	Flood Damage	Children's Justice Center	Library
<b>REVENUES:</b>					
Taxes	\$ 305,000	\$ 813,769	\$ -	\$ -	\$ 3,206,606
Licenses, permits and fees	-	80,527	-	-	-
Intergovernmental	1,403,974	2,741,970	919,342	184,915	48,412
Charges for services	18,301	206,656	-	-	-
Fines and forfeitures	-	-	-	-	88,949
Interest	11,638	25,173	9,591	-	-
Sub-lease revenue	-	-	-	-	-
Miscellaneous	8,209	97,440	-	-	101,417
<b>Total</b>	<b>1,747,122</b>	<b>3,965,535</b>	<b>928,933</b>	<b>184,915</b>	<b>3,445,384</b>
<b>EXPENDITURES:</b>					
General Government	-	290,810	-	-	-
Public Safety	-	2,642,651	-	209,211	-
Public Works	1,503,530	713,542	946,429	-	-
Health and Sanitation	-	-	-	-	-
Conservation and Economic Development	-	-	-	-	-
Culture and Other	-	204,537	-	-	3,261,421
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total</b>	<b>1,503,530</b>	<b>3,851,540</b>	<b>946,429</b>	<b>209,211</b>	<b>3,261,421</b>
Excess of revenues over (under) expenditures	243,592	113,995	(17,496)	(24,296)	183,963
<b>Other financing sources (uses):</b>					
Transfers in	-	42,993	-	17,000	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>42,993</b>	<b>-</b>	<b>17,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>243,592</b>	<b>156,988</b>	<b>(17,496)</b>	<b>(7,296)</b>	<b>183,963</b>
Fund Balances - Beginning	1,608,871	3,248,618	1,654,636	42,580	1,207,804
Fund Balances - Ending	<b>\$1,852,463</b>	<b>\$3,405,606</b>	<b>\$1,637,140</b>	<b>\$ 35,284</b>	<b>\$ 1,391,767</b>

Council on Aging	Recreation Fund	Grants Fund	Total Non-major Gvtl. Funds
\$ -	\$ 2,404,620	\$ -	\$ 6,729,995
-	-	-	80,527
752,905	-	1,145,961	7,197,479
26	379,178	-	604,161
-	-	-	88,949
-	11,475	-	57,877
-	450,212	-	450,212
-	2,413	-	209,479
<u>752,931</u>	<u>3,247,898</u>	<u>1,145,961</u>	<u>15,418,679</u>
-	-	-	290,810
-	-	834,130	3,685,992
-	-	-	3,163,501
1,235,524	-	-	1,235,524
-	1,799,185	77,993	1,877,178
-	-	-	3,465,958
-	721,677	-	721,677
-	502,849	-	502,849
<u>1,235,524</u>	<u>3,023,711</u>	<u>912,123</u>	<u>14,943,489</u>
<u>(482,593)</u>	<u>224,187</u>	<u>233,838</u>	<u>475,190</u>
490,000	700,000	-	1,249,993
-	(200,000)	-	(200,000)
<u>490,000</u>	<u>500,000</u>	<u>-</u>	<u>1,049,993</u>
7,407	724,187	233,838	1,525,183
239,383	1,777,583	158,234	9,937,709
<u>\$ 246,790</u>	<u>\$ 2,501,770</u>	<u>\$ 392,072</u>	<u>\$ 11,462,892</u>

**WASHINGTON COUNTY**  
**Class "B" Roads Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Taxes:				
Fee in lieu Taxes	\$ 305,000	\$ 305,000	\$ 305,000	\$ -
Intergovernmental Revenues:				
Class "B" Roads	1,300,000	1,300,000	1,303,883	3,883
Forest Reserve	60,000	60,000	65,039	5,039
FHWA Reimbursement	25,000	25,000	35,052	10,052
Total Intergovernmental Revenues	<u>1,385,000</u>	<u>1,385,000</u>	<u>1,403,974</u>	<u>18,974</u>
Charges for Services:				
Fuel Revenue - Other Departments	16,000	16,000	18,301	2,301
Other Revenues:				
Interest Revenue	-	-	11,638	11,638
Other	-	-	8,209	8,209
Total Other Revenues	<u>-</u>	<u>-</u>	<u>19,847</u>	<u>19,847</u>
Total Revenues	<u>1,706,000</u>	<u>1,706,000</u>	<u>1,747,122</u>	<u>41,122</u>
<b>EXPENDITURES:</b>				
Public Works:				
Salaries	497,200	497,200	517,394	(20,194)
Employee Benefits	248,800	248,800	252,353	(3,553)
Services, Supplies and Other	588,800	588,800	490,179	98,621
Capital Outlay	473,000	473,000	243,604	229,396
Total Public Works	<u>1,807,800</u>	<u>1,807,800</u>	<u>1,503,530</u>	<u>304,270</u>
Excess of Revenues				
Over (Under) Expenditures	(101,800)	(101,800)	243,592	(263,148)
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From Other Funds	65,000	65,000	-	(65,000)
<b>Net Change in Fund Balance</b>	(36,800)	(36,800)	243,592	(328,148)
Fund Balance, Beginning of Year	<u>1,608,871</u>	<u>1,608,871</u>	<u>1,608,871</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,572,071</u>	<u>\$ 1,572,071</u>	<u>\$ 1,852,463</u>	<u>\$ (328,148)</u>

**WASHINGTON COUNTY**  
**Municipal Services Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Sales Tax Revenue	\$ 775,000	\$ 775,000	\$ 813,769	\$ 38,769
Business Licenses and Building Permits	82,000	82,000	80,527	(1,473)
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	2,410,000	2,470,000	2,473,858	3,858
State Mineral Lease	80,000	80,000	86,420	6,420
Sheriff Protection	160,000	160,000	131,398	(28,602)
Federal Public Safety Grant & GIS	59,000	80,000	50,294	(29,706)
Total Intergovernmental	<u>2,709,000</u>	<u>2,790,000</u>	<u>2,741,970</u>	<u>(48,030)</u>
Charges for Services	256,200	202,200	206,656	4,456
Other Revenue:				
Interest Earnings	-	-	25,173	25,173
Sale of Land & Equipment	85,750	85,750	-	(85,750)
Liquor Allocation	105,000	105,000	91,192	(13,808)
Miscellaneous	2,500	2,500	6,248	3,748
Total Other	<u>193,250</u>	<u>193,250</u>	<u>122,613</u>	<u>(70,637)</u>
Total Revenues	<u>4,015,450</u>	<u>4,042,450</u>	<u>3,965,535</u>	<u>(76,915)</u>
<b>EXPENDITURES:</b>				
General Government:				
Planning & Zonning	186,540	186,540	118,838	67,702
GIS	177,950	177,950	171,972	5,978
Total General Government	<u>364,490</u>	<u>364,490</u>	<u>290,810</u>	<u>73,680</u>
Public Safety:				
Sheriff and Dispatch	2,150,000	2,150,000	2,150,000	-
Fire Control	244,923	244,923	242,851	2,072
Building Inspector	286,650	286,650	249,800	36,850
Total Public Safety	<u>2,681,573</u>	<u>2,681,573</u>	<u>2,642,651</u>	<u>38,922</u>
Public Works				
Maintenance shop	215,700	215,700	207,006	8,694
Weed control	136,100	136,100	132,882	3,218
Public works - other	573,496	573,496	373,654	199,842
Total Public Safety	<u>925,296</u>	<u>925,296</u>	<u>713,542</u>	<u>211,754</u>
Miscellaneous Contingent	207,864	207,864	204,537	3,327
Total Expenditures	<u>4,179,223</u>	<u>4,179,223</u>	<u>3,851,540</u>	<u>327,683</u>
Excess of Revenues				
Over (Under) Expenditures	(163,773)	(136,773)	113,995	250,768
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From Other Funds	44,488	44,488	42,993	(1,495)
<b>Net Change in Fund Balance</b>	(119,285)	(92,285)	156,988	249,273
Fund Balance, Beginning of Year	3,248,618	3,248,618	3,248,618	-
Fund Balance, End of Year	<u>\$ 3,129,333</u>	<u>\$ 3,156,333</u>	<u>\$ 3,405,606</u>	<u>\$ 249,273</u>



**WASHINGTON COUNTY**  
**Flood Damage Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal Revenue	\$ -	\$ 1,125,000	\$ 919,342	\$ (205,658)
Total Intergovernmental	-	1,125,000	919,342	(205,658)
Interest Revenue	-	5,000	9,591	4,591
Total Revenues	-	1,130,000	928,933	(201,067)
<b>EXPENDITURES:</b>				
Other Expenditures - Flood:				
Services, Supplies and Other	-	1,097,000	946,429	150,571
Total Expenditures	-	1,097,000	946,429	150,571
Excess of Revenues Over (Under) Expenditures	-	33,000	(17,496)	(50,496)
<b>Other Financing Sources (Uses):</b>				
Transfers:				
To Other Funds	-	(65,000)	-	65,000
<b>Net Change in Fund Balance</b>	-	(32,000)	(17,496)	14,504
Fund Balance, Beginning of Year	1,654,636	1,654,636	1,654,636	-
Fund Balance, End of Year	\$ 1,654,636	\$ 1,622,636	\$ 1,637,140	\$ 14,504

**WASHINGTON COUNTY**  
**Children's Justice Center Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental Revenue	\$ 192,000	\$ 192,000	\$ 184,915	\$ (7,085)
Total Revenues	<u>192,000</u>	<u>192,000</u>	<u>184,915</u>	<u>(7,085)</u>
<b>EXPENDITURES:</b>				
Public Safety				
AG's Children Justice Center	180,800	168,150	159,780	8,370
VOCA	28,200	28,200	28,558	(358)
NCA	-	15,300	20,873	(5,573)
Total Expenditures	<u>209,000</u>	<u>211,650</u>	<u>209,211</u>	<u>2,439</u>
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From General Fund	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	(2,650)	(7,296)	(4,646)
Fund Balance, Beginning of Year	<u>42,580</u>	<u>42,580</u>	<u>42,580</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 42,580</u>	<u>\$ 39,930</u>	<u>\$ 35,284</u>	<u>\$ (4,646)</u>

**WASHINGTON COUNTY**  
**Library Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Tax Revenues:				
Current Property Taxes	\$ 2,606,064	\$ 2,604,101	\$ 2,720,036	\$ 115,935
Fee Assessed Taxes	180,000	180,000	210,672	30,672
Prior Years Delinquent Taxes	214,500	219,000	262,353	43,353
Penalties & Interest	9,000	11,000	13,545	2,545
Total Taxes	<u>3,009,564</u>	<u>3,014,101</u>	<u>3,206,606</u>	<u>192,505</u>
Intergovernmental Revenue	43,000	54,500	48,412	(6,088)
Fines and Forfeitures	90,000	90,000	88,949	(1,051)
Other Revenues:				
Xerox Revenue	36,000	36,000	35,716	(284)
Miscellaneous	12,500	39,500	42,255	2,755
Contributions	30,000	30,000	23,446	(6,554)
Total Other	<u>78,500</u>	<u>105,500</u>	<u>101,417</u>	<u>(4,083)</u>
Total Revenues	<u>3,221,064</u>	<u>3,264,101</u>	<u>3,445,384</u>	<u>181,283</u>
<b>EXPENDITURES:</b>				
Culture and other expenditures:				
St. George Library	570,225	570,225	614,932	(44,707)
Hurricane Library	387,325	387,325	392,997	(5,672)
Santa Clara Library	292,125	292,125	294,623	(2,498)
Springdale Library	134,375	134,375	136,090	(1,715)
Enterprise Library	92,375	92,375	95,408	(3,033)
New Harmony Library	76,125	76,125	61,103	15,022
Washington City Library	290,925	290,925	302,017	(11,092)
Other Branches & Misc. Grants	1,377,589	1,420,626	1,364,251	56,375
Total Expenditures	<u>3,221,064</u>	<u>3,264,101</u>	<u>3,261,421</u>	<u>2,680</u>
<b>Net Change in Fund Balance</b>	-	-	183,963	183,963
Fund Balance, Beginning of Year	<u>1,207,804</u>	<u>1,207,804</u>	<u>1,207,804</u>	-
Fund Balance, End of Year	<u>\$ 1,207,804</u>	<u>\$ 1,207,804</u>	<u>\$ 1,391,767</u>	<u>\$ 183,963</u>

**WASHINGTON COUNTY**  
**Council on Aging Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental Revenue:				
Council on Aging Contract	\$ 188,017	\$ 188,017	\$ 160,180	\$ (27,837)
Nutrition Contract - St. George	367,778	372,778	333,117	(39,661)
Nutrition Contract - Hurricane	166,095	166,095	153,585	(12,510)
Nutrition Contract - Enterprise	59,319	59,319	57,760	(1,559)
Miscellaneous - C.O.A.	45,000	52,000	38,036	(13,964)
Miscellaneous - Transportation	12,000	12,000	10,227	(1,773)
Charges for services	-	-	26	26
Total Revenues	<u>838,209</u>	<u>850,209</u>	<u>752,931</u>	<u>(97,278)</u>
<b>EXPENDITURES:</b>				
Health & Sanitation:				
Council on Aging - General	150,840	150,840	148,501	2,339
Council on Aging - St. George Center	923,678	935,678	862,096	73,582
Council on Aging - Hurricane Center	179,366	179,366	168,610	10,756
Council on Aging - Enterprise Center	74,325	74,325	56,317	18,008
Total Expenditures	<u>1,328,209</u>	<u>1,340,209</u>	<u>1,235,524</u>	<u>104,685</u>
Excess of Revenues				
Over (Under) Expenditures	(490,000)	(490,000)	(482,593)	7,407
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From General Fund	<u>490,000</u>	<u>490,000</u>	<u>490,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	7,407	7,407
Fund Balance, Beginning of Year	<u>239,383</u>	<u>239,383</u>	<u>239,383</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 239,383</u>	<u>\$ 239,383</u>	<u>\$ 246,790</u>	<u>\$ 7,407</u>

**WASHINGTON COUNTY**  
**Recreation Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Tax Revenues:				
Restaurant Food Tax	\$ 1,725,000	\$ 2,025,000	\$ 2,048,159	\$ 23,159
Leasing Sales Tax	275,000	350,000	356,461	6,461
Total Taxes	2,000,000	2,375,000	2,404,620	29,620
Charges for Services:				
County Fair	104,550	104,550	101,321	(3,229)
Regional Park	245,000	245,000	277,857	32,857
Total Charges for Services	349,550	349,550	379,178	29,628
Other Revenues:				
Interest Earnings	-	-	11,475	11,475
Vision Dixie and Other Revenue	3,000	3,000	2,413	(587)
Sub-lease Revenue	-	-	450,212	450,212
Total Revenues	2,352,550	2,727,550	3,247,898	520,348
<b>EXPENDITURES:</b>				
Conservation & Economic Development:				
Regional Park Facility	820,275	1,158,875	593,337	565,538
County Fair	213,600	250,000	238,621	11,379
Convention Center Operations	350,100	350,100	214,227	135,873
Dixie College Eccles Fine Arts Center	53,000	53,000	53,000	-
St. George City Airport Interlocal Agreement	700,000	700,000	700,000	-
Debt Service				
Principal	715,575	715,575	721,677	(6,102)
Interest	-	-	502,849	(502,849)
Total Expenditures	2,852,550	3,227,550	3,023,711	203,839
Excess of Revenues				
Over (Under) Expenditures	(500,000)	(500,000)	224,187	724,187
<b>Other Financing Sources (Uses):</b>				
Transfers:				
From Travel Board Special Revenue Fund	700,000	700,000	700,000	-
To Travel Board Special Revenue Fund	(200,000)	(200,000)	(200,000)	-
<b>Net Change in Fund Balance</b>				
	-	-	724,187	724,187
Fund Balance, Beginning of Year				
	1,777,583	1,777,583	1,777,583	-
Fund Balance, End of Year				
	\$ 1,777,583	\$ 1,777,583	\$ 2,501,770	\$ 724,187

**WASHINGTON COUNTY**  
**Miscellaneous Grants Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental Revenues:				
CDBG Grants	\$ -	\$ 30,000	\$ 25,288	\$ (4,712)
LLEBG/SCAAP	-	-	19,006	19,006
Drug Court	347,000	263,000	255,338	(7,662)
WMD and Emergency OPS Grants	1,058,812	1,098,812	702,500	(396,312)
Other Grants	26,000	133,000	143,829	10,829
Total Revenues	<u>1,431,812</u>	<u>1,524,812</u>	<u>1,145,961</u>	<u>(378,851)</u>
<b>EXPENDITURES:</b>				
Public Safety:				
LLEBG/SCAAP	-	11,000	28,118	(17,118)
WMD - Emergency Operations	1,078,812	1,122,812	650,387	472,425
Drug Court	347,000	263,000	155,625	107,375
Total Public Safety	<u>1,425,812</u>	<u>1,396,812</u>	<u>834,130</u>	<u>562,682</u>
Conservation & Economic Development:				
CDBG	-	135,500	70,683	64,817
Predator Control	6,000	9,000	7,310	1,690
Total Conservation & Economic Devel.	<u>6,000</u>	<u>144,500</u>	<u>77,993</u>	<u>66,507</u>
Total Expenditures	<u>1,431,812</u>	<u>1,541,312</u>	<u>912,123</u>	<u>629,189</u>
<b>Net Change in Fund Balance</b>	-	(16,500)	233,838	250,338
Fund Balance, Beginning of Year	158,234	158,234	158,234	-
Fund Balance (Deficit), End of Year	<u>\$ 158,234</u>	<u>\$ 141,734</u>	<u>\$ 392,072</u>	<u>\$ 250,338</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.
- **Southwestern Mosquito Abatement fund** is used as an agency fund for the Southwestern Mosquito Abatement District.
- **Washington County Interlocal Agency fund** is used as an agency fund for the Washington County Interlocal Agency.



**WASHINGTON COUNTY**  
**All Trust and Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Year Ended December 31, 2012**

	Balance 12/31/2011	Additions	Deductions	Balance 12/31/2012
<b>TAX COLLECTION TRUST FUND:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 32,935,975	\$ 142,365,981	\$ 157,729,500	\$ 17,572,456
Due from Other Governments	-	-	-	-
Property Taxes Receivable	1,248,838	-	1,248,838	-
Total Assets	<u>\$ 34,184,813</u>	<u>\$ 142,365,981</u>	<u>\$ 158,978,338</u>	<u>\$ 17,572,456</u>
<b>Liabilities:</b>				
Deposits Held in Trust	\$ 1,881,705	\$ 561,781	\$ 610,101	1,833,385
Due to Taxing Districts	27,112,744	118,445,638	132,560,317	12,998,065
Due to Washington Co. General Fund	2,230,997	10,294,602	11,234,491	1,291,108
Due to Assessing & Collecting Fund	1,526,076	6,680,293	7,470,619	735,750
Due to Other Funds	1,433,291	6,383,667	7,102,810	714,148
Reserve for Refund	-	-	-	-
Total Liabilities	<u>\$ 34,184,813</u>	<u>\$ 142,365,981</u>	<u>\$ 158,978,338</u>	<u>\$ 17,572,456</u>
<b>DEPOSIT FUND:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 898,065	\$ 6,190,811	\$ 6,244,941	\$ 843,935
Other Receivables	-	-	-	-
Total Assets	<u>\$ 898,065</u>	<u>\$ 6,190,811</u>	<u>\$ 6,244,941</u>	<u>\$ 843,935</u>
<b>Liabilities:</b>				
Deposits Held in Trust	<u>\$ 898,065</u>	<u>\$ 6,190,811</u>	<u>\$ 6,244,941</u>	<u>\$ 843,935</u>
<b>HEALTH DEPARTMENT:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 2,627,696	\$ 6,120,974	\$ 5,094,267	\$ 3,654,403
Other Receivables	-	-	-	-
Total Assets	<u>\$ 2,627,696</u>	<u>\$ 6,120,974</u>	<u>\$ 5,094,267</u>	<u>\$ 3,654,403</u>
<b>Liabilities:</b>				
Deposits Held in Trust	<u>\$ 2,627,696</u>	<u>\$ 6,120,974</u>	<u>\$ 5,094,267</u>	<u>\$ 3,654,403</u>
<b>ECONOMIC DEVELOPMENT COUNCIL:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 375,603	\$ 275,823	\$ 279,419	\$ 372,007
Other Receivables	-	-	-	-
Total Assets	<u>\$ 375,603</u>	<u>\$ 275,823</u>	<u>\$ 279,419</u>	<u>\$ 372,007</u>
<b>Liabilities:</b>				
Deposits Held in Trust	<u>\$ 375,603</u>	<u>\$ 275,823</u>	<u>\$ 279,419</u>	<u>\$ 372,007</u>

(Continued)

**WASHINGTON COUNTY**  
**All Trust and Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities (Continued)**  
**For the Year Ended December 31, 2012**

	Balance 12/31/2011	Additions	Deductions	Balance 12/31/2012
<b>SOUTHWESTERN MOSQUITO ABATEMENT:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 404,247	\$ 1,360,680	\$ 1,300,260	\$ 464,667
Total Assets	<u>\$ 404,247</u>	<u>\$ 1,360,680</u>	<u>\$ 1,300,260</u>	<u>\$ 464,667</u>
<b>Liabilities:</b>				
Deposits Held in Trust	<u>\$ 404,247</u>	<u>\$ 1,360,680</u>	<u>\$ 1,300,260</u>	<u>\$ 464,667</u>
<b>WASHINGTON COUNTY INTERLOCAL AGENCY:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 1,467,712	\$ 7,034,915	\$ 5,501,763	\$ 3,000,865
Total Assets	<u>\$ 1,467,712</u>	<u>\$ 7,034,915</u>	<u>\$ 5,501,763</u>	<u>\$ 3,000,865</u>
<b>Liabilities:</b>				
Deposits Held in Trust	<u>\$ 1,467,712</u>	<u>\$ 7,034,915</u>	<u>\$ 5,501,763</u>	<u>\$ 3,000,865</u>
<b>TOTAL - ALL TRUST AND AGENCY FUNDS:</b>				
<b>Assets:</b>				
Cash & Investments	\$ 38,709,298	\$ 163,349,184	\$ 176,150,150	\$ 25,908,332
Due from Other Governments	-	-	-	-
Property Taxes Receivable	1,248,838	-	1,248,838	-
Due from Other Funds	-	-	-	-
Other Receivables	-	-	-	-
Total Assets	<u>\$ 39,958,136</u>	<u>\$ 163,349,184</u>	<u>\$ 177,398,988</u>	<u>\$ 25,908,332</u>
<b>Liabilities:</b>				
Deposits Held in Trust	\$ 7,655,028	\$ 21,544,984	\$ 19,030,751	\$ 10,169,261
Due to Taxing Districts	27,112,744	118,445,638	132,560,317	12,998,065
Due to Washington Co. General Fund	2,230,997	10,294,602	11,234,491	1,291,108
Due to Assessing & Collecting Fund	1,526,076	6,680,293	7,470,619	735,750
Due to Other Funds	1,433,291	6,383,667	7,102,810	714,148
Reserve for Refund	-	-	-	-
Total Liabilities	<u>\$ 39,958,136</u>	<u>\$ 163,349,184</u>	<u>\$ 177,398,988</u>	<u>\$ 25,908,332</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, 2012**

	Treasurer's Balance 12/31/2011	Tax Collection Receipts	Current Year's Taxes & Interest Apportioned	Prior Year's Taxes & Interest Apportioned	Disburse- ments	Treasurer's Balance 12/31/2012
<b>Tax Collection Amounts:</b>						
Current Taxes	\$ -	\$ 127,771,327	\$ (127,771,327)	\$ -	\$ -	\$ -
Prior Year's Redemptions	-	12,443,729	-	(12,443,729)	-	-
Over Collected & Double Pmts	-	430,496	-	-	430,496	-
Penalties & Interest	-	1,589,144	131,280	(1,720,424)	-	-
Other Collections	1,881,705	561,781	-	-	610,101	1,833,385
<b>Total</b>	<b>\$ 1,881,705</b>	<b>\$ 142,796,477</b>	<b>\$ (127,640,047)</b>	<b>\$ (14,164,153)</b>	<b>\$ 1,040,597</b>	<b>\$ 1,833,385</b>
<b>Tax Units:</b>						
Library Operating Fund	\$ 733,605		\$ 2,929,069	\$ 292,497	\$ 3,596,297	\$ 358,874
School District	19,914,150		79,439,931	8,155,901	97,914,110	9,595,872
Water Conservancy District	2,381,266		8,886,110	987,069	11,234,491	1,019,954
Assessing & Collecting	1,526,076		6,065,196	615,097	7,470,619	735,750
General Fund	2,230,997		8,497,944	1,796,658	11,376,776	1,148,823
County G.O. Bond	699,686		2,871,228	290,873	3,506,513	355,274
Special Service Districts:						
Rockville/Springdale	10,523		49,862	6,136	59,580	6,941
Southwestern SSD	20,841		77,952	5,145	98,654	5,284
Leeds Area SSD	29,566		91,242	10,401	115,793	15,416
New Harmony SSD	20,601		123,117	10,612	144,718	9,612
Coral Canyon SID	198,999		566,568	22,145	715,046	72,666
Southwest Mosquito SSD	94,319		375,673	38,111	462,406	45,697
Hurricane Valley Fire District	(24,848)		372,118	81,550	342,812	86,008
Cities & Towns:						
Apple Valley	18,243		74,119	26,709	109,429	9,642
Enterprise	38,601		144,617	12,104	179,605	15,717
Hildale	33,304		89,435	46,763	154,208	15,294
Hurricane	557,316		2,351,995	477,206	3,016,283	370,234
Ivins	301,169		1,250,155	91,084	1,531,062	111,346
LaVerkin	97,862		382,511	51,195	481,065	50,503
Leeds	13,027		59,747	3,634	68,250	8,158
New Harmony	3,355		20,862	1,650	23,841	2,026
Rockville	13,083		50,187	1,896	60,699	4,467
St. George	2,638,423		9,825,288	905,684	11,969,928	1,399,467
Santa Clara	187,252		701,817	49,750	867,191	71,628
Springdale	11,317		58,475	8,144	69,024	8,912
Toquerville	28,370		103,494	19,176	133,373	17,667
Virgin	13,462		62,373	19,517	87,620	7,732
Washington	512,543		2,118,963	137,445	2,578,844	190,107
<b>Total Due Units</b>	<b>\$ 32,303,108</b>		<b>\$ 127,640,048</b>	<b>\$ 14,164,152</b>	<b>\$ 158,368,237</b>	<b>\$ 15,739,071</b>
<b>Total</b>	<b>\$ 34,184,813</b>	<b>\$ 142,796,477</b>			<b>\$ 159,408,834</b>	<b>\$ 17,572,456</b>

# WASHINGTON COUNTY

## Statement of Taxes Charged and Collected December 31, 2012

### 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
General Fund	\$ 9,135,574,570	\$ 395,711,704	\$ (170,156,894)	\$ 9,361,129,380	\$ 378,044,131	\$ 9,739,173,511
County G.O. Bond	9,135,574,570	395,711,704	(170,156,894)	9,361,129,380	378,044,131	9,739,173,511
Library Operations	9,135,574,570	395,711,704	(170,156,894)	9,361,129,380	378,044,131	9,739,173,511
Assessing & Collecting:						
State	9,135,574,570	395,711,704	(170,156,894)	9,361,129,380	378,044,131	9,739,173,511
Local	9,135,574,570	395,711,704	(170,156,894)	9,361,129,380	378,044,131	9,739,173,511
School District	9,135,574,570	395,711,704	(170,156,894)	9,361,129,380	378,044,131	9,739,173,511
Apple Valley	35,388,205	2,068,106	-	37,456,311	264,127	37,720,438
Enterprise	50,720,040	1,211,748	-	51,931,788	868,494	52,800,282
Hildale	30,563,765	521,077	-	31,084,842	1,986,103	33,070,945
Hurricane	819,626,950	17,068,474	-	836,695,424	60,938,255	897,633,679
Ivins	572,657,865	5,928,209	-	578,586,074	4,768,422	583,354,496
LaVerkin	128,309,880	4,187,838	-	132,497,718	6,033,419	138,531,137
Leeds	57,885,165	1,222,652	-	59,107,817	756,893	59,864,710
New Harmony	13,069,330	473,435	-	13,542,765	65,046	13,607,811
Rockville	32,015,710	1,046,683	-	33,062,393	481,192	33,543,585
St. George	5,071,252,275	118,029,936	(170,156,894)	5,019,125,317	252,330,443	5,271,455,760
Santa Clara	280,917,990	3,298,079	-	284,216,069	2,107,134	286,323,203
Springdale	151,567,770	1,096,109	-	152,663,879	4,333,043	156,996,922
Toquerville	72,446,250	4,744,895	-	77,191,145	280,530	77,471,675
Virgin	39,003,195	1,214,557	-	40,217,752	635,517	40,853,269
Washington	1,180,968,150	11,635,251	-	1,192,603,401	27,034,227	1,219,637,628
Water Conservancy District	9,135,574,570	395,711,704	(170,156,894)	9,361,129,380	378,044,131	9,739,173,511
Rockville/Springdale Fire	183,583,480	2,142,792	-	185,726,272	4,814,235	190,540,507
Southwestern SSD	94,955,345	2,330,055	-	97,285,400	294,861	97,580,261
Leeds Area SSD	107,026,770	2,582,600	-	109,609,370	197,532	109,806,902
New Harmony Fire	77,751,665	2,463,279	-	80,214,944	777,935	80,992,879
Coral Canyon	188,194,415	619,548	-	188,813,963	1,889,647	190,703,610
Southwest Mosquito SSD	9,135,574,570	395,711,704	(170,156,894)	9,361,129,380	378,044,131	9,739,173,511
Hurricane Valley SSD	323,178,055	17,757,810	-	340,935,865	7,029,931	347,965,796

**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
0.000882	0.000873	\$8,256,516	\$330,033	\$8,586,549
0.000298	0.000292	2,789,617	110,389	2,900,006
0.000304	0.000301	2,845,783	113,791	2,959,574
0.000168	0.000172	1,572,670	65,024	1,637,694
0.000458	0.000455	4,287,397	172,010	4,459,407
0.008201	0.008227	76,770,622	3,110,169	79,880,791
0.002287	0.001939	85,663	512	86,175
0.002633	0.002565	136,736	2,228	138,964
0.007577	0.006446	235,530	12,802	248,332
0.002723	0.002694	2,278,322	164,168	2,442,490
0.002125	0.002097	1,229,495	9,999	1,239,494
0.002805	0.002776	371,656	16,749	388,405
0.001002	0.000905	59,226	685	59,911
0.001548	0.001550	20,964	101	21,065
0.001445	0.001505	47,775	724	48,499
0.001889	0.001857	9,481,128	468,578	9,949,706
0.002349	0.002365	667,624	4,983	672,607
0.000390	0.000380	59,539	1,647	61,186
0.001390	0.001390	107,296	390	107,686
0.001599	0.001628	64,308	1,035	65,343
0.001711	0.001681	2,040,544	45,445	2,085,989
0.000924	0.000993	8,649,684	375,398	9,025,082
0.000270	0.000273	50,146	1,314	51,460
0.000739	0.000730	71,894	215	72,109
0.000816	0.000759	89,441	150	89,591
0.001518	0.001404	121,766	1,092	122,858
0.003000	0.003000	566,442	5,669	572,111
0.000039	0.000039	365,084	14,744	379,828
0.001103	0.001065	376,052	7,487	383,539
		<u>\$123,698,920</u>	<u>\$5,037,531</u>	<u>\$128,736,451</u>

(Continued)

## WASHINGTON COUNTY

### Statement of Taxes Charged and Collected (Continued) December 31, 2012

	TREASURER'S RELIEF				CURRENT YEAR ACTUAL	
	Unpaid Taxes	Abatements	Other	Total Relief	Taxes Collected	Collection Rate
General Fund	\$ 521,031	\$ 135,867	\$ 38,134	\$ 695,032	\$7,891,517	91.91%
County G.O. Bond	176,040	45,906	11,692	233,638	2,666,368	91.94%
Library Operations	179,583	46,830	13,126	239,539	2,720,035	91.91%
Assessing & Collecting:						
State	69,634	25,880	4,784	100,298	1,537,396	93.88%
Local	270,558	70,554	20,950	362,062	4,097,345	91.88%
School District	4,719,368	1,263,338	98,195	6,080,901	73,799,890	92.39%
Apple Valley	19,618	1,317	(392)	20,543	65,632	76.16%
Enterprise	8,395	2,971	186	11,552	127,412	91.69%
Hildale	194,983	434	2,233	197,650	50,682	20.41%
Hurricane	211,874	45,511	5,480	262,865	2,179,625	89.24%
Ivins	31,000	23,640	9,471	64,111	1,175,383	94.83%
LaVerkin	25,603	14,884	1,360	41,847	346,558	89.23%
Leeds	3,424	1,629	90	5,143	54,768	91.42%
New Harmony	1,570	602	(57)	2,115	18,950	89.96%
Rockville	479	736	(735)	480	48,019	99.01%
St. George	587,560	149,048	69,674	806,282	9,143,424	91.90%
Santa Clara	27,140	12,415	4,343	43,898	628,709	93.47%
Springdale	4,281	274	224	4,779	56,407	92.19%
Toquerville	10,257	3,172	(68)	13,361	94,325	87.59%
Virgin	5,180	2,439	(2)	7,617	57,726	88.34%
Washington	104,284	29,918	292	134,494	1,951,495	93.55%
Water Conservancy District	545,840	142,340	87,482	775,662	8,249,420	91.41%
Rockville/Springdale Fire	2,945	327	165	3,437	48,023	93.32%
Southwestern SSD	2,219	1,942	79	4,240	67,869	94.12%
Leeds Area SSD	2,856	2,088	285	5,229	84,362	94.16%
New Harmony Fire	6,562	3,507	113	10,182	112,676	91.71%
Coral Canyon	24,822	5,080	2,192	32,094	540,017	94.39%
Southwest Mosquito SSD	23,041	6,008	1,930	30,979	348,849	91.84%
Hurricane Valley SSD	28,071	10,112	888	39,071	344,468	89.81%
<b>Totals</b>	<b>\$ 7,808,218</b>	<b>\$ 2,048,769</b>	<b>\$ 372,114</b>	<b>\$ 10,229,101</b>	<b>\$ 118,507,350</b>	

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**OTHER COLLECTIONS**

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Fee in Lieu	Miscellaneous Collections	Delinquent Tax Collected	Interest & Penalty Collected
\$ 615,169	\$ 36,147	\$ 795,072	\$ 992,844
207,814	12,214	273,979	13,940
212,047	12,459	275,559	13,925
117,282	6,889	160,572	8,253
319,415	18,771	419,010	21,020
5,721,795	336,216	7,681,482	392,665
8,560	126	24,969	1,667
17,346	103	11,350	613
38,809	-	42,733	3,974
174,785	11,094	450,574	24,217
76,074	1,152	85,756	4,026
36,337	94	48,470	2,341
5,040	18	3,476	97
1,933	-	1,545	84
2,221	-	1,786	57
691,993	25,602	851,854	43,701
73,804	2,934	46,898	2,156
2,130	-	7,734	348
9,273	39	18,147	925
4,711	-	18,399	1,054
169,630	17,206	128,977	6,306
645,829	37,911	930,328	47,602
1,892	-	5,827	256
10,158	160	4,889	181
6,973	573	9,857	451
10,566	27	10,069	418
27,149	10	21,053	494
27,210	1,599	35,919	1,806
28,032	7,505	77,445	3,723
<b>\$ 9,263,977</b>	<b>\$ 528,849</b>	<b>\$ 12,443,729</b>	<b>\$ 1,589,144</b>



**WASHINGTON COUNTY**

**Schedule of Expenditures of Transient Room Taxes and  
Tourism, Recreation, Culture and Convention Facilities Taxes  
December 31, 2012**

**Transient Room Taxes (TRT):**

Establishing and promoting:		
Recreation	\$	930,309
Tourism		1,164,874
Film production		43,587
Conventions		357,846
Totals		<u>2,496,616</u>
Acquiring, leasing, construction, furnishing, or operating:		
Convention meeting rooms		350,000
Exhibit halls		350,000
Visitor information centers		-
Museums		-
Related facilities		700,000
Totals		<u>1,400,000</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		<u>-</u>
Payment of principal, interest, premiums, and reserves on bonds		<u>-</u>
Total expenditures of transient room taxes		<u><u>\$ 3,896,616</u></u>

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

Financing tourism promotion		<u>-</u>
Development, operation, and maintenance of:		
Tourist facilities	\$	-
Recreation facilities		1,354,870
Cultural facilities		-
Convention facilities		693,289
Pledges as security for evidences of indebtedness		-
Total		<u>2,048,159</u>
Total expenditures of tourism, recreation, culture, and convention facilities taxes		<u><u>\$ 2,048,159</u></u>

**Reserves and Pledges:**

	1/1/2012	Additions 2012	12/31/2012
Reserves on bonds related to TRT funds	\$ 700,000	\$ -	\$ 700,000
Pledges as security for evidence of indebtedness related to TRCC	\$ 700,000	\$ -	\$ 700,000

**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*

County Commissioners  
Washington County, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information Washington County, Utah as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Washington County, Utah's basic financial statements, and have issued our report thereon dated May 29, 2013.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

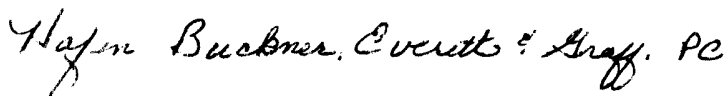
As part of obtaining reasonable assurance about whether Washington County, Utah's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and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

### **Purpose of this Report**

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

We noted certain matters that we reported to management of Washington County, Utah in a separate letter dated May 29, 2013.

This report is intended solely for the information and use of the County Commission, management, and federal awarding and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



HAFEN, BUCKNER, EVERETT, & GRAFF, PC  
May 29, 2013

## AUDITORS' REPORT ON STATE LEGAL COMPLIANCE

County Commission  
Washington County  
St. George, Utah

We have audited the financial statements of Washington County for the year ended December 31, 2012, and have issued our report there on dated May 29, 2013. 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, 2012. 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 test work 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 Compliance Requirements
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 Limitations	Transient Room Tax
Liquor Law Enforcement	Impact Fees
Justice Courts Compliance	Asset Forfeiture
B&C Road Funds	Utah Retirement Systems Compliance
Special Service and Local Districts	Fund Balance Limitation

The management of the County is responsible for the County's compliance with all compliance requirement 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 accounting standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's

compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, Washington County complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2012.

*Hafen Buckner, Everett & Graff, PC*

HAFEN, BUCKNER, EVERETT & GRAFF, PC  
May 29, 2013

LETTER TO MANAGEMENT

Executive Director and  
Members of the Control Board  
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, 2012, 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 May 29, 2013, on the financial statements of the County. Also, significant deficiencies and material deficiencies, if any, are included in our reports dated May 29, 2013, in accordance with *Government Auditing Standards* and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Prior Year Comments:

2011-1 Bank Reconciliations:

We noted during testing of the inmate account that the reconciliation included items from 2012 in error.

Current Status:

This finding appears to have been corrected for 2012.

Recommendation:

We recommend that bank reconciliations be made at the bank statement date for an accurate year end bank balance.

2011-2 Journal Entries:

During examination of journal entries it was noted that the County does not have a process in place to review and authorize journal entries.

Current Status:

This finding continues to be a problem in 2012. See finding 2012-1.

Recommendation:

We recommend that the County have a second person review and sign off on all journal entries before they are posted.

2011-3 Inadequate Separation of Duties:

We noted that the Deputy Treasurer receives cash and also performs bank reconciliations and has access to initiate journal entries.



Current Status:

This finding continues to be a problem in 2012. See finding 2012-5.

Recommendation:

We recommend that the County separate the duties of collecting cash and reconciling bank accounts. We also recommend, as noted above, that all journal entries be reviewed and authorized.

2011-4 Cash Management:

We noted during testing of deposits that not all deposits were made within three business days as required by the State.

Current Status:

This finding continues to be a problem in 2012. See finding 2012-2.

Recommendation:

We recommend that the County deposit all funds within three business days as required by the State.

2011-5 Expenditures in Excess of Budget:

We noted during testing of the budget that there were various instances where actual expenditures exceed budgeted expenditures.

Current Status:

This finding continues to be a problem in 2012. See finding 2012-3.

Recommendation:

We recommend that the County implement controls to help prevent actual expenditures from exceeding budgeted amounts.

2011-6 Utah Retirement System Compliance employer "pick-up":

We noted during testing employees who have a portion of their contributions for retirement paid by the County, that there was no documentation as required by the State to show the authorization of employer "pick-up".

Current Status:

This finding appears to have been corrected for 2012.

Recommendation:

We recommend that the County annually authorize the payment of a portion of the employees' contributions for retirement including a formal action in writing adopted by persons authorized to amend the governing laws.

2011-7 Justice Court Revenues:

We noted during testing of Justice Court revenues that the County understated its revenues by \$28,521.89 for the month of May due to a spreadsheet formula error that went undetected.

Current Status:

This finding appears to have been corrected for 2012.

Recommendation:

We recommend that the County implement adequate controls to review the origination of revenues to ensure that the revenues recorded are accurate.

2011-8 Schedule of Federal Awards (SEFA) errors:

We noted during examination of the County's SEFA that there were two major errors. First, the County included \$327,500.45 of Byrne Formula (Drug Court) monies CFDA #16.579 which was State money, not Federal. Second, the County recorded \$106,599.51 for JAG expenditures but only \$55,697.64 was for 2011 Federal expenditures. The other \$50,901.87 was for 2010 expenditures and should not have been included on the SEFA for 2011. These two errors would have caused the SEFA to be overstated if they went uncorrected.

Current Status:

This finding appears to have been corrected for 2012.

Recommendation:

We recommend that the County implement adequate controls over Federal money to accurately track and record federal expenditures as required by OMB Circular A-133.

Current Year Comments:

2012-1 Journal Entries:

During examination of journal entries it was noted that the County does not have a process in place to review and authorize journal entries. Many of the journal entries examined did not indicate whether or not it was reviewed and approved by someone other than the person making the entry.

Recommendation:

We recommend that the County have a second person review and sign off on all journal entries before they are posted.

2012-2 Cash Management:

We noted during testing of deposits that not all deposits were made within three business days as required by the State.

Recommendation:

We recommend that the County deposit all funds within three business days as required by the State.

2012-3 Expenditures in Excess of Budget:

Although no individual funds were over budget, we noted during testing of the budget that one department was over budget by approximately \$360.

Recommendation:

We recommend that the County implement controls to help prevent actual expenditures from exceeding budgeted amounts.

2012-4 Notice of Budget Hearing:

We noted during testing of budgetary compliance, that the notice of the hearing to adopt the 2012 budget was made available to the public on November 10 but the hearing took place on November 15. State law requires the County to publish the notice of the hearing at least seven days prior to the hearing.

Recommendation:

We recommend that the County publish the notice of the budget hearing at least seven days prior to the hearing as required by the State of Utah.

2012-5 Inadequate Separation of Duties:

We noted that the Deputy Treasurer receives cash and also performs bank reconciliations and has access to initiate journal entries.

Recommendation:

We recommend that the County separate the duties of collecting cash and reconciling bank accounts. We also recommend, as noted above, that all journal entries be reviewed and authorized.

2012-6 Recording of Capital Assets:

We noted the following items while testing the capital assets: (1) Two assets were added to the capital asset list with an acquisition date of 1/1/2012 although these assets were acquired on 5/20/2011 for \$18,480.00 and 10/11/2011 for \$20,143.50. (2) Two assets included a disposal date of 12/31/2011 on the capital asset records but the actual disposal (vehicle trade-in) did not occur until 5/11/2012. (3) One asset, a 2008 Ford F-150 was traded-in during 2012 was recorded by the County as "equipment" and not vehicles" as it should have been recorded.

Recommendation:

We recommend that the County pay close attention to purchase and disposal dates and ensure that the assets are recorded and depreciated according to the proper depreciation category to ensure accurate reporting of capital assets.

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

May 29, 2013



# WASHINGTON COUNTY CLERK/AUDITOR

197 East Tabernacle St George, Utah 84770

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E-mail: kim.hafen@washco.utah.gov

**Kim M. Hafen**

*County Clerk/Auditor*

June 17, 2013

## MANAGEMENT LETTER RESPONSE

State of Utah

Office of the State Auditor

211 State Capitol

Salt Lake City, Utah 84114

In response to the Management Letter written for the 2012 Audit by our independent auditors, Hafen Buckner Everett & Graff, PC, and in compliance with reporting requirements of the Utah State law, the following comments are made.

### **Compliance Findings:**

#### Prior Year Comments:

##### 2011-2 Journal Entries:

After our 2011 audit recommended that we put in place a process to review and authorize journal entries, we did put a process in place. We have made good progress in this area. In general all journal entries are being reviewed by a second person but we are not getting a sign-off in all cases as evidence of that review. We will continue to refine the process.

##### 2011-3 Inadequate Separation of Duties:

The Deputy Treasurer receives cash, performs bank reconciliations and can initiate journal entries. The Treasurer's department has initiated a process for review and sign-off on journal entries. However, due to limited staffing, the Deputy Treasurer still, at limited times, needs to operate a cash drawer. We have not come up with an effective alternative but we will continue to work on this issue.

##### 2011-4 Cash Management:

Not all deposits were made within three business days. Four cash/checks totaling \$130.00 were noted as not being deposited within three business days. Two deposits were made in four days, one deposit in five days, and one deposit in six days. In our monthly staff meetings, we will continue to stress the importance of making deposit in a timely manner.

##### 2011-5 Expenditures in Excess of Budget:

This has been a compliance issue for a number of years. We continue to make significant progress in this area. An obvious and easy solution is to adjust the budgets to the point that they cannot be overspent, but we do not believe that is the correct solution. For 2012, the VOCA (Victims of Crime Act) section of our Children's Justice Center was over budget by \$358. The \$358 was the only noted issue. The Children's Justice Center was under budget in total.

Current Year Comments:

2012-1 Journal Entries:

Please refer to comment for 2011-2.

2012-2 Cash Management:

Please refer to comment for 2011-4.

2012-3 Expenditures in Excess of Budget:

Please refer to comment for 2011-5.

2012-4 Notice of Budget Hearing:

Our budget hearing for the Preliminary Budget was held November 15, 2011 and it was only made available to the public on November 10, 2011. The budget hearing was noticed as part of our County Commission Meeting. We will notice the budget hearing separately going forward.

2012-5 Inadequate Separation of Duties:

Please refer to comment for 2011-3.

2012-6 Recording of Capital Assets:

(1) A vehicle purchased for the Tourism Office was incorrectly noted as a Dixie Center asset. In performing our year end 2011 inventory audit – this error was caught. The only way to correct the mistake was to dispose of the asset on the Dixie Center records and treat it as a new purchase on the Tourism Office records – these corrections were made in 2012 because we couldn't correct prior year. (2) A scanner was purchased in 2011 and again in performing our year inventory audit – this error was caught. But, the correction was made in 2012 because we couldn't correct a prior year. We will continue to stress the importance of correct coding.

Respectfully Submitted,



Kim M. Hafen  
Washington County Clerk/Auditor

cc: Washington County Commission  
Hafen Buckner Everett & Graff, PC